STRIVING FOR NET ZERO

Cory Topco Limited
Annual Report 2024
Company number: 11385842

CORY

Welcome to our 2024 Annual Report

NOTHING IS EVERYTHING

Getting to net zero will not be easy, but we are laser-focused on achieving it. From groundbreaking projects to cutting-edge partnerships, we're zeroing in on a bright, sustainable future.

Decarbonising London and getting us to net zero faster.

Our year in review

EBITDA

£85.2M

2023: £81.2m **+4.9%**

GRESB*

98/100

2023: 95/100 **+3.0%**

* Global Real Estate Sustainability Benchmark

UNDERLYING REVENUE (£M)

2023: £199.5M **+2.3%**

204.0

Our year in review continued

TONNES OF CARBON SAVED BY DIVERTING WASTE FROM LANDFILL

363,000

2023: 240,000 **+51.3%**

TONNES OF RECYCLABLE WASTE SORTED

64,000

2023: 75,000 **-14.7%**

ENERGY GENERATED

576GWh

2023: 476GWh **+21%**

ELECTRICITY GENERATED TO POWER EQUIVALENT NUMBER OF HOMES*

213,000

2023: 176,000 **+21%**

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

TONNES OF NON-RECYCLABLE WASTE DIVERTED FROM LANDFILL

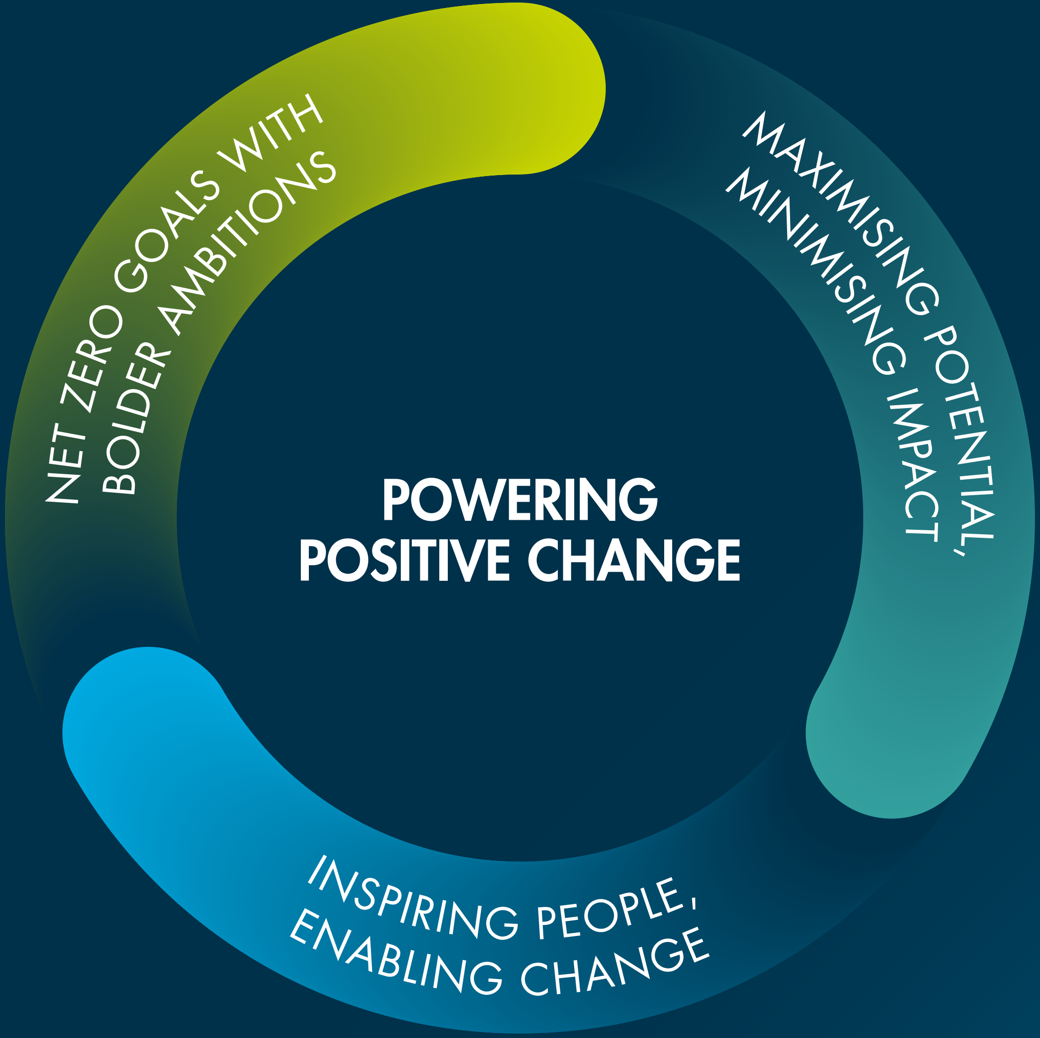
2023: 936,000 **-2.1%**

916,000

The performance and position of the Group for the year are set out in the consolidated income statement on **page 65** and within the consolidated balance sheet on **page 65.**

What drives us

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



Our vision

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

Our sustainable business strategy

NET ZERO GOALS WITH BOLDER AMBITIONS

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

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

Read more on page 15

MAXIMISING POTENTIAL, MINIMISING IMPACT

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

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

Read more on page 17

INSPIRING PEOPLE, ENABLING CHANGE

We'll keep inspiring positivity in our business and communities

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

Read more on page 18

Investing in the infrastructure that our communities need

Throughout 2024, construction continued on our new facility, Riverside 2.

> Riverside 2 provides vital waste processing capacity for London, which will be supported by the transformation of our site in Barking.

Penny Edmondson
Business Services Manager

Riverside 2 will be one of the UK's largest EfW facilities and will divert around 650,000 tonnes of non-recyclable waste a year from landfill, converting it into enough electricity to power over 170,000 homes.

This marks an investment of almost £900m in the future of our business, which includes bolstering our river fleet and redeveloping our waste transfer station in Barking.

1.5m

TONNES OF NON-RECYCLABLE WASTE DIVERTED FROM LANDFILL ONCE RIVERSIDE 2 IS OPERATIONAL

Decarbonising waste with carbon capture

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

CO_2 EMISSIONS WHICH WILL BE CAPTURED FROM RIVERSIDE 1 AND 2:

95%

> Carbon capture means that we can decarbonise the waste we process for our customers, as well as offering a wider benefit to organisations looking to cut their carbon footprint.

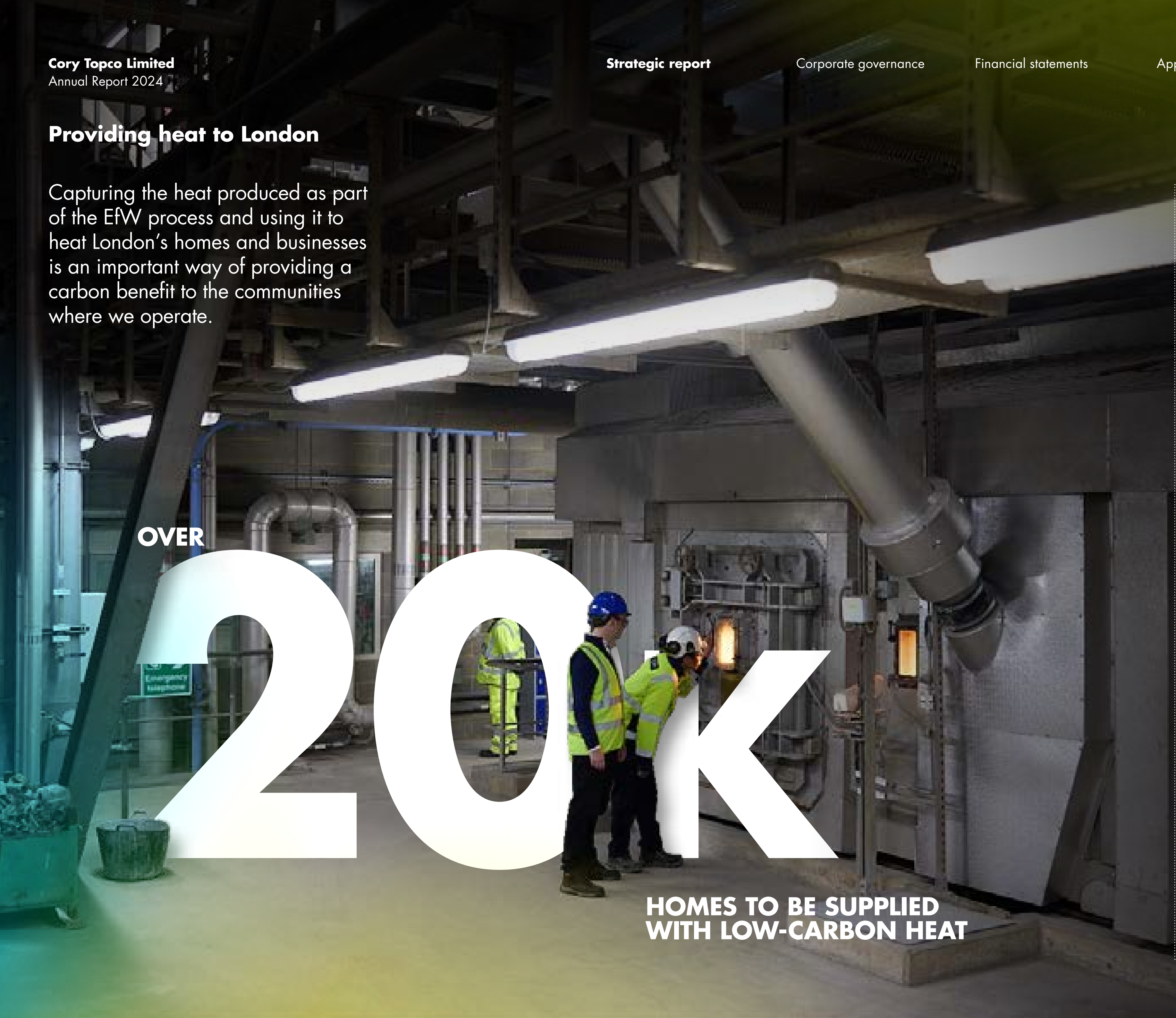
Nick Rothwell
Head of Carbon

In 2024 we announced the appointment of Shell Catalysts & Technologies and Technip Energy as our technical partners. Both were selected because of their extensive expertise and strong track record in Carbon Capture and Storage (CCS).

The fossil carbon in the waste we process, which would usually be a net addition to atmospheric CO_2, will be neutralised, whilst the biogenic carbon that is already carbon neutral will be permanently removed, making us carbon negative. This will allow us to create high-quality carbon credits to help others reach net zero.

Providing heat to London

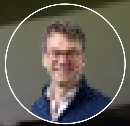
Capturing the heat produced as part of the EfW process and using it to heat London's homes and businesses is an important way of providing a carbon benefit to the communities where we operate.



OVER

20K

HOMES TO BE SUPPLIED WITH LOW-CARBON HEAT



> "Waste heat offers a local, low-carbon, and low-cost alternative to gas boilers. We want to put it to use so that we can drive energy security and growth across London.
>
> **David Carter**
> Managing Director, Heat

In 2024, we continued to progress our work with Vattenfall to deliver the Riverside Heat Network; brought a barge mobile heat solution to a level of technical readiness such that we are able to offer heat supply to central London; and began investigation into the potential for a long-distance strategic heat main.

Chairman’s statement

FULL STEAM AHEAD

> The Board and shareholders are fully behind our decarbonisation strategy. We need Government to play its part so that we can deliver
>
> **John Barry**
> Chairman

Chairman's statement continued

Another year of strong results. We have delivered on our strategy and commitments.

GROUP REVENUES

£204M

2023: £199.5m **+2.3%**

UNDERLYING EARNINGS (EBITDA)

£85.2M

2023: £81.2m **+4.9%**

Group revenues grew by 2.3 per cent from £199.5 million to £204.0 million; EBITDA grew by 4.9 per cent from £81.2 million to £85.2 million and waste processed at our Riverside 1 Energy from Waste facility reached a record 807,000 tonnes.

The Group's programme of long-term investment continued at pace, with £11.5 million deployed into capital assets along with a further £228.4 million into construction and development projects. Shareholder returns were underpinned by dividends paid in the year of £32.7 million.

Cory continued to deliver on its strategic development programmes. Riverside 2 construction is advancing well, we are making progress on our plans to use our waste heat to power London's heat networks and have made big steps forward in our CCS project. Riverside 2 is expected to start full operations in 2026 and will provide additional baseload electricity to London and divert a further 650,000 tonnes of residual waste per year from landfill. Our CCS project, which is progressing through the Development Consent process with the Secretary of State, will enable another step change in Cory's business and allow us to address the CO_2 'waste'.

The impact of our planned CCS project is enormous: to capture the same amount of CO_2 through nature-based solutions would need us to plant over 1.25 billion trees, taking up an area more than 1.5 times the size of Greater London. This is clearly neither feasible nor sensible, demonstrating the benefits of our decarbonisation plans for the country as a whole.

I would like to pay tribute to everyone in the business for their part in Cory's continued success.

BOARD OVERVIEW

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

1 Health, safety and environment. These matters were considered and discussed at every Board meeting, and the Director of Health, Safety, Environment and Quality (HSEQ) attended Board meetings to review our continued improvement plans including through the use of AI.

2 People and development. We met specifically to consider training and development, succession planning, and recruitment in advance of Riverside 2 entering operations.

3 Stakeholder engagement. All decisions taken by the Board were made with reference to our stakeholders and their interests and the Board again reviewed the Group's stakeholder map and the processes and plans in place to ensure appropriate engagement with these stakeholders. A formal statement of how we complied with Section 172 of the Companies Act 2006 can be found on **page 33** of this review.

4 Dividend approvals. The Group paid dividends of £32.7 million during the year (2023: £113.4 million). The Board considered the Group's investment needs, liquidity needs, and its customers and employees when approving the size and timing of dividend payments.

We also saw some changes to the Board in the year. Scott Springett took over from Adolfo Pardo who has served us so well since 2020 and George Tasker took the chair of Audit and Risk Committee in lieu of Alistair Ray who continues as a Director. I would like to thank Alistair and Adolfo and my other colleagues on the Board for their contribution and support to the business throughout the year.

ESG MATTERS

Despite the changes in focus by some other businesses we continued to focus on Environment, Social and Governance (ESG) as a business priority and continue to direct our decisions to make a positive impact on the communities we serve. Cory achieved a Global Real Estate Sustainability Benchmark (GRESB) 5-star rating for the fifth year in a row with a score of 98 out of 100, a tremendous result.

OUR FUTURE

2025 is an important year for our business. The final stages of the Riverside 2 EfW construction are expected to conclude, our transfer station at Barking should come into operation, our district heating projects will continue to develop, and we anticipate the outcome of our application for a Development Consent Order for our CCS project.

All these initiatives allow us to continue investing into the infrastructure that our communities need and will deliver growth, jobs, and a positive impact on the environment.

Chief Executive Officer's statement

GETTING SHIP DONE

> The challenge we face is huge, but I remain confident that we will be able to make a meaningful difference and decarbonise our communities.

Dougie Sutherland
Chief Executive Officer

Chief Executive Officer's statement continued

2024 was a successful year, with improvements in our operational performance and growing momentum in our plans to decarbonise our communities and our business.

Operational performance improved across the board, reflected in strong financial and health and safety performance, and with good (on programme and budget) delivery of our new EfW facility and its supporting river infrastructure.

- The number of injury incidents continues to trend downward, having now reduced by more than two thirds over a ten-year timeframe. This has been underpinned by high levels of face-to-face engagement, innovative use of AI, and further investment in behavioural safety training.
- We had another excellent year in progressing our sustainability plans reflected in our 5-star rating from GRESB, scoring 98 out of 100.
- Financial performance was also good. We grew our revenue to £204.0 million (+2.3 per cent) and our profitability as measured by EBITDA to £85.2 million (+4.9 per cent). This was particularly impressive given the sharp decline in electricity prices compared with 2023. These achievements were underpinned by another record year at Riverside 1, where we processed 807,000 tonnes of residual waste.
- The delivery of our second facility, Riverside 2, and its supporting infrastructure, including the redevelopment of our Barking waste transfer station, continues to progress on plan and budget. I expect to start commissioning of the facility late in 2025.
- Our operational teams across the business continue to do a fantastic job, and are central to our success.

MAKING A REAL DIFFERENCE

Strategically, we remain focused on increasing our overall waste processing capacity, allowing us to divert even more residual waste from landfill; reducing our operational emissions and the emissions from the waste we process; and decarbonising our communities by safely recovering energy from waste which can be used to power and heat London's homes and businesses. In 2026, Riverside 2 will substantially increase our operational footprint, enabling London and the South East to divert a further 650,000 tonnes of waste from landfill per year. It also includes advanced technology that will enable us to significantly reduce its NOx emissions, making it one of the lowest-emitting EfW facilities in the country.

The evolving regulatory environment continues to drive the need for businesses to decarbonise. The UK Government's 'Decarbonisation Readiness' requirements come into force from February 2026 to increase EfW heat recovery and the roll-out of Carbon Capture Utilisation and Storage (CCUS), and our sector will also be included in the Emission Trading Scheme from 2028. The emerging Ofgem-governed regulatory environment for district heating continues to be developed and envisages a very significant role for EfW-derived heat. We are continuing to work closely with our customers and partners to navigate these changes.

807K

Tonnes of waste processed at Riverside 1

£204M

Revenue

HARNESSING THE OPPORTUNITY

In central London, heating is responsible for up to 50 per cent of territorial carbon emissions. Making use of Cory's waste heat will provide a low-cost, low-carbon alternative to gas, and we stand ready to play our part. When Riverside 2 is commissioned, we will produce enough waste heat across our operations to meet the entire demand of the City of London and half of the City of Westminster. We continue to progress our mobile heat solution, using thermal stores carried on barges, to deliver heat to existing networks in central London. We are working on a series of projects including with the City of Westminster and the Department for Energy Security and Net Zero (DESNZ) Advanced Zoning Pilot work in the City of London.

CUTTING CARBON

CCS is the only technology available and ready to deliver the waste industry's commitment to net zero. We continue to progress our own CCS project by maturing its design and are on track to secure development consent before the end of 2025, preparing us for the next round of Industrial Carbon Capture (ICC) Business Model funding applications. CCS also presents a significant opportunity to recover waste heat for district heating and, when the two technologies are combined, economic and operational efficiencies are realised.

Our CCS project will capture up to 1.4 million tonnes of CO_2 annually. What's more, our plans to transport CO_2 via ship on the River Thames to the Port of Immingham for onward storage at the Viking depleted gas fields will open up solution for other businesses in London, and along the Thames, making this project (and the River Thames) strategically important for the decarbonisation of London. Cory could play a significant role in both catalysing the development of a new, scalable UK CO_2 shipping template for others to follow and establishing a trade link between the Humber and the Thames. The size of the opportunity is huge, and I would urge the UK Government to maintain its commitment to supporting Non-Pipeline Transportation (NPT) solutions for CCS projects.

Cory has been operating on the Thames for over 200 years; this natural infrastructure makes us unique and is central to our strategy to minimise the impact we make on our planet. The challenge we face is huge, but I remain confident that we will be able to make a meaningful difference and decarbonise our communities.

Our markets

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

ELECTRICITY MARKETS

UK electricity prices remain elevated in the wake of the 2022 energy crisis but have cooled from their peak. Since record highs in 2022 (averaging over £360/MWh in August 2022), improved gas availability and growth in renewable generation have eased power prices. By late 2024, day-ahead electricity prices had fallen back towards the c.£100/MWh level, aided by increased wind generation and recovering nuclear capacity but current prices are still well above pre-2021 levels (£50--60/MWh), reflecting the structural impact of higher gas prices and capacity constraints.

Key drivers of recent price movements include volatile natural gas costs, which set the marginal price in UK power markets, and the growing share of renewable power generation. Periods of high wind output have been reducing short-term prices, whereas colder weather or low wind cause price increases. Government support measures (like the Energy Price Guarantee) shielded consumers in 2022-23, but underlying wholesale prices have since been passed through.

Price volatility – particularly the growing occurrence of negative pricing during periods of high wind or solar generation and low demand – is increasingly shaping the electricity market. This underscores the strategic importance of baseload generation from sources like EfW which provide dependable generation to support grid stability. Geopolitical events, fuel costs and fluctuating demand continue to influence electricity prices.

WHAT THIS MEANS FOR CORY

- Cory's electricity risk management framework (updated in 2022) aims to balance revenue visibility, maximising revenue, and minimising imbalance costs. To achieve this Cory spreads its exposure, selling a pre-agreed proportion of its forecast volume forward and holding a proportion of generation to sell on close-to-time markets, such as the day-ahead auction.
- As the grid decarbonises, the role of stable, dispatchable EfW generation is becoming more critical which presents long-term value for Cory and the National Grid. Cory actively participates in UK Capacity Market auctions because of its reliable baseload generation.
- District heat networks can make better use of the energy generated from residual waste, and shield the business from volatile electricity prices and Cory has continued to pursue opportunities to access heat markets. Heating accounts for roughly one fifth of UK greenhouse gas emissions – both national and London government policy supports the development of heat networks, and since 2024 Ofgem has regulated the sector. Working with Vattenfall, Cory aims to develop a district heat network that will supply low-carbon heat to over 20,000 homes in South East London. We have also looked at other, innovative ways to get our heat to market that will enable us to move heat by river using thermal storage technologies which will unlock opportunities to serve communities not directly accessible to fixed pipe infrastructure at our EfW facility.

RECYCLING MARKETS

Well below targets, recycling rates have largely stagnated in recent years – England's recycling rate has plateaued at around 44 to 45 per cent. The commodity markets for recyclables have been volatile over recent years, influenced by global economic shifts and policy changes. 2024 brought some relief as prices for electricity and fuel (key costs in recycling operations) eased and prices on some feedstocks increased in line with various supply and demand economic factors.

Significant policy changes are expected to positively impact recycling markets as the UK Government rolls out collection and packaging reform agendas aimed at improving recycling and reducing waste.

Extended Producer Responsibility (EPR) for packaging takes effect in 2025 which aims at shifting the cost of managing packaging waste from taxpayers to back to producers as they will be required to pay fees that fund collection and recycling, incentivising producers to use more recycled materials. This is expected to inject investment into recycling infrastructure and improve the economics of recycling.

Over the next two years, the 'Simpler Recycling' legislation is being implemented which requires all Local Authorities in England to collect a common set of dry recyclables and separately collect food waste which should increase organic waste recycling and improve the quality of dry recyclables.

Under the Deposit Return Scheme (DRS), scheduled to be implemented by 2027, the UK is moving towards a deposit system for drink containers which will likely raise recycling rates for polyethylene terephthalate (PET) plastic bottles and aluminium cans significantly (as seen in European countries with similar deposit systems).

WHAT THIS MEANS FOR CORY

- In 2024, higher commodity prices boosted the profitability of Cory's recycling assets compared to the previous year, while costs remained stable despite inflation. Cory is exploring investment opportunities in recycling infrastructure.
- Cory will continue to work with our customers to meet the challenges and opportunities presented by waste policy reform (EPR, DRS, 'Simpler Recycling'). We hope that these policies will drive changes that will spur investment in more UK recycling and reprocessing infrastructure, improve feedstock quality and reduce price volatility. It is hoped that these developments lead to increased competition as new entrants invest in response to policy updates.

Our markets continued

MACRO-ECONOMIC CONDITIONS

Waste arisings have historically been correlated with economic activity as well as household growth. The UK remains in a period of subdued economic growth, with GDP expected to expand by less than 1 per cent in 2025 according to the Bank of England estimates. Inflation has eased from its double-digit peak but remains above the Bank of England's 2 per cent target. Interest rates, even following three consecutive cuts in late 2024 and early 2025, remain elevated – placing pressure on household incomes and borrowing costs which underpin investment decisions, especially in capital intensive industries and underlying residual and non-residual capacity. Despite macroeconomic headwinds, the UK waste market has shown resilience, with waste volumes remaining broadly stable due to population growth and urbanisation. This is particularly evident in London, where housing stock and commercial activity continue to drive demand for efficient waste management solutions. Major housing and infrastructure projects across London are expected to underpin waste volumes.

The latest figures released by DEFRA covering the period to the end of 2022 show that household waste arisings have reduced back to pre-pandemic levels, having risen significantly during the 2020/21 lockdowns. Waste generated per person has also reduced to 377kg/person (2022), below the seven-year average of 417kg/person. However, overall waste volumes have remained static as the reduction in waste per household has been offset by an increase in the number of households, which has grown by over 6 per cent in the last decade – particularly in London. The average household size in London is also growing which is contributing to a higher population. These factors increase demand for efficient waste management solutions. It is estimated that the UK produced c.25 million tonnes of residual waste in 2022, of which 6.7 million tonnes was placed in landfill and 15.3 million tonnes was sent to EfW.

WHAT THIS MEANS FOR CORY

- The waste market has demonstrated resilience to macroeconomic shocks, including during the pandemic and recent inflationary pressures. The demand for Cory's services remains high, supported by both regulatory drivers and structural capacity constraints. One recent risk had been the growing cost advantage of landfill over EfW, caused by the landfill tax lagging inflation. However, following various industry consultations, the Government has increased landfill tax from April 2025, aligning it with RPI inflation and reinforcing the financial case for EfW over landfill. This change supports Cory's long-term business model. Waste crime continues to pose a threat, with increasing volumes of waste diverted through illegal activity or abuse of tax loopholes. Regulatory reform and improved enforcement remain critical to ensuring a level playing field for compliant operators like Cory.
- Cory has a unique position on the River Thames and operates best-in-class assets for recycling and waste recovery in Greater London and surrounding areas. As such, Cory will always be the first port of call for waste disposed of in London and the wider South East region.

NET ZERO AND CARBON MARKETS

The push for UK net zero emissions by 2050, and Cory's goal to fully decarbonise by 2040, is increasingly shaping policy and EfW economics. A major development is the planned expansion of the UK Emissions Trading Scheme (ETS) to cover waste incineration. In July 2023, the UK ETS Authority confirmed its intention to include EfW and waste incineration plants in the carbon market from 2028, after a two-year transitional phase. It is envisioned that during 2026/27, EfW facilities will need to monitor and report CO_2 emissions, and from 2028 they will be required to purchase and surrender carbon allowances for their fossil-derived emissions. This is designed to put a price on fossil carbon emissions, creating incentives to reduce CO_2 emissions and invest in abatement technologies. Charging for fossil carbon emissions from EfW could increase the cost of EfW by c.£20 per tonne (based on an ETS allowance cost of £40/tonne, assuming 50 per cent fossil content). This charge would increase if ETS market prices increase – the EU ETS market prices are approximately double the UK ETS market. This would be offset by reducing fossil carbon content in waste, or by capturing emissions post-combustion. The next few years (2025–28) are a critical window for investment in net zero solutions in the waste sector.

WHAT THIS MEANS FOR CORY

- We have had initial engagement with customers, both bilaterally and through industry and local government associations. The inclusion of EfW within ETS requires careful design and implementation to ensure that the costs are properly passed to packaging manufacturers, businesses and consumers who continue to use and dispose of fossil carbon products – this is necessary as it is these stakeholders who have the ability to make different choices that will ulitimately reduce fossil carbon emissions. It is also essential that the policy is designed in the context of other waste management policies and does not lead to perverse outcomes, e.g. landfill taxes will need to be increased to ensure that waste is not diverted from EfW into landfill. Likewise, carbon boarder adjustments will also need to be carefully designed to ensure that waste is not simply exported to other countries that have a lower, or no, carbon charges.
- Cory is also continuing to develop its suite of products and services to reduce fossil carbon emissions and even create negative emissions that can be purchased by other UK businesses that are finding it challenging to eliminate fossil carbon emissions. To that end, Cory is investing to deliver a large-scale carbon capture facility in Belvedere, which will capture up to 95 per cent of the emissions of Riverside 1 and Riverside 2. We are also investing in heat networks and mobile heat solutions that will both increase the efficiency of our EfWs as well as helping to decarbonise domestic and industrial heating, which is notoriously difficult to achieve.

Our business model

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

What makes us unique

OUR USE OF THE THAMES
We are the largest commercial operator on the River Thames, which has been central to our business since the 1800s.

100K
Truck movements saved a year

OUR HISTORY
Incorporated in 1896, we have a proud heritage of serving London and the South East since at least the 18th Century.

250+
Years

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

350+
Employees

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

£900M
Invested in Riverside 2

What we do

PROCESSING RECYCLABLE MATERIALS
Supporting London's circular economy at our Materials Recycling Facility and Household Waste and Recycling Centres

GENERATING ENERGY
Converting our waste into baseload electricity and developing a local heat network

PROCESSING NON-RECYCLABLE WASTE
Diverting residual waste from landfill and avoiding the need for export

Our purpose

Ensuring that there is no waste from waste

ASH INTO AGGREGATE
Recycling bottom ash into construction materials so that no waste is wasted

SHIP REPAIRS
Providing a vital service for our fleet and other vessels operating on the Thames

Our business model continued

We are investing in vital infrastructure to tackle the waste capacity gap and support the UK's journey to net zero.

The value we create

DECARBONISING WASTE PROCESSING

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

450KGCO$_2$E

Kilograms of carbon saved per tonne of waste compared with landfill

MAXIMISING THE VALUE OF LONDON'S WASTE

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

213K

Enough electricity to power almost 220,000 homes*

*based on Ofgem average usage figures

SUPPORTING OUR COMMUNITIES

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

£50,000

Total grants awarded by our Community Fund in 2024

INVESTING IN OUR PEOPLE

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

32

Average number of training hours for each employee in 2024

Maximising the value we create

CARBON CAPTURE AND STORAGE

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

1.4M

Tonnes of carbon dioxide to be captured each year

EXPANDING OUR OPERATIONS

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

£900M

Invested in the growth of our business

LOCAL HEAT NETWORK

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

>20,000

Homes with access to low-carbon heat

JOB CREATION

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

140

New jobs directly created by Riverside 2

Progress against strategy

NET ZERO GOALS WITH BOLDER AMBITIONS

TARGETS	Getting to net zero by 2040 or sooner
	Maximising the carbon benefit of our process
2024 PROGRESS	Advanced CCS project through appointment of technology partners and submitting Development Consent Order (DCO) application
	Advanced plans for heat networks
	Delivered an overall carbon benefit of c.431,343 tCO_2e to the UK
	Implemented C-14 technology
2025 PRIORITIES	Progress design of CCS scheme and potential sale of carbon removal credits
	Continue to develop heat network offering

INCINERATOR BOTTOM ASH

In 2024, 168,534 tonnes of Incinerator Bottom Ash (IBA) were transported from Riverside 1 by river to the Port of Tilbury Processing Site in Essex. There it was processed to remove metals, which were then sent for recycling, and the remaining materials were graded.

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

AIR POLLUTION CONTROL RESIDUE

In 2024, Riverside 1 produced 20,098 tonnes of Air Pollution Control Residue (APCr). Half of this was placed in long-term storage in disused areas of a rock salt mine, which is an alternative to landfill. The other half was recovered for use as construction materials.

168K+

tonnes of IBA transported

50%

of APCr recovered for use as construction material

In 2024, Cory signed a Memorandum of Understanding (MoU) with Carbon8, a global leader in CCUS, as part of its ongoing work to decarbonise the waste it processes for communities and businesses in London and the South East.

Under the MoU, both companies will explore the application of Carbon8's technology to capture CO_2 directly from the flue gas at Cory's Riverside EfW facility. The CO_2 will be captured directly into Cory's APCr by-products from the EfW process, transforming them into sustainable construction aggregates.

REDUCING OPERATIONAL EMISSIONS

CARBON CAPTURE AND STORAGE

CCS is recognised as a critical technology for achieving net zero in the waste management sector. Throughout 2024 we continued to progress our plans to capture carbon dioxide emissions from Riverside 1 and Riverside 2.

Following an extensive consultation process with local stakeholders in 2023, we submitted our application for a Development Consent Order (DCO) to the Planning Inspectorate – this was accepted for examination in May 2024. This was a critical step in delivering a project which will make a material contribution to the UK's net zero targets, stimulate jobs, and act as a UK pathfinder for carbon dioxide shipping. The examination process is now underway, with a decision from the Secretary of State expected in Q3 2025.

Progress against strategy continued
Net zero goals with bolder ambitions continued

PARTNERING WITH INDUSTRY LEADERS

In September 2024, we announced a strategic partnership with Shell Catalysts & Technologies and Technip Energies on our planned CCS project.

This followed on from our partnership with the Viking consortium, led by Harbour Energy, Associated British Ports (ABP) and bp, to develop a CO_2 shipping solution which would see the captured CO_2 transported by ship to ABP's Port of Immingham before permanent storage under the North Sea. This has the potential to be the first project in the UK to ship CO_2, rather than transporting it via a pipeline, thereby helping to develop international opportunities for the UK and opening up decarbonisation routes for other coastal and river-based CO_2 emitters in the UK.

Shell Catalysts & Technologies and Technip Energies were selected as project partners because of their extensive expertise and strong track record in CCS. Technip Energies is a world leading engineering and technology provider for the energy transition with expertise in project delivery and technology integration. The company has a long-lasting alliance with Shell Catalysts & Technologies for the CANSOLV technology which offers several significant benefits, including low operating costs, high capture rate, and adaptability to various gas flow rates and CO_2 concentrations. The technology has been selected for multiple projects and is operating at projects in Canada and South Africa.

1.4M

TONNES OF CO_2 CAPTURED PER YEAR

> We have ambitious plans to deliver an end-to-end solution for capturing, transporting and storing CO_2, and having the right partners for this project is vital.
>
> **Chris Girdham**
> Development Director

HEATING OUR LOCAL COMMUNITIES

Heat decarbonisation is a major challenge facing London and cities across the UK.

Once Riverside 2 is operational, we will generate enough waste heat to supply the entire City of London and half of the City of Westminster. Deploying this level of heat would save 600,000 tonnes of carbon in avoided emissions from burning gas.

This is not a vision Cory can deliver alone, but by working with partners across industry and government, we are doing our part to pioneer new ways that the EfW sector can help to meet this challenge.

This means working on three routes to deliver heat: local heat networks; mobile heat; and the potential for a strategic heat main towards central London.

LOCAL HEAT

Cory has been working with Vattenfall, Peabody and the London Borough of Bexley to bring forward a local heat network.

Vattenfall is the network developer, and in late 2024, with support on commercial terms for heat supply from Cory, Vattenfall made a supply proposal to Peabody. In 2025 we hope to continue work with Vattenfall and Peabody to support them in reaching a final investment decision.

MOBILE HEAT

In late 2023, working with others including Westminster City Council (WCC), Cory began techno-economic studies on using mobile thermal stores on barges, to transport waste heat on the River Thames towards central London.

In 2024, significant technical work was completed, and a proposal was put to WCC to use this approach – supplied by Cory – to decarbonise the Pimlico District Heating Undertaking (PDHU), the oldest district heat network in the UK.

WCC continues to evaluate this and other options, and Cory is now in discussion with a number of much larger heat networks planned in central London to supply heat. These are being developed under the new regulatory framework for heat networks, introduced under the Energy Act 2023, and include the planned South Westminster Area Network (SWAN) which is planned to cover much of the City of Westminster.

STRATEGIC HEAT MAIN

In late 2024, the Greater London Authority (GLA) published a report identifying strategic heat sources across Greater London (including Cory), and setting out the potential for long-distance major Strategic Transmission Mains, on the model deployed in Scandinavian cities like Copenhagen.

We have supported this vision with techno-economic studies examining a long-distance heat main from Belvedere towards central London. We are also discussing the potential to arrange a project to supply heat this way with the large heat networks under development in central London.

C-14 TESTING

We installed Carbon-14 (C-14) testing at Riverside 1 in summer 2024. C-14 testing, also known as radiocarbon dating, is used in industry to determine if CO_2 emissions are sourced from plants/biomass or from fossil-based materials. For an EfW facility, it records the amount of CO_2 emissions that are derived from combusting waste that is comprised of biomass, (i.e. plants, food, paper, cardboard) and fossil sources, (i.e. plastics). It is a more accurate method of determining the fossil/biogenic split of our CO_2 emissions than the annual waste composition analysis.

The main purpose of installing this technology is for future ETS liabilities, as we will be expected to pay per tonne of fossil carbon emissions. Of course, it will also be essential for the future CCS scheme, and the agreement we will have with the UK Government on the capture rate, as well our planned sale of negative emissions credits to other emitters.

Progress against strategy continued

MAXIMISING POTENTIAL, MINIMISING IMPACT

TARGETS	Continually improving our environmental performance Moving materials up the waste hierarchy
2024 PROGRESS	Invested in our river operations to remove more lorry movements from the roads Used 100% renewable diesel in all river vessels Retained Gold in the PLA Green Scheme Agreed expanded partnership with ReWork
2025 PRIORITIES	Deliver biodiversity offset scheme for Riverside 2 development Deliver ReWork project

100%

RENEWABLE DIESEL USED IN ALL RIVER VESSELS

ENVIRONMENTAL MANAGEMENT SYSTEM

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

We work to enhance our environmental performance using the ISO 14001 standard for environmental management systems as part of our Integrated Management System (IMS). ISO 14001 allows us to manage our environmental responsibilities in a systematic manner, meaning we can fulfil compliance requirements at the same time as achieving our environmental objectives.

Compliance obligations are monitored using a variety of different processes on a continuous basis, such as: audits and site visits; document and/or record review; management review meetings; competency assessments and external assessment visits by regulators, customers, and external certification bodies.

AIR QUALITY

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

During 2024 we performed additional dioxin sampling to determine the mass emissions during startup and shutdown periods when no waste is being burned. This had only previously been performed during normal operating conditions. Each period of sampling covered the period when the secondary combustion zone is within the de novo synthesis window for dioxin formation, i.e. around 250–450°C.

The results were found to be low and stable and when quantified as a percentage of the 2023 mass emission, the startup emission was 0.004 per cent and the shutdown emission was 0.00001 per cent.

WASTE HIERARCHY

Promoting reuse continues to be an area of focus for Cory. Moving materials up the waste hierarchy is one of the foundational elements of our sustainability strategy, and further detail can be found in our 2024 Sustainability Report.

Due to a wide-ranging interest in reuse among our customers and stakeholders, we have focused on a collaborative approach. In 2023 we worked with our customers at the London Borough of Bexley and the Chartered Institution of Wastes Management (CIWM) to develop a new qualification in reuse and refurbishment, and in 2024 we delivered the qualification to a group of residents in Bexley.

During 2024, we supplemented our support for ReWork, a refurbish and reuse project based at the Household Waste and Recycling Centre (HWRC) that Cory operates on behalf of the Western Riverside Waste Authority in Wandsworth, to enable them to develop an online shop to amplify reuse services for local residents.

Progress against strategy continued

INSPIRING PEOPLE, ENABLING CHANGE

TARGETS

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

2024 PROGRESS

- Increased Community Fund to £50,000
- Achieved Gold in Investors in People
- Hosted Bexley Eco Festival
- Delivered first full round of company-wide mentoring programme
- Generated £230m of social value

2025 PRIORITIES

- Increase Community Fund further
- Carry out Modern Slavery site assessments across the business
- Focus on Physical Health as a key topic

SUPPORTING OUR LOCAL COMMUNITIES

Our Community Fund supports activities that improve people's lives in the communities where we operate, with successful applications receiving grants of up to £7,500. In 2024 we increased the available funding pot from £25,000 to £50,000, with ambitions to increase this further in 2025.

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

£7,500

worth of grants available per applicant

£50K

Community Fund pot doubled from £25,000 to £50,000 in 2024

In 2024, Cory's Community Fund supported the following organisations:

ReWork
A refurbish and reuse project in Wandsworth, where repairable white-goods are fixed up by trainees who are getting back into workplace.

The ReUse Partnership
A Thurrock-based organisation which promotes the reuse of items which would otherwise go to landfill.

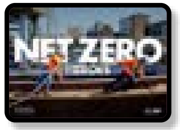
Marks Gate Relief Project
A community group in Barking & Dagenham which promotes community engagement, physical and mental well-being, and interfaith cohesion.

Brockwell Community Greenhouses
A large community garden in the centre of Lambeth's Brockwell Park which runs a dedicated nature-based environmental education programme as well as year-round events, courses and workshops, aimed at children, families and schools.

Isle of Dogs Sea Cadets
A youth organisation that provides opportunities for young people in the Isle of Dogs area to participate in a variety of water-based activities, as well as other activities during the winter months.

Thurrock Play Network
A charity that supports the wider community, encouraging affordable activities that are beneficial for mental, social, and physical wellbeing. This includes the Pyramid Resource Centre which receives donations from businesses and individuals that might otherwise go to landfill.

Further information about these organisations and the Cory Community Fund can be found in the **2024 Sustainability Report** and on the **Cory Community Hub**.



Progress against strategy continued
Inspiring people, enabling change continued

THE BEXLEY ECO FESTIVAL

The Bexley Eco Festival started back in 2019, when local community groups, the London Borough of Bexley and Cory got together to identify ways to promote awareness amongst local residents about events happening in the community, with a particular focus on protecting the environment and promoting wellbeing.

The idea of creating a free family-friendly event grew from this initial idea, and the first Eco Festival took place at Lesnes Abbey in 2019 with approximately 500 people attending.

The event continued during Covid, when it was hosted online with virtual stall holders and facilitators. In 2022, we were pleased to host the second face-to-face event at the Nest in Thamesmead.

In 2024, we hosted our biggest ever event and welcomed over 2,500 people to Lesnes Abbey.

Attractions included:
- Health & Wellness Zone
- Kids Zone
- Eco Marketplace
- Fashion Zone
- Outdoor classroom

> "The Bexley Eco Festival offers local residents valuable resources for living more sustainably and getting involved in their community.
>
> **Fiona Cummins**
> Head of Community

2,500

ECO FESTIVAL ATTENDEES IN 2024

DEVELOPING THE WORKFORCE OF TOMORROW

2024 was another successful year for the Cory Apprentice Academy.

Cory was awarded Gold accreditation status in the Investors in People: We Invest in Apprentices framework. Additionally, we were delighted to see our engineering apprentice Pavi Balakumar receive the Energy & Utility Skills Apprentice of the Year award in the Waste sector.

We celebrated the graduation of our two previous Boatmaster apprentices, setting them on the way to becoming fully qualified tug captains. Additionally, one of our Controls & Instrumentation apprentices at Belvedere completed their apprenticeship, along with our IT apprentice.

We welcomed a record six new apprentices to the business:
- An Engineering apprentice at our Riverside Plant
- A Marine Engineering apprentice working at our Charlton and Gravesend sites
- Our first two Transfer Station Engineering apprentices based at Northumberland Wharf and Smugglers Way
- A further two Lighterage apprentices working on our tugs towards their Boatmaster qualifications.

GOLD

accreditation status in the Investors in People: We Invest in Apprentices framework

+6

Apprentices welcomed to the business

At its peak, we had 20 apprentices studying on various programmes during 2024.

Looking ahead to 2025, we plan to continue recruiting apprentices, including our regular Engineering apprenticeships at Belvedere. We are also exploring the possibility of introducing Business Administration apprentices to support our business at our transfer stations.

KEEPING HEALTH, SAFETY AND WELLBEING AT THE HEART OF OUR BUSINESS

Enabling our employees to work safely is a fundamental value for our business. We measure our performance and share this information through weekly and monthly dashboards on key safety performance indicators, and we follow up with weekly calls between the leaders of the business. There are frequent site visits conducted by members of the Executive Leadership Team (ELT) to review incidents and monitor the culture and morale of our workforce. This safety leadership is supported by robust systems, processes, and equipment that have been designed to create safe, healthy, and secure environments and work practices.

The ease and simplicity of mobile app-based reporting together with the instant feedback from the dashboards generated are now benefiting the entire business, with similar pro-rata levels of reporting of lead indicators across all sites, and at a level that is consistent with recognised industry good practice.

During 2024 we continued to develop and improve our HSEQ Assurance software that we first introduced to the business in 2020. We have expanded the types of digitised safety inspection checklists, and have also configured and deployed the risk management module, which has now digitised all 323 of our operational and task-based risk assessments.

Progress against strategy continued
Inspiring people, enabling change continued

HSEQ PERFORMANCE IN 2023 AND 2024

2023		2024
1	Fatal	0
3	RIDDOR/MAIB Including reportable LTIs	4
0	Lost time	6
28	High Potential Severity	49
205	Incidents	186
4,430	Safety observations and hazard reports	355,260

355K+

Safety observations and hazard reports conducted

LOST TIME INJURIES

Maximise the social value we deliver to UK society

	Cory Employees	Rate*	Contractors and agency workers	Rate
Number of workers	395		75	
Hours worked**	695,200		132,000	
Minor Injuries	28	8.06	11	16.67
RIDDORs	3	0.86	1	1.52
Fatalities	0	0	0	0

* Rate is calculated according to the Global Reporting Initiative – Occupational Health and Safety: Disclosure 403-9 Work-related injuries.

** Estimate based on average working hours per year.

The pyramid above shows a comparison between our performance in 2023 (left) and 2024 (right).

HEALTH AND SAFETY PERFORMANCE

The continued decrease in incidents is welcome, and as stated last year is something we believe to be positively correlated with the high levels of engagement seen on site as supervisors and managers conduct safety walks and make observations.

The previous year, 2023, saw a fatal injury to an agency worker at our Materials Recycling Facility (MRF), and during 2024 we have continued the work to improve our processes and implement the findings from our detailed internal safety reviews following that incident.

The number of injury incidents (included with the overall figure of 186 incidents) was 39 in 2024, down 17 per cent from 47 in 2023. There has also been a marked reduction in vehicle collisions (17 in 2024, down 59 per cent from 41 in 2023). The only category of incident to have seen a marked increase was fires, which rose to 39 in 2024, up 18 per cent from 33 in 2023. This is due, we believe, to the increased frequency of finding both lithium batteries and nitrous oxide cylinders within the waste stream.

The positive trend in increasing lead indicators, seen since 2020, has continued during 2024. The total number of safety observations and hazard reports has continued to rise. The deployment of AI-driven tools in 2024 has seen a massive increase in lead indicators. It is worth noting that although the AI algorithm classifies footage from our CCTV systems in real time and alerts management to areas of risk, the data generated through this process still requires interpretation by a human supervisor and these large datasets of automated observations are not directly comparable to those created by humans. On a like-for-like basis, the figure for human-generated lead indicators (observations and hazard reports) was 3,927 – a slight reduction compared to the previous year, but dwarfed by the 351,333 automated reports that still require management time and attention to analyse and interpret. Overall, we are extremely satisfied with the contextual data and evidence provided by this capability, and we intend to broaden its use during 2025.

There were three employee Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR)/Marine Accident Investigation Branch (MAIB) reportable incidents. All three involved Lightermen working afloat. In one instance, a rope jumped whilst being wound around a capstan resulting in an injured arm that led to 43 days' lost time. This was a RIDDOR due to the number of days lost. In the second instance, the injured person rolled their ankle after having been startled by a goose, resulting in five days' lost time. This was reported to MAIB but was not a RIDDOR. The third instance was a rolled ankle, resulting in 14 days' lost time. This was not reported as a RIDDOR as it had already been reported to MAIB having occurred afloat.

Note: The criteria for notifying the Marine Accident Investigation Branch for injuries or incidents occurring afloat differ from those required under The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR). For consistency within Cory, we treat notifications made under either regulatory regime as falling within the definition of a reportable incident, although in reality they are not directly comparable.

There was a further RIDDOR at our MRF when an agency worker injured their finger after having handled a wooden board found within the waste stream, which resulted in 11 days' lost time.

We believe that the improvements seen during 2024 are due to a combination of factors but is most strongly correlated with the strong awareness and emphasis on safety exhibited by the leadership at each site. This is something that is being championed across the entire waste industry through the efforts of cross-industry organisations, to which Cory has been a key contributor.

Other Key Performance Indicators during 2024 include:

49 External and Internal audits resulting in 220 findings; including 96 minor non-conformances, 110 opportunities for improvement and eight positive observations of good practice.

Continuously reassessing risks and specifying the appropriate standards for controls to mitigate those risks.

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

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

Site engagement visits led by members of the ELT.

Zero incidents reported via our whistleblowing hotline.

Maintenance of our Integrated Management System (IMS) certification to the ISO 9001, 14001 and 45001 standards.

Occupational health medicals delivered to 175 employees.

Regular safety meetings.

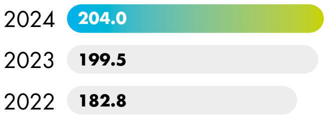
Key Performance Indicators

FINANCIALS

UNDERLYING REVENUE

£204.0M

2023: 199.5 **+2.3%**



Definition: Represents the revenue recorded from all activities.

Performance: Waste revenues from EfW and recycling increased in the year due to an increase in waste volumes received as well as inflation on long-term contracted waste. This was offset by a reduction in RDF production in the year as the business was ramped down to allow the start of redevelopment at the Barking Waste Transfer Station as part of the Riverside 2 construction works. Electricity revenue was in line with 2023 – a substantial increase in volume exported was offset by a decrease in market electricity prices.

GRESB SCORE

98/100

2023: 95/100 **+3**

★★★★★

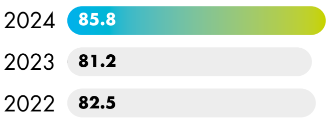
Definition: GRESB is an independent Dutch organisation which provides validated ESG performance data and peer benchmarks for investors and managers.

Performance: Cory achieved a 5-star rating from GRESB for the fifth consecutive year, scoring 98 out of 100 in the Infrastructure Asset Assessment. For the second year running, Cory was ranked first among its peers in the waste sector category, reaffirming its position as a sector leader in the benchmark.

EBITDA

£85.2M

2023: £81.2m **+4.9%**



Definition: Underlying EBITDA is the EBITDA recorded by the business, adjusted for exceptional development costs. See **page 24** for a reconciliation to operating profit.

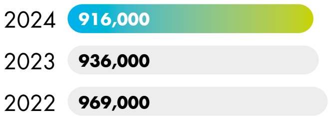
Performance: EBITDA increased by 4.9 per cent compared with a 2.3 per cent increase in revenue. EBITDA margin increased due to a reduction in operating costs in particular at the Riverside 1 EfW due to lower repairs and maintenance costs, lower fuel and energy costs, and also a reduction in consumable chemical costs.

NON-FINANCIALS

TONNES OF NON-RECYCLABLE WASTE DIVERTED FROM LANDFILL

916,000

2023: 936,000 **-2.1%**



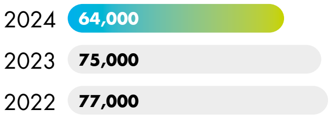
Definition: Waste diverted from landfill as a result of the Group's activities – mainly due to the processing of waste in the Riverside 1 EfW facility, as well as RDF prepared for processing in other EfW facilities either in the UK or in Europe.

Performance: A reduction in waste volume in 2024 is due to a reduction in RDF waste produced as RDF operations at Barking were scaled back ahead of the redevelopment works at the site to deliver a new river transfer station for the Riverside 2 EfW. This was offset by an increase in waste processed by the Riverside 1 EfW.

TONNES OF RECYCLABLE WASTE SORTED

64,000

2023: 75,000 **-14.7%**



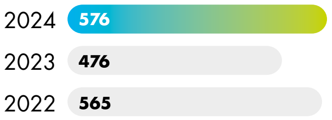
Definition: Recyclable waste sorted into recyclable commodities – mainly through sorting of recyclable waste at the Group's MRF in Wandsworth.

Performance: The volume of recyclable waste processed decreased by 11k tonnes compared with 2023 mainly due to a reduction in Barking MRF volumes affected by the Riverside 2 transfer station works. Comingled volumes at the Smugglers Way MRF increased by 2k tonnes compared to 2023.

ENERGY GENERATED

576GWH

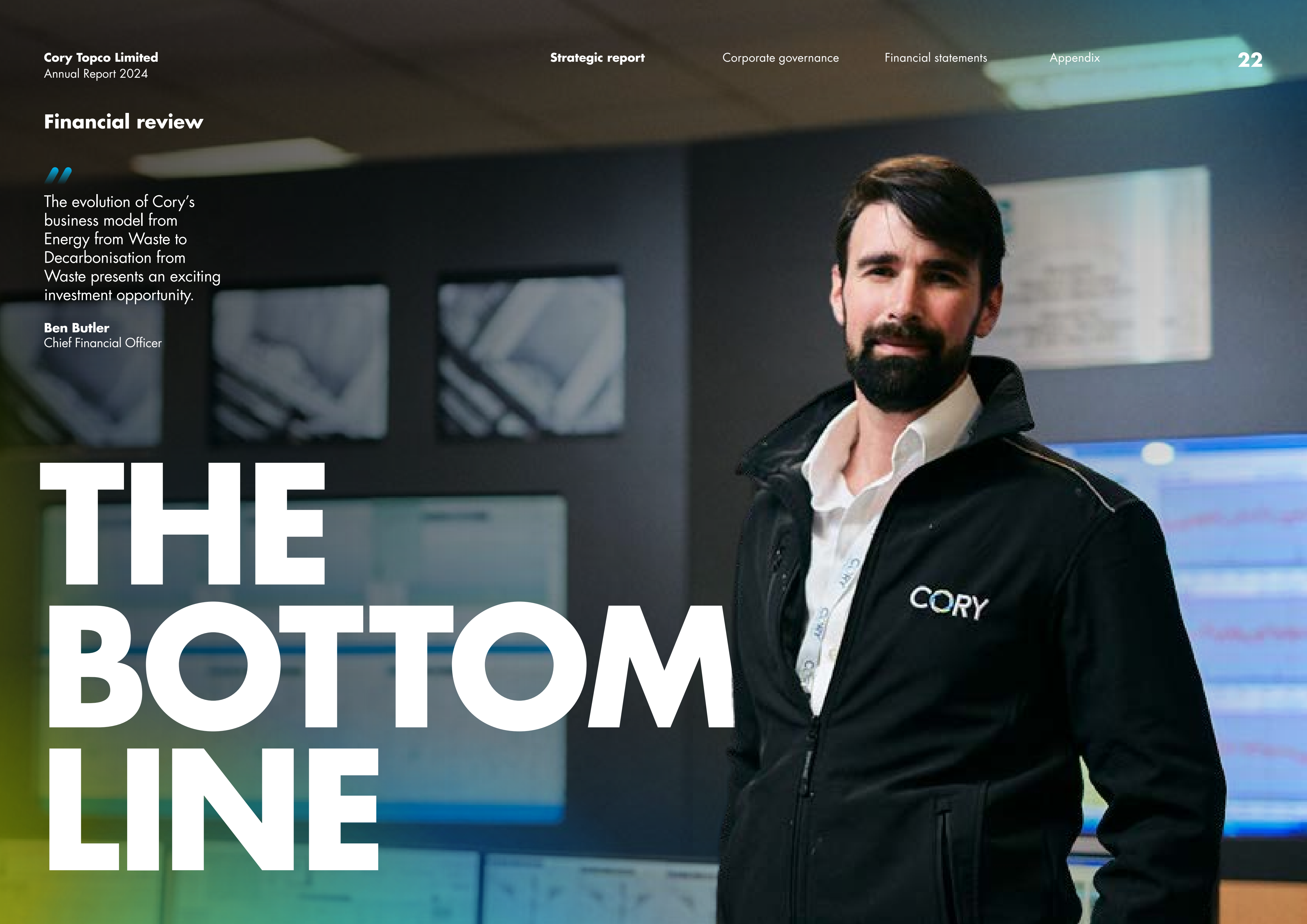
2023: 476 **+21%**



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

Performance: Electricity generation increased by 21% compared to 2023, which was impacted by a 53-day disconnection of the EfW plant from the local electricity grid. In 2024, the plant generated 0.71 MWh per tonne of waste processed – broadly in line with 2022 and significantly above the 0.60 MWh per tonne achieved in 2023.

Financial review



> The evolution of Cory's business model from Energy from Waste to Decarbonisation from Waste presents an exciting investment opportunity.
>
> **Ben Butler**
> Chief Financial Officer

THE BOTTOM LINE

Financial review continued

The Group's performance in 2024 was excellent. Our operating performance and profitability surpassed expectations. And we continued to make significant progress with the construction of our Riverside 2 project, which is on course to complete in 2026.

2.3%

Increase in revenue

£239.9M

Invested in capital expenditure

807K

Tonnes of non-recyclable waste processed by Riverside 1

Achievements like these are no coincidence. Our performance and progress in 2024 are a testament to the dedication and creativity of our employees throughout the company, along with the unwavering support from our suppliers and customers. Thank you all!

PERFORMANCE

During the year the Riverside 1 plant processed 807,000 tonnes of non-recyclable waste and exported 576,000 MWh of low-carbon, baseload power. The business delivered a robust financial performance with an Underlying EBITDA of £85.2 million (2023: £81.2 million). This result included payments of £12.2 million made under an RPI swap taken out by the Group in 2018 (2023: £8.7 million).

Group revenue for the year was £204.0 million (2023: £199.5 million), which is an excellent result in the face of sharply declining electricity prices.

Waste revenues in the EfW and recycling business increased in the year by £4.6 million (+3.3 per cent) due to an increase in waste volumes received as well as inflation on long-term contracted waste – waste volumes increased by 18,100 tonnes and average EfW gatefees increased by +4.3 per cent. This was partly offset by a reduction in RDF production in the year as this business was ramped down to allow the start of redevelopment at the Barking Waste Transfer Station as part of the Riverside 2 construction works.

Electricity revenues in the year were flat, with a substantial increase in volume of electricity exported offset by lower market prices. Electricity exported was 99,900 MWh higher than in 2023 but wholesale market prices were 26 per cent lower.

Costs in the business decreased by £5.3 million compared with 2023 (-4.8 per cent). This was mainly due to lower repairs and maintenance costs, lower fuel and energy costs, and lower EfW plant consumable costs. The cost reduction achieved in the year is a testament to Cory's continued focus on cost control and our ability to innovate to improve efficiency. RDF disposal costs were also lower due a decline in volumes of RDF exported compared with the prior year. Cost reductions were achieved despite an inflation matched pay award to employees.

The Group managed cash flows well throughout the year with cash flow available to service debt of £63.3 million (representing an Underlying EBITDA conversion rate of 75 per cent). This is a 21 percentage point increase on the previous year mainly due to a reduction in capital expenditure in the year as our barge replacement programme nears completion offset by higher tax payments on profits.

INVESTMENT

During the year the Group invested £11.5 million in capital assets within our existing operating business as well as £228.4 million in our Riverside 2 development. The operating assets acquired included new waste barges as part of a programme that will replace our entire barge fleet by 2025 – most of these barges were constructed in the UK. The Group also continued to invest to harden the Riverside 1 EfW plant, including an ongoing investment in 'inconel' boiler corrosion protection. The purchase of assets for the operating business was funded from operating cash flows, and the Riverside 2 capex was funded both from the proceeds of a rights issue made in late 2022 as well as drawings under the £500 million construction facility secured in December 2022.

CASH FLOW

	2024 £m	2023 £m
Underlying EBITDA	85.2	81.2
Working capital	(5.8)	(10.3)
Capital expenditure (operating assets)	(11.5)	(24.2)
Tax and Electricity Generator Levy	(4.6)	(2.7)
Cash available for debt service	**63.3**	**44.0**
Net Debt Service	(15.0)	(10.1)
Capital repayments	(23.5)	–
Capital expenditure (assets under construction)	(228.4)	(93.4)
Working capital (construction)	(1.7)	(5.0)
Capital expenditure funding	211.5	–
Project development	(6.0)	(7.1)
Bank fees	(3.1)	(3.6)
Sale of assets	1.2	1.8
Retranslation of cash balances	(1.0)	(1.5)
Free cash flow	**(2.7)**	**(74.9)**
Dividends	(32.7)	(113.4)
Cash movement	**(35.4)**	**(188.3)**
Cash bf	**238.7**	**427.0**
Cash cf	**203.3**	**238.7**

Financial review continued

FINANCING

As of 31 December 2024, the Group had a net debt balance of £587.2 million (31 Dec 2023: £359.4 million). Drawn debt increased to £802.7 million (2023: £612.0 million) mainly due to drawings under the Riverside 2 construction facility, as well as the accretion of a small amount of long-term index linked debt held by the Group. A cash balance of £203.3 million was held at 31 December 2024 (2023: £238.7 million).

The Group secured a £514 million debt facility in late 2022 to fund the construction of Riverside 2. At the end of 2024 £211.5 million was drawn under this loan (2023: nil)

DIVIDENDS

The Group paid dividends of £32.7 million during the year (2023: £113.4 million) with a further £21.0 million paid in February 2025. The Group has paid £298.9 million in dividends since its acquisition in 2018.

TAX

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

NET DEBT

	2024 £m	2023 £m
Cash	**203.3**	238.7
Debt	**(802.7)**	(612.0)
Capitalised arrangement fees	**12.2**	13.9
Net debt (excl. swaps)	**(587.2)**	(359.4)
Swap Valuations	**(144.3)**	(196.6)
Net debt	**(731.5)**	(556.0)

RECONCILIATION OF UNDERLYING EBITDA

Underlying EBITDA reconciliation	**2024 £m**	2023 £m
Operating profit	**11.9**	3.5
Depreciation	**64.1**	61.5
Amortisation of intangibles and goodwill	**14.3**	14.2
Payments made under RPI swap	**(12.2)**	(8.7)
Electricity Generator Levy	**–**	2.1
FX loss	**1.1**	1.5
Exceptional costs:		
Project costs	**6.0**	7.1
Underlying EBITDA	**85.2**	81.2

Cory paid £4.6 million of corporation tax in 2024. The Group did not make any payments related to the Electricity Generator Levy in 2024 due to a decline in electricity prices.

GOING CONCERN

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

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

OUTLOOK

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

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

The Group forecasts good headroom over all loan covenants. Our debt financing is long-term – amortising to 2040. The first of the Group's facilities to mature will be its £514 million Riverside 2 construction facility in December 2029.

Risk management

HOW WE MANAGE RISK

RESPONSIBILITY FOR RISK MANAGEMENT AND GOVERNANCE OF RISK

The Board takes overall responsibility for risk management, including the setting of risk appetite and the implementation and operation of policies to manage risk. Risk management is a key priority for the Board. It regularly reviews and challenges the risk profile of the business, its principal risks, and management's response to, and effectiveness in, managing risk. To improve the control and oversight of risk within the business, the Audit and Risk Committee has been delegated to review the approach to risk management. The Committee makes sure adequate assurance is obtained and confirms that management's processes and controls for identifying risk work effectively. Management has day-to-day responsibility for controlling risk. The 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 an HSEQ team, led by a member of the ELT, that is independent from the operational business. The Group also employs a number of third-party experts to provide independent assurance on areas that include financial and cyber security risks.

RISK APPETITE

The Group's risk management framework allows a coherent analysis of the material risks facing the business and the options available to manage these risks. The framework acknowledges it is not possible or practical to eliminate all risk. Instead, it seeks to manage risk within an envelope established by the Board. The Group has an exceptionally low appetite for risk in areas impacting the health, safety and wellbeing of its employees, the communities within which it operates, and the general public. The Group also has a very low appetite for any risk that could harm the environment, damage our reputation, breach laws and regulations or threaten the future undertakings of the business.

INSURANCE

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

PRINCIPAL RISKS AND UNCERTAINTIES

HEALTH, SAFETY AND WELLBEING

DESCRIPTION OF THE RISK

If not properly controlled, many of our processes and the operating environments in which we work might pose a risk to the health, safety and wellbeing of our employees and the general public. Employees are potentially exposed to operational hazards, particularly: traffic and moving plant, contact with machinery, working in confined spaces and at height, and they may also be exposed to contaminants within the waste, which may contain pathogens or other harmful substances.

MITIGATION OF THE RISK

Health and safety is considered in all executive decisions, and this is reflected in targets and remuneration objectives.

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

Health and safety is the first agenda item at all ELT and Board meetings. Board, ELT members and senior leaders from across the business visit operational sites regularly to discuss health, safety and wellbeing with employees. Cory's HSEQ function reports directly to the Chief Executive Officer (CEO). The HSEQ team supports the ELT to identify risks to health, safety and wellbeing and ensures policies are in place to reduce risk to the lowest practicable level. The HSEQ team also carries out independent audits to confirm effective operation of these processes and controls, and to verify that measures designed to prevent harm are indeed working as intended.

The Group operates a confidential whistleblowing system that allows individuals to raise concerns on any matter, with confidence that these will be investigated independently of operational management. The system also encompasses safety-related concerns, although no such reports have been received to date.

The Group is a founder member of the Environmental Services Association (ESA) and participates in industry-wide initiatives and working groups to improve safety within the waste management industry. In 2024, Cory employees were active in supporting ESA projects aimed at improving situational awareness, vehicle and pedestrian interfaces, process fires, and mental health.

Risk management continued

REGULATION

DESCRIPTION OF THE RISK

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

Legislation and regulations applicable to our industry are constantly reviewed by the Government and are subject to frequent changes and updates as policy develops. Changes to applicable standards, regulations or compliance requirements could seriously impact Cory's licence to operate and thereby Cory's financial results.

MITIGATION OF THE RISK

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

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

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

PEOPLE

DESCRIPTION OF THE RISK

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

MITIGATION OF THE RISK

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

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

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

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

ECONOMIC AND POLITICAL

DESCRIPTION OF THE RISK

Economic uncertainty caused by high price inflation and weak growth has been a feature throughout 2024 and it is still not yet known how this may impact the long-term growth rate of Cory's key London market. The long-term impact of Brexit is still uncertain and there remains potential unforeseen effects on local waste markets and pricing, such as increasing logistics costs and transit times to continental Europe, as well as the impact of European environmental legislation (e.g. the planned introduction of EfW into the EU ETS and possible carbon border adjustments).

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

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

The war in Ukraine since February 2022 has resulted in a significant increase in the volatility of energy prices. The Group is a net exporter of energy and an increase in the volatility of energy prices increases the potential cost of imbalance between our forward-sold energy positions and energy generation. During 2024, our forward traded positions, which were largely placed during 2023, were in the money.

MITIGATION OF THE RISK

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

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

To mitigate any potential downside caused by a depressed Retail Price Index influencing long-term revenues, the Group has entered 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 its detailed long-term projections.

The exposure to short-term changes in electricity prices is mitigated by entering into short to medium-term electricity purchase agreements to forward sell electricity generated from the plant. The Group sells forward a significantly lower proportion of its forecast electricity generation, thereby reducing the risk of imbalance. The Group's energy trading strategy and its market positions are overseen by an in-house Head of Trading.

The impact of any financial market disruption caused by geopolitical unrest is somewhat mitigated by the Group's interest rate and inflation hedging strategy.

Risk management continued

RISKS RELATED TO CLIMATE CHANGE

DESCRIPTION OF THE RISK

Cory's Board has committed to achieving net zero by 2040 or sooner. We recognise that to continue to be a market leader in our industry we must keep abreast of risks and opportunities associated with the transition to a low-carbon economy, encompassing technological, market, legal and policy risks, as well as physical climate-related risks. Advances in low-carbon technologies are continually being made and there is a risk that the business does not evolve and adapt in line with technologies developed. The business is also exposed to legal and policy risks associated with climate change and the net zero carbon agenda. Monitoring current and potential future changes in regulations is key to managing and mitigating this risk.

MITIGATION OF THE RISK

The strategic projects currently being progressed by the business will ensure that Cory stays at the forefront of market and industry climate-related developments. During 2024, the Group continued to develop our CCS project which will enable our EfW facilities to continue to provide essential waste management services while achieving net zero. We also progressed opportunities related to heat offtake, which will roughly halve the carbon intensity of our EfW process, while providing a reliable long-term source of heat for the local community as an alternative to gas boilers.

EfW will be included in the UK ETS from 2028, representing a monumental change for our sector and increasing waste management costs for our customers by around 50 per cent. During 2024, we have been preparing for its introduction by participating in DESNZ consultations to ensure the eventual scheme is deliverable for the industry, providing historic sampling data through the ESA to develop an industry-wide dataset of the fossil/biogenic proportions of waste entering EfWs, carrying out additional sampling of customer waste to understand the limitations of sampling and contribute to developing industry-wide sampling protocols through the ESA, as well as engaging with our Local Authority and commercial customers in relation to the potential impacts of the ETS on the sector and carrying out proactive collaborative planning.

During 2024 we held a senior-level workshop with our insurers and five site-level workshops on climate change adaptation, to develop site-specific risk assessments across the business. The outcomes of this exercise are now being integrated into planning and budgeting processes moving forward.

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

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

In 2024 we continued to report on our climate-related risks and opportunities in line with the recommendations of the Task Force on Climate-related Financial Disclosures, which ensures that we identify and disclose relevant climate related financial information to our investors.

See page 35 for our full report.

DELIVERY OF STRATEGIC PROJECTS

DESCRIPTION OF THE RISK

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

MITIGATION OF THE RISK

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

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

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

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

BUSINESS CONTINUITY AND CYBER RISK

DESCRIPTION OF THE RISK

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

MITIGATION OF THE RISK

We are also dependent on IT to operate the process equipment that delivers our products and services. We have developed business continuity and disaster recovery plans for all sites. These are supported by ongoing training and regular testing, including drills coordinated with the emergency services.

We rely on IT systems to operate the process equipment that drives our products and services. To ensure resilience, we have developed comprehensive business continuity and disaster recovery plans for all critical IT services, which are reviewed and tested quarterly to validate our IT service recovery capabilities.

We engage independent third-party experts to evaluate IT resilience, including conducting firewall vulnerability assessments and penetration testing. Cyber security risks are mitigated through a range of processes and controls, such as cyber security awareness training for all employees, multi-factor authentication, network infrastructure segmentation, hard-disk encryption, and email filtering.

Cory partners with an external Security Operations Centre, available 24/7/365, to monitor for malware and other suspicious activities. This service provides proactive threat monitoring, threat intelligence reporting, and incident remediation support.

Cory is proud to hold both the Cyber Essentials cyber security accreditation and the ISO 27001 certification, an internationally recognised standard for Information Security Management.

Risk management continued

FINANCIAL RISK MANAGEMENT

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

RISKS RELATING TO DEBT FINANCING

DESCRIPTION OF THE RISK

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

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

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

MITIGATION OF THE RISK

Cory borrows prudently, maintaining good headroom over financial covenants.

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

Refinancing risk is managed by placing long-term debt and managing maturities. The first Riverside 1 facility to mature will be £217 million in 2030, a further £337 million maturing in 2038 and the remainder, £50 million, maturing in 2040. In the current year, Cory started to utilise the £514 million Riverside 2 project construction facility which has a maturity date of 2029.

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

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

EXPOSURE TO CREDIT RISK

DESCRIPTION OF THE RISK

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

MITIGATION OF THE RISK

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

EXPOSURE TO LIQUIDITY RISK

DESCRIPTION OF THE RISK

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

MITIGATION OF THE RISK

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

Our stakeholders

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

OUR APPROACH

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

- Shareholders
- Employees
- Trade unions
- Suppliers
- Customers
- Lenders
- Regulators and government
- Community
- Environment

SHARE-HOLDERS

We owe fiduciary duties to our shareholders, who have invested significant capital with the intention of owning Cory for the long term. Shareholders need the Group to generate dividends to distribute to their investors, many of which 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 2024 are set out in Key Activities of the Board and its Committees on **page 60**. As a result of shareholder engagement, the Board made a number of material business decisions, including those set out in the section 172 statement (Principal Decisions) on **page 34**.

EMPLOYEES

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

Employee engagement in 2024 included the following activities:

- Reaccredited with Investors in People – this involved extensive interviews and surveys across whole business
- Launched the Huggg reward scheme – this allows all managers to give personalised gifts to employees for rewards outside of pay and bonus
- Launched a company-wide mentoring scheme, following a successful pilot in 2023. We intend to continue this in 2025

Not all our employees have access to email, so we work hard to ensure that everyone is informed about what is happening in the wider business. Our CEO and Chief Financial Officer (CFO) hosted regular company updates for all employees, which included an overview of business activity and financial performance as well as looking ahead to coming developments. We also produce a quarterly internal newsletter which is distributed to sites, as well as being shared digitally via email and the Cory intranet.

We have dedicated internal working groups which support business activity in areas such as IT and sustainability, as well as focusing on issues relating to inclusion and diversity.

You can read more about how the Board and senior leadership engage with employees and take their interests into account on **page 55**.

TRADE UNIONS

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

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

SUPPLIERS

Careful selection of our supply chain has enabled Cory to access equipment and services to complete plant maintenance, special and major projects and other support work in a timely manner.

We are proud to have cultivated long-standing relationships with many of our suppliers, several of whom are based in the UK. Supply contracts are created through a diligent commercial process, the establishment of a mutual trust in each other's values and respecting the services and capabilities being provided.

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

We continued to engage with our suppliers throughout the year to identify issues and trends which have potential impacts on their business.

Our contractors exhibit good corporate conscience, such as the Riverside 2 civil works contractor, Carey, working with the GLAA to stop labour exploitation and KVI's work with the Lighthouse Charity to raise awareness of mental health in the construction industry.

We undertook modern slavery audits of four suppliers in 2024, including site assessments at the Riverside 2 construction site and Western Riverside Waste Transfer Station and MRF led by Slave Free Alliance. Further details can be found in our Modern Slavery Statement 2025 – **www.corygroup.co.uk/modern-slavery-statement/**.

CUSTOMERS

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

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

In April 2024 we mobilised new waste contracts with Hertfordshire County Council and Thurrock Council in Essex. Both contracts were mobilised over the Easter Bank Holiday weekend, and the expertise and hard work of Cory's operations team meant that the process was completed seamlessly to the satisfaction of both customers.

Throughout 2024 we also engaged in the tender process for a residual waste contract with the East London Waste Authority (ELWA). This included submitting a response to an Invitation to Submit a Detailed Solution (ISDS) and attending market engagement sessions in October. We will continue to engage in the tender process throughout 2025.

The UK ETS remains a priority subject for our customers due to the potential financial implications for Local Authorities once the scheme is expanded to cover EfW from 2028. To help our customers understand and navigate the new legislation, we hosted teach-ins with the Cory team and also shared information on our proposed carbon capture project, which will play a critical role in decarbonising the waste we process for our customers.

For projects of national significance, the DCO planning process established by the Planning Act 2008 places substantial importance on the pre-application stages of consultation. Cory invested considerable time and resources in the approximtely months pre-application phase through to the formal submission of the DCO application for our carbon capture project to the Planning Inspectorate in Spring 2024.

During this time, Cory undertook successive stages of informal and formal consultation and dialogue with Local Authorities, statutory and non-statutory consultees, the local community, and those with land interests. From a customer perspective, this included engagement with the London Borough of Bexley (as Local Planning Authority) during 2022, 2023 and 2024 (with at least five meetings in 2024 alone). Further, as with Cory's previous DCO application for Riverside 2, the Western Riverside Waste Authority was involved from the outset in 2022.

During 2024, Cory engaged with key stakeholders to undertake a 'pulse check' of our sustainability strategy, to ensure that we continue to focus on the issues of greatest materiality. Our existing strategy was launched in 2023, following a robust process in accordance with the Global Reporting Initiative (GRI) Standards which included desktop research, interviews with investors, Local Authority customers and regulators, as well as an online survey shared with employees and external stakeholders. The 2024 pulse check confirmed that the strategy continues to meet stakeholder expectations and reflect their views on the Group's impacts and potential impacts on the Group.

LENDERS

By providing long-term debt on good terms, our lenders to the Riverside 1 and Riverside 2 projects 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 2024, Cory engaged with its lenders on a variety of matters including responding to ad hoc queries, monthly updates on the progress of the Riverside 2 construction project, insurance renewal, disposal of redundant barges, and updates on the marine logistics suppliers.

Our stakeholders continued

REGULATORS AND GOVERNMENT

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

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

Material issues that arose in 2024 included: the expansion of the UK ETS to cover the EfW sector; government funding for carbon capture projects and the Government's industrial model for carbon capture; Cory's decarbonisation project; Cory's heat network project and HSE reporting.

More information relating to some of these projects, including their benefit to the community and the environment, can be found on **pages 15 to 20**.

We are an active member of several trade bodies, through which we engage with government on policy areas relevant to our business. This includes the Environmental Services Association and Resource Recovery UK, which seek to champion the vital role that waste management companies play in the UK and highlight how EfW in particular can help to achieve the country's net zero ambitions. We are also members of the Carbon Capture and Storage Association (CCSA) and the Association for Decentralised Energy, both of which act as conduits with government and policymakers and have allowed us to communicate about our planned CCS and heat network projects. This included activity at the 2024 Labour and Conservative party conferences, and regular attendance at industry events.

COMMUNITY

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

We have a dedicated community fund, which supports the work of local organisations that are aligned with our values and seek to make a positive impact for local people.

Local community members have also been an important stakeholder in our planned CCS project, particularly those who live or work near to the proposed site in Bexley. As part of the process for preparing our DCO application we carried out a series of consultation activities with the local community which included face-to-face meetings, online events, and postal communications.

The results of our community engagement programme can be found on **page 18**.

ENVIRONMENT

Our goal is to manage London's waste sustainably.

By diverting 916,000 tonnes of waste from landfill in 2024, we saved the equivalent of 363,000 tonnes of CO$_2$e. While the overall impact of our operations is to reduce the carbon emissions from waste management, our processes emit carbon, as well as air quality emissions. We comply with stringent air quality emissions limits and are constantly exploring new technologies and methods to reduce our air quality emissions at Riverside 1. At Riverside 2 we are investing in Selective Catalytic Reduction technology which will reduce our NOx to the lowest in the UK of any EfW facility. The use of carbon capture technology at Riverside 1 and 2 will result in our operations being carbon negative, due to the proportion of biogenic waste in the feedstock we process.

The Riverside 1 EfW facility and future Riverside 2 development are next to a nature reserve, so we work to minimise our impact on biodiversity and natural habitats.

We proposed a biodiversity mitigation strategy for Riverside 2 that was approved by the London Borough of Bexley as the Local Planning Authority. Net positive biodiversity is part of the design philosophy, and the scheme provides for replacement mitigation habitat plus 10 per cent. Cory is funding the work through its delivery partner the Environment Bank. The Environment Bank is working with the London Borough of Bexley to deliver biodiversity enhancements across four sites in the borough and Thames Water on a site under their control. We look forward to reporting the outcomes of this process. Further information about how we consider the environment in our business can be found on **page 17**.

Our Streamlined Energy and Carbon report is on **page 49** and our climate-related risks and opportunities report in line with the recommendations of the Task Force on Climate-related Disclosures statement is on **page 35**.

Our section 172(1) statement for the year ended 31 December 2024 is on page 33 and demonstrates how our stakeholders influenced some of the principal decisions taken by the Board in 2024.

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period.

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

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

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

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

Our commitment to Section 172

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

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

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

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

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

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

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

The Board has direct engagement principally with our employees and shareholders but is also kept fully appraised of the material issues of other stakeholders through the Executive Directors and reports from senior management and external advisers. On **page 29**, you can find out how we engaged with our key stakeholders in 2024, including key topics of engagement and the impact of our engagement.

Section 172 factor	**Relevant disclosures**	
The long term	**p. 13**	Our business model
	p. 9	CEO's statement
	p. 7	Chair's statement
	p. 15	Net zero goals with bolder ambitions
	p. 22	Financial review
Employees	**p. 18**	Inspiring people, enabling change
	p. 29	Our stakeholders
	p. 55	Corporate governance
Business relationships	**p. 9**	CEO's statement
	p. 25	Principal risks and uncertainties
	p. 29	Our stakeholders
Community and the environment	**p. 9**	CEO's statement
	p. 15	Net zero goals with bolder ambitions
	p. 17	Maximising potential, minimising impact
	p. 18	Inspiring people, enabling change
	p. 35	TCFD
	p. 49	SECR
High standards of business conduct	**p. 17**	Maximising potential, minimising impact
	p. 25	Principal risks and uncertainties
	p. 35	TCFD
	p. 55	Corporate governance
	p. 28	Financial risk management
Shareholders	**p. 7**	Chair's statement
	p. 29	Our stakeholders
	p. 22	Financial review
	p. 55	Corporate governance

Our commitment to Section 172 continued

METHODS USED BY THE BOARD

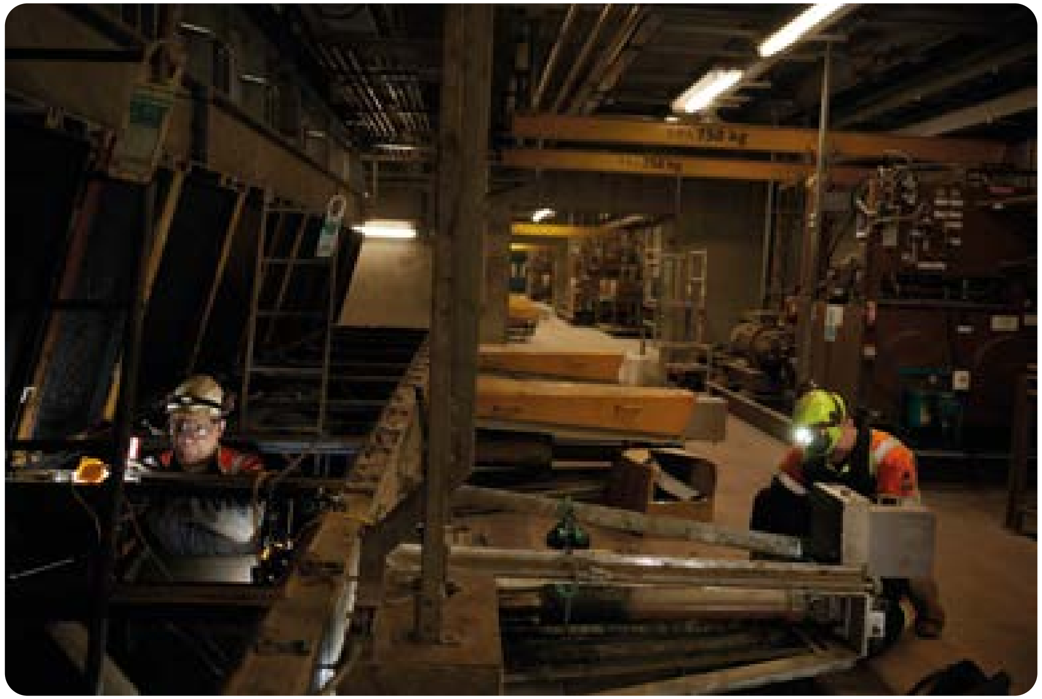
The main methods used by the Directors to perform their duties include:

- Board reports from and regular communications with the CEO, CFO, General Counsel and other senior management, which highlight material stakeholder issues and ensure that the Board can take these into account when making decisions. Further information about Cory's governance can be found in the Corporate Governance Review on **page 55**.
- Site visits and communication with employees, and feedback mechanisms between the Board and Executive Directors and the ELT, which help to define the company's culture. Further information about the Board's role in embedding a positive business culture can be found in the Corporate Governance Review on **page 55**.
- 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 25 to 28**.
- External assurance is received through audits, stakeholder surveys (such as the Materiality Assessment) and reports from brokers and advisers.

PRINCIPAL DECISIONS IN 2024

The principal decisions taken by the Board in 2024 were:

- **Approved Capacity Market auction bid for Riverside 2:** prequalification applications were made for Riverside 1 and Riverside 2 into the Capacity Market, which satisfied the criteria for participation in February 2024. Participation will enable Cory to bid for long-term electricity contracts, which will play an important role in securing the future profitability of the business. Riverside 1 and Riverside 2 were awarded contracts for the 2027/28 year, which commences in October 2027.
- **Approved the dividend:** meeting shareholder dividend expectations is a high priority as shareholders have clear cash yield expectations from their investment in the Group, which are needed to meet their overall objectives. Many of the investors in the funds managed by our shareholders are pension funds (including public sector pension funds) which require regular yield in order to meet their obligations to their members.
- **Approved submissions to customer bids:** securing feedstock for Riverside 1 and Riverside 2 is central to our business model. Bids for potential new waste contracts were reviewed and approved during the course of the year.
- **Approved ongoing investment in CCS development:** the Board was kept regularly updated on the progress of plans for carbon capture at Riverside 1 and 2, which will play a critical role in achieving net zero as a business.



Task Force on Climate-related Financial Disclosures

RESPONDING TO CLIMATE-RELATED RISKS AND OPPORTUNITIES

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

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

We are committed to delivering a business that is consistent with international climate agreements to keep global warming to well below 2°C and have committed to achieving net zero carbon by 2040 or sooner. We understand that the world is currently on course to warm by c. 2.7°C above pre-industrial average and this drives us to decarbonise our business in the earliest possible timeframe.

This is our fifth report aligned with the recommendations of the TCFD, which were developed to enable organisations to disclose clear, comparable, and consistent information about the risks and opportunities presented to their business by climate change.

In this report we set out our climate-related financial disclosures consistent with the four TCFD recommendations (governance, strategy, risk management and metrics and targets) and the recommended disclosures.

GOVERNANCE OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

BOARD OF DIRECTORS

- Our Board takes overall responsibility for setting the strategic direction of the Group, risk appetite, approval of major plans of action, monitoring of implementation, and performance in relation to financial, legal, operational, environmental, social and governance issues, including those related to climate change.
- Climate-related issues are integral to our business strategy, and therefore the Board considered risks and opportunities related to climate change throughout the year when reviewing and guiding strategy, major plans of action, annual budgets, and business plans – for example, monitoring developments related to achieving Cory's commitment to achieving net zero by 2040 or sooner, which includes our CCS project and development of the Riverside Heat Network.
- Climate-related risks and opportunities were discussed at all Board meetings in 2024. There is a standing agenda item on the progress of our decarbonisation projects, which included updates on the CCS project and the heat network at every meeting.
- Our strategic risk register, in which climate-related risks are integrated, is reviewed by the Audit and Risk Committee biannually.

INDEPENDENT CHAIR

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

EXECUTIVE DIRECTORS

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

CORPORATE AFFAIRS TEAM

- Our Corporate Affairs team supports the ELT in strategy development related to the decarbonisation agenda, and implementation of the defined strategy. The positions lead internal and external engagement on climate-related issues, including informing the Board and ELT members on pertinent external developments related to the net zero agenda via Board papers, email, a dedicated Microsoft Teams chat group and face-to-face discussions.
- Our Head of Carbon sits within our Finance team and is responsible for developing the commercialisation strategy for the CCS project and managing Cory's transition into the UK ETS, in anticipation of the inclusion of energy from waste by 2028 (with a two-year monitoring, reporting and verification period from 2026). The position reports directly to the CFO, with regular updates to the Board on ETS and the potential for carbon removals to be delivered with our CCS project.

STRATEGY

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

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

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

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

CLIMATE-RELATED RISKS AND OPPORTUNITIES

KEY	RISK RATING	LIKELIHOOD
●	**Short-term**	Once in every five-year event
● ●	**Medium-term**	Once in every five to ten years
● ● ●	**Long-term**	Beyond ten years

KEY	FINANCIAL IMPACT	QUANTIFICATION IN TERMS OF TOTAL WHOLE LIFE RISK HORIZON
⌄	**Low**	£0–£1.99m
⊖	**Medium**	£2m–£6.99m
⌃	**High**	>£7m

Task Force on Climate-related Financial Disclosures continued

TIME HORIZON
● SHORT-TERM ●● MEDIUM-TERM ●●● LONG-TERM

FINANCIAL IMPACT
⌄ LOW ⊖ MEDIUM ⌃ HIGH

TRANSITION RISKS

Risk associated with climate change	Time horizon	Potential financial impact (without mitigation measures in place)	Cory's mitigation measures implemented through strategy development and delivery, and financial planning
POLICY AND LEGAL			
Inclusion in the UK ETS, expected from 2028.	● It is expected that EfW will be formally covered by the UK ETS from 2028, following a two-year 'phasing in' period starting in 2026.	⌃ The Local Government Association projects that the expansion of ETS to EfW facilities could add gross additional costs for Local Authorities of between £367 million and £747 million and could rise to £1.1 billion in 2036, with a total cumulative cost over this period that could be as high as £6.5 billion. Should Cory emit 400,000 tCO_2e/year of fossil carbon from Riverside 1, this could make the ETS obligation, depending on the carbon price (assuming £40-£80 per tonne), between £16-£32 million for our customers per year.	• Much of the implementation detail associated with ETS is still to be finalised, including arrangements with respect to monitoring, reporting, and verifying both total carbon emissions from EfWs and the fossil content (upon which EfW's obligations under ETS will be based) as well as the mechanism for passing through ETS costs to waste producers. • The formal government response to the summer 2024 consultation and proposed legislative changes is expected to be published during 2025. • During 2024 Cory has been preparing for the introduction of the ETS by: – Ensuring contracts include change of law provisions and build ETS liabilities into pricing strategies. – Participating in DESNZ consultations regarding the ETS to ensure we are fully prepared and to promote optimal outcomes for ourselves and our customers. – Providing historic sampling data through ESA to develop an industry-wide dataset of the fossil/biogenic proportions of waste entering EfWs. – Carrying out additional sampling of customer waste to understand limitations of sampling and contribute to developing industry-wide sampling protocols through the ESA. – Engaging with our Local Authority and commercial customers in relation to the potential impacts of the ETS on the sector and carrying out proactive collaborative planning. – Working with trade bodies to ensure alignment on messaging when responding to consultations and engaging with political decision-makers.
Delay of policy to include non-pipeline transportation (NPT) CCS projects in regulatory and economic support systems	● In 2024 the UK Government released a call for evidence to better understand NPT to help inform policy development.	⊖ Cory had invested a total of £9.7 million in delivery of our CCS project by the end of December 2024, with spend committed to end of 2025 totalling £14.4 million.	• Deployment of CCS is the only available technology for abating Scope 1 emissions from EfW facilities – it is a necessity, not an option. • Analysis by the UK Committee on Climate Change finds that CCS needs to be deployed on all EfW assets operational in 2050 from 2025-2040 in all net zero scenarios. • A study by ERM found that CCS applied to EfW facilities provides greenhouse gas removals (GGRs) that could contribute up to 27% of the UK's 2035 GGR target and enable a carbon neutral electricity grid, which the UK Government is committed to achieving by 2030. • Cory's DCO (assuming it is approved) will secure us at least a 5-year window to commence development. Much could potentially change in this timeframe, for example changes to the state's timeframe for CCS deployment. However, this would increase the potential for a merchant model to fund our project, rather than derail the overall project. • Cory has an MoU with Viking CCS to ensure funding application opportunities are maximised. • Cory is an active member of the CCSA, which works to accelerate the commercial deployment of CCUS through advocacy and collaboration.

Task Force on Climate-related Financial Disclosures continued

Transition risks continued

TIME HORIZON
● SHORT-TERM ●● MEDIUM-TERM ●●● LONG-TERM

FINANCIAL IMPACT
⌄ LOW ⊖ MEDIUM ⌃ HIGH

POLICY AND LEGAL continued

Risk associated with climate change	Time horizon	Potential financial impact (without mitigation measures in place)	Cory's mitigation measures implemented through strategy development and delivery, and financial planning
NPT – greater cross chain risks related to custody and transfer points of CO_2	● The UK Government is actively developing business models to support NPT of CO_2 to clusters .	⌃ It is our working assumption that the majority of CCS projects which are reliant on an NPT model will be inherently more costly (both from a development and operational perspective) than pipeline projects.	• We have a commercial agreement with the Viking CCS consortium – led by Harbour Energy, bp and Associated British Ports (ABP) – to work exclusively with them in relation to exploring the potential transportation and storage of CO_2 captured from Cory's facilities into the Viking CO_2 transportation and storage project via ABP's Port of Immingham. The agreement enables us to contribute to the development of the CO_2 shipping sector in the UK and demonstrate how captured CO_2 emissions from dispersed sites around the UK can gain access to high quality storage. • This area is continually maturing, for example through proposed adaptations to ICC business models. During 2024 Cory submitted a detailed response to the UK Government Call for Evidence that sought views on a variety of different adaptations to the ICC business models to accommodate NPT projects (shipping, road and rail). • Cory is actively engaging with our insurers and system partners to develop functioning models for the transportation of CO_2. • There have been significant developments in external jurisdictions with regard to NPT of CO_2, for example: – SLB Capturi/Aker Solutions have won the contract to deliver the Halfstad Celsio EfW CCS project, expected to capture and ship 350 ktpa of liquid carbon dioxide (LCO_2) to Northern Lights. – INEOS, Harbour Energy and Nordsøfonden have made a final investment decision for the first commercial phase of Greensand Future CCS, with storage operations set to begin at the end of 2025/early 2026. Commercial agreements have been secured through the entire supply chain (CO_2 emitters, logistics, storage and shipping). First CO_2 volumes will be shipped by Royal Wagenborg to the Nini field in the Danish North Sea for safe and permanent storage. – Northern Lights JV has taken delivery of its second specialised CO_2 transport ship, the Northern Pathfinder, from China's Dalian Shipbuilding Industry Co. The vessel joins its sister ship Northern Pioneer in what is set to become the world's largest dedicated CO_2 shipping fleet. Kawasaki Kisen Kaisha ("K" LINE) operates the fleet, and the first CO_2 customer will be Heidelberg Materials, in Brevik.

Task Force on Climate-related Financial Disclosures continued
Transition risks continued

TIME HORIZON

● SHORT-TERM ● ● MEDIUM-TERM ● ● ● LONG-TERM

FINANCIAL IMPACT

⌄ LOW ⊖ MEDIUM ⌃ HIGH

Risk associated with climate change	Time horizon	Potential financial impact (without mitigation measures in place)	Cory's mitigation measures implemented through strategy development and delivery, and financial planning
TECHNOLOGY			
Technical viability: CCS technology has not yet been deployed at commercial scale in the UK. The CCS chain is complex and capital intensive (e.g. new capture technology and transportation infrastructure is needed)	● ● While there are no commercial scale projects operating in the UK, there are numerous operational CCUS projects in other jurisdictions, demonstrating that this technology can be deployed at scale. The fundamentals of the underlying chemical and physical principles of CCUS technologies remain consistent, regardless of national boundaries, and are a clear demonstration of the proven viability of CCUS.	⌃ High financial impact with low probability as the technology has been demonstrated.	• Our CCS project has been in development since 2021 when we commissioned specialist engineering and technical consultants to assess the feasibility of CCS deployment at both Riverside 1 and Riverside 2. The first stage of the pre-front end engineering and design programme concluded that a full chain (CO_2 capture, marine transport, and offshore storage) scheme for a two-phase EfW CCS project is feasible. • Since then, we have selected Shell Catalysts & Technologies and Technip Energies as project partners because of their extensive expertise and strong track record in CCS. Technip Energies has a long-lasting alliance with Shell Catalysts & Technologies and their CANSOLV technology which offers several significant project benefits, including low operating costs, high capture rate, and adaptability to various gas flow rates and CO_2 concentrations. • Our DCO application was submitted in March 2024 and subsequently accepted for examination by the Planning Inspectorate. During 2024 and 2025 a panel of independent inspectors will conduct an examination of the application and will make a recommendation to the Secretary of State. The Secretary of State's decision on whether to approve the project is expected in Q3 2025.
Substitution of products and services with lower emissions options, e.g. facilities with CCUS technology and heat networks in proximity	● ● We have not currently identified any EfW operators in our catchment area which have as advanced CCS programmes as Cory.	⌃ Our municipal contracts are long-term and given the business's firm position within the EfW market and its strong historic operational and financial performance, we consider the financial risk to be high but with low probability.	• Cory is confident in our position as one of the CCS frontrunners in the UK EfW industry, particularly when it comes to NPT projects. Our objective is to achieve 'CCS readiness' (consents in place, front-end engineering, and design (FEED) completed, identified by 2027), and subject to a favourable financial investment decision, be in a position to be fully operational before 2031. • Our location on the River Thames provides us with the opportunity to transport our CO_2 via ship to undersea storage, providing us with a natural geographical advantage compared to other EfW facilities in our region. • Cory has been working since 2018 to develop the Riverside Heat Network to ensure that Riverside 1 and Riverside 2 (once operational) provide a reliable source of heat for the local community in the long-term as an alternative to gas boilers, and is also exploring a potential mobile heat solution to customers along the Thames. Our emerging CCS scheme is differentiated by the use of an innovative CCS process heat recovery system to capture the otherwise wasted heat to increase the production capacity of our proposed heat network. While delivering the Riverside Heat Network will not reduce our CO_2 emissions, it will displace emissions elsewhere in the economy, increasing the carbon benefit we provide to our local community and the UK more widely. • We continue to progress opportunities for decarbonisation of our operations (all activities excluding EfW account for c.1 per cent of total emissions), to ensure we are offering a completely decarbonised waste management service by 2040 or sooner.

Task Force on Climate-related Financial Disclosures continued

Transition risks continued

TIME HORIZON

● SHORT-TERM ● ● MEDIUM-TERM ● ● ● LONG-TERM

FINANCIAL IMPACT

⌄ LOW ⊖ MEDIUM ⌃ HIGH

Risk associated with climate change	Time horizon	Potential financial impact (without mitigation measures in place)	Cory's mitigation measures implemented through strategy development and delivery, and financial planning
TECHNOLOGY continued			
Failure to fully decarbonise river operations within committed timeframe	● ● ● We have been tracking progress in the development of zero carbon marine vessels and there continues to be no viable option that meets Cory's operational requirements.	⌃ Procurement of new vessels, if available, would be a significant cost (although would significantly reduce/eliminate fuel costs in the long term depending on the ultimate solution).	• Continue to use renewable diesel to power our river vessels as a transitional step on the road to net zero (c.95% reduction in fossil CO_2 emissions compared to using marine gas oil). • Continue to engage with key stakeholders on developments in relation to low-carbon marine vessels. To date there has been insufficient technology advances to enable investment in zero carbon vessels for our operations. • Continue to engage with the Port of London Authority on the plans for a net zero River Thames by engaging in the Net Zero Coalition which focuses on the political and regulatory landscape of marine decarbonisation, with a specific focus on the River Thames. • Any residual or hard-to-abate emissions from our river operations will be offset using the negative emissions generated by our CCS project, to enable the company to achieve net zero within our committed timeframe.
MARKET			
Economic viability of CCS (and therefore failure to deliver Cory's net zero commitment)	● ● The UK Government is committed to the delivery of a UK CCUS sector, but the funding beyond Track 1 has not yet been confirmed.	⌃ In the unlikely event that the UK Government changes course or deployment of CCS through existing schemes is significantly delayed, we would explore the options for a merchant model to fund our project.	• Cory continues to participate in the continued development of regulatory and economic support systems for CCS by participating in ongoing consultations, for example the Call for Evidence on a variety of different adaptations to the ICC business models to accommodate NPT, the Greenhouse Gas Reduction Business Model, Waste ICC Business Model and ICC Expert Groups. • Cory is monitoring the development of the market for negative emissions/carbon removal credits. Our Head of Carbon is developing the long-term strategy for commercialising the credits we can generate from our net negative emissions.

Task Force on Climate-related Financial Disclosures continued

Transition risks continued

TIME HORIZON

● SHORT-TERM ●● MEDIUM-TERM ●●● LONG-TERM

FINANCIAL IMPACT

⌄ LOW ⊖ MEDIUM ⌃ HIGH

Risk associated with climate change	Time horizon	Potential financial impact (without mitigation measures in place)	Cory's mitigation measures implemented through strategy development and delivery, and financial planning
REPUTATION			
Stigmatisation of sector – public opposition to unabated EfW facilities.	●● As the climate emergency progresses there will be increasing pressure for EfW operators to achieve net zero through CCS.	⌄ Given the essential nature of waste management and the long-term waste management contracts Cory holds, there are limited potential financial implications of poor sectoral reputation.	• In October 2024 the BBC published an article titled "Burning rubbish now UK's dirtiest form of power", making several negative claims about the environmental impact of EfW. While it is true that burning waste produces significant greenhouse gases (which Cory intends to mitigate through its CCS project), it is not relevant to compare EfW as a waste disposal solution to burning coal for electricity. • In the long term, we expect unabated EfW facilities to face increasing opposition from local communities and climate campaigners in the UK. At the same time, waste management is an essential service and EfW facilities will be needed to process society's non-recyclable waste for the foreseeable future. We hope to see a reduction in overall waste tonnages throughout the UK, and an increase in recycling through the implementation of the policies outlined in the Recycling and Waste Strategy of 2018 (including Simpler Recycling, Extended Producer Responsibility for packaging, and a deposit return scheme) to ensure that only materials that are truly residual waste are put to energy recovery or landfill. • Delivery of Cory's net zero strategy and the resulting contribution to achieving the negative emissions needed to meet the UK Government's net zero goals, as well as supporting other sectors in the economy to decarbonise, will ensure Cory's social licence to operate for the long term.

TIME HORIZON

● SHORT-TERM ●● MEDIUM-TERM ●●● LONG-TERM

FINANCIAL IMPACT

⌄ LOW ⊖ MEDIUM ⌃ HIGH

PHYSICAL RISKS

Risk associated with climate change	Time horizon	Potential financial impact	Impact of the physical risks on climate change our business, strategy and delivery, and financial planning
ACUTE			
Flooding of sites due to heavy rainfall	●● Using the Climate Risk Indicator explorer developed by the UK Climate Resilience Programme under the RCP 4.5 scenario we can expect a slightly lower volume of rainfall as 2024 by 2035.	⌄ Costs can be managed by monitoring and maintaining existing solutions.	• A Flood Risk Assessment was undertaken in 2018 for the development of Riverside 2, which concluded that flood risk considerations have been adequately addressed as part of the application for a DCO for the facility. • Flood risk is assessed annually as part of our insurance placement. • Cory will continue to hold insurance cover for 'all risks of physical loss or damage except as excluded', for which there are no climate-related exclusions. • Riverside 1 has temporary flood defences (barriers) that can be implemented in 15 minutes, with all critical equipment at Riverside 1 and Riverside 2 above ground, and on raised plinths. • Cory will continue to hold regular scenario planning exercises exploring flooding risks across sites and identify physical and procedural mitigation measures.
CHRONIC			
Prolonged periods of extreme heat during UK summer – machinery/equipment unable to operate at continued high temperatures	●● Using the Climate Risk Indicator explorer developed by the UK Climate Resilience Programme under the RCP 4.5 scenario we can expect an average temperature of up to 1.5 degrees warmer by 2050, with 1-3 heat wave events per year, lasting 5-10 days.	⌄ Costs can be managed by monitoring and maintaining existing solutions.	• Plant and equipment have either been originally specified with appropriate contingency above existing temperature ranges or have been upgraded to provide appropriate levels of contingency. The sufficiency of this contingency is reviewed regularly and will continue to be taken into consideration as part of our lifecycle maintenance and capex replacement planning.

Task Force on Climate-related Financial Disclosures continued

TIME HORIZON
● SHORT-TERM ●● MEDIUM-TERM ●●● LONG-TERM

FINANCIAL IMPACT
⌄ LOW ⊖ MEDIUM ⌃ HIGH

TRANSITION OPPORTUNITIES

Opportunity associated with climate change	Time horizon	Financial opportunity	Impact of climate-related opportunities on our business, strategy and delivery, and financial planning
RESOURCE EFFICIENCY			
Reduced energy costs and more efficient operations	● This is an ongoing operational focus.	⌄ Cory's operations are already energy efficient due to a continuous focus on reducing energy use – any further progress will be marginal.	• Cory is committed to achieving operational net zero by 2040 (all emissions not emitted from the stack at Riverside 1 account for c.1% of GHG emissions). Maximising energy efficiency is one of our targets to achieve this. • We focus on achieving this through ongoing upgrades to plant and equipment, enhanced monitoring of consumption, and individual site targets. • Every year we undertake energy reviews with site representatives at each of our facilities and develop individual energy efficiency plans for each site. • As an example, we are continually working to ensure our Riverside 1 facility remains one of the UK's best performing EfWs by constantly investing in the plant to improve its efficiency. At the end of 2024 we invested in new performance software to allow us to carry out analysis of our operations more efficiently and eventually combine Riverside 1 and Riverside 2 operations into one system. • The critical measure which would significantly improve the R1 efficiency rating of Riverside 1 is the successful introduction of a viable heat offtake and/or CCS. We are progressing innovative heat offtake opportunities from both of our EfW facilities via the Riverside Heat Network project with Vattenfall and the mobile heat project.
PRODUCTS AND SERVICES			
Sale of the partially renewable / net zero electricity produced by our EfW process	●● Our objective is to be in a position to have a fully operational CCS project by 2031.	⌃ This is both a risk and an opportunity for the technical, policy and legal related reasons outlined above.	• CCS retrofitting to EfW facilities is a key part of the Climate Change Committee's Seventh Carbon Budget, and together with recycling and reuse initiatives, will need to be prioritised by the UK Government to reduce emissions from the sector. • Cory has a significant advantage in the potential for CCS at our EfW facilities due to our river-based location and therefore the ability of vessels to offtake the CO_2 from our facilities and transport it directly to an undersea storage site. • In 2022, the then Department of Business, Energy and Industrial Strategy (BEIS) confirmed that Cory's planned CCS project qualifies as a project of national significance, acknowledging the vital role it will play in achieving the UK's net zero ambitions. • An application for a DCO seeking permission to build and operate the CCS project was submitted for determination in March 2024.
Sale of the partially renewable / net zero electricity produced by our EfW process	●● Our objective is to be in a position to have a fully operational CCS project by 2031.	⊖ We will significantly increase the volume of Renewable Energy Generation Origins (REGO) certificates from our electricity once the CCS technology is in operation, although overall we will decrease production levels from powering the CCS plant itself.	• The electricity sector has a risk profile that leans clearly towards opportunity because of a shifting demand towards renewables and decarbonised generation. • Currently the electricity produced by our EfW process is partially renewable; we receive REGOs for roughly 50% of production, with the price determined through trading. • When the CCS technology and plant is built, around 95 per cent of the CO_2 produced from our EfW process will be captured and stored, meaning we will significantly increase the REGOs received, noting that we will lose power through supplying the CCS system itself.

Task Force on Climate-related Financial Disclosures continued

Transition opportunities continued

TIME HORIZON
● SHORT-TERM ●● MEDIUM-TERM ●●● LONG-TERM

FINANCIAL IMPACT
⌄ LOW ⊖ MEDIUM ⌃ HIGH

Opportunity associated with climate change	**Time horizon**	**Financial opportunity**	**Impact of climate-related opportunities on our business, strategy and delivery, and financial planning**	
PRODUCTS AND SERVICES continued				
Sell heat from our EfW process	●● Opportunities to make low-carbon heat available are likely to come forward over time. These may be small(er) scale in the next 1-2 years, rising to a much larger scale over the next 5-10 years. It may be possible to put in place large-scale arrangements sooner, depending on a number of external factors.	⌃ Over time heat export presents a significant opportunity to build value via committed energy export and potentially a stake in heat transmission assets.	• EfW with combined heat and power (CHP) capabilities is likely to benefit from increased pressure for local heat networks to replace gas boilers, and we will continue to work to deliver the Riverside Heat Network.	• We are exploring further opportunities for heat offtake, including innovative options to supply heat to the large district heat networks being developed in central London. For instance, in early 2024 we announced a project which would move waste heat along the River Thames in thermal stores on barges. The solution makes use of our marine logistics assets and experience, as well as our waste heat.
Sell negative emissions in a carbon market from capture of biogenic carbon from our EfW process	●● Will be delivered in line with our CCS project.	⌃ As engineered removals, we anticipate the carbon credits from our CCS project to be considered high quality in the carbon credits market.	• We will be able to create and sell high-quality carbon dioxide removal (CDR) credits as a result of capturing and storing biogenic carbon. • As our credits will be generated based on engineered carbon capture and geological storage, the carbon will be permanently removed from the atmosphere. As a result, the carbon credits we can create are of a very high quality and as such have a high value in the carbon credits market.	• We appointed our Head of Carbon in 2023 to develop our strategy in relation to future negative emissions sales.
MARKETS				
Increased cost of exporting waste due to taxes in the UK or at destination countries	● The EfW industry has expressed to the UK Government that the introduction of the ETS should not result in peverse incentives to export waste abroad. Therefore we would expect the cost of export to rise in line with ETS costs.	⌄ Potential to gain tonnage from waste previously exported.	• Develop our commercial team who will continue to expand our markets and promote our services with both municipal and commercial customers.	

Task Force on Climate-related Financial Disclosures continued

Transition opportunities continued

TIME HORIZON
● SHORT-TERM ●● MEDIUM-TERM ●●● LONG-TERM

FINANCIAL IMPACT
⌄ LOW ⊖ MEDIUM ⌃ HIGH

Opportunity associated with climate change	Time horizon	Financial opportunity	Impact of climate-related opportunities on our business, strategy and delivery, and financial planning
RESILIENCE			
Investment in low-carbon energy efficient infrastructure	● Riverside 2 is expected to be operational by 2026.	⌃ Cory is investing £900 million in the growth of its business to divert even more waste from landfill and export, this investment is expected to grow our business by 80 per cent.	• Riverside 2, which is under construction adjacent to Riverside 1, will process a further 650,000 tonnes of waste per year and produce a further 69Mwe electricity for the UK national grid. Combined, Riverside 1 and Riverside 2 will generate enough electricity to power over 350,000 homes each year.

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

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

Cory has made a commitment to reach net zero by 2040 or sooner. For Cory, net zero means that we will be removing more carbon from the atmosphere than is emitted by the processes we apply to the waste we receive. In 2024, 99 per cent of Cory's carbon emissions were from our EfW process. This means that delivering a carbon capture project is the principal route for Cory to realise our net zero commitment. We have net zero targets for all aspects of our business (the remaining one per cent of emissions), which are detailed in the below metrics and targets section and in our Sustainability Report.

A net zero Cory will continue to provide a vital public function, delivering efficient and safe waste management services. Our carbon capture project will enable Cory to continue to provide these services, as well as play a critical role in a net zero carbon economy.

Not only will our essential waste services be decarbonised, but the by-products produced – electricity, heat, and construction aggregates – will be carbon negative or net zero (if the negative emissions generated are sold as credits) and therefore support other areas of the UK economy to achieve net zero.

Since 2022, we have invested £9.7 million in our CCS project, including preparing the application for our Development Consent Order, delivering a scoping report to the Planning Inspectorate, a non-statutory consultation, a Preliminary Environmental Report and a statutory consultation. Our DCO application was submitted in March 2024.

RESILIENCE OF OUR STRATEGY

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

The first scenario looks at transition risks and opportunities for our EfW business under the Intergovernmental Panel on Climate Change's (IPCC's) Representative Common Pathway (RCP) 2.6, which projects a global mean temperature increase of 1.5 to 2°C by 2100 from a pre-industrial baseline. Our second scenario looks at physical risks to our river operations and EfW process under the IPCC's RCP 4.5, which projects a temperature rise of 2°C by 2050.

SCENARIO 1

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

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

In this scenario, rapid changes in legislation and technology development limit greenhouse gas (GHG) emissions, for example through carbon pricing. Carbon pricing takes place through compliance markets (i.e. UK ETS) or voluntary carbon markets for negative emissions.

In the compliance market, under the UK ETS, a high carbon price will represent a significant cost to our business; however, this will be mitigated by passing through costs associated with the ETS to waste customers. This will be enabled through existing change in law provisions in customer contracts.

A high carbon price in the voluntary carbon market represents a significant opportunity for our business through the ability to sell the negative emissions generated from our CCS project as high-quality, durable carbon removals credits to hard-to-abate sectors seeking to decarbonise.

The UK Government is also considering integrating GHG removals into the UK ETS (Cory responded to the consultation on this in 2024). This would create an additional market for negative emissions through selling into the UK ETS as ETS allowances. Other ETS operators could then purchase these allowances to meet their ETS liabilities.

Carbon pricing will therefore strengthen the business case for carbon capture at Cory's EfW facilities by avoiding the ETS carbon price, and the opportunity to create and sell carbon credits in voluntary markets or into the ETS in the future.

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

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

SCENARIO 2

A temperature increase of more than 2°C by 2100

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

EFW PROCESS

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

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

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

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

Cory's site in Belvedere comes under the remit of the Thames Estuary 2100 Plan, which sets out how the Environment Agency and its partners can work together to manage tidal flood risk in the Thames Estuary. The current phase of the plan focused on maintaining and improving current flood risk management assets, including walls gates, embankments and pumps. During the second phase from 2035– 50, the existing flood defences will be raised to manage tidal flood risk in the Thames Estuary in line with projected sea level rises because of climate change.

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

RIVER OPERATIONS

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

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

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

Task Force on Climate-related Financial Disclosures continued

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

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

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

We have worked to align our ERM process with organisational culture, through engagement with leadership and operational management on key risk management issues. We assess climate-related risks within this ERM framework, including assessing transition risks such as regulatory changes leading to new taxation, and physical risks such as flooding and adverse weather conditions. There is also a specific standalone risk explicitly related to climate change, which is owned by operational management.

During 2024 we held a workshop to better understand the risks of climate change to operations; identify and prioritise where climate risks expose vulnerabilities in business operations and assets; and reduce future losses and improve business continuity by integrating climate risk management. The workshop was attended by over 20 leaders from across the business and included presentations from our insurers FM Global and Marsh on climate scenarios and the impacts of climate change, and climate risk identification and prioritisation. During the workshop the future climate perils most likely to be experienced at Cory assets were identified as extreme temperature and heat, extreme precipitation (rainfall), drought and wind.

During the workshop attendees were split between four groups (Riverside, WTS and MRF, Lighterage and Strategy and Leadership) to discuss a set of questions about the likely climate change risks to Cory. Each group was asked to identify climate-related risks that could affect the business area or cause environmental harm and then score these risks according to impact and likelihood.

Following the workshop, this activity was repeated at each WTS to look at site specific risks, taking into consideration the unique characteristics and components that could make them vulnerable to the impacts of climate change. Risks discussed included the potential for equipment failure due to extreme heat, damage to equipment and property due to high winds, and impacts on drainage, basements and low-lying equipment and machinery due to surface flooding. Cory recognises that the risk profile to the business is changing and that we need to adapt over time, as well as build in layers of resilience to avoid single points of failure.

The Audit and Risk Committee met twice during 2024 to discuss:

- Risk scoring.
- Headlines and commentary on the ERM process and changes since the last meeting.
- Current risk allocations.
- Next steps and priorities for 2024 and 2025.

WHAT ARE THE LIKELY CLIMATE CHANGE RISKS TO CORY?

What site activities could be affected by weather?

How has the business been affected by severe weather events in the past?

How can different scenarios arising from a combination of weather events lead to disruptions?

What operational processes are climate dependent or temperature sensitive processes?

Are our suppliers climate resilient?

Consider impacts of extreme heat on employee welfare and their ability to work without increased breaks and reduced output.

Which key equipment, plants, or machinery can be damaged and degraded by climate change? How long will this equipment take to replace?

What are the potential environmental hazards if equipment is damaged?

Task Force on Climate-related Financial Disclosures continued

METRICS AND TARGETS

Cory reports Scope 1, Scope 2, and limited Scope 3 emissions in line with the UK Government Streamlined Energy and Carbon Reporting Requirements (See SECR report on **pages 49 to 51**). We also report additional metrics, including a wider range of Scope 3 indicators in our 2024 Sustainability Report.

Cory is in a unique position with regard to the use of targets to track progress in our decarbonisation journey. This is because c.99 per cent of our emissions are emitted by a single source: Riverside 1 EfW facility. When Riverside 2 commences operations, we expect this proportion to rise further across the two facilities. We have a commitment to reach net zero by 2040 or sooner and intend to do this by applying CCS technology to Riverside 1 and Riverside 2 with a capture rate of at least 95 per cent, in line with current technological capabilities. We intend to be in a CCS-ready position by 2031; ultimately delivering the project will be dependent on us securing financial investment.

Should we be successful in delivering the CCS project as intended, our EfW operations would be carbon negative by c.700,000 tonnes of CO_2 per year. We anticipate having some residual emissions from the rest of our operations (the remaining one per cent of our overall emissions), for example, through fuel use (whether biofuel or a conventional fuel) in our Lighterage operations and mobile plant at our waste tansfer stations, and the use of gas for heating at sites, where it has not yet been viable to switch to alternative sources.

We intend to offset our residual operational emissions with the negative emissions generated by our CCS project, assuming this is feasible in a future negative emissions market. Our operational emissions were 6,141 tonnes of CO_2 in 2024, and while our business will expand with Riverside 2 in operations, we would expect these to stay the same (due to the use of renewable diesel and renewable electricity for our WTS in Barking and the associated lighterage activities), or decrease over time in line with our operational decarbonisation programme, the key tenets of which are to:

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

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

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

Streamlined Energy and Carbon Report

Reporting period 1 January to 31 December 2024

The table on this page details the Group's Streamlined Energy and Carbon Reporting (SECR) for the calendar year 2024. 99 per cent of our net Scope 1 and Scope 2 emissions result from the combustion of our customers' residual waste, with one per cent from the remainder of our operations.

This analysis does not account for the carbon benefit that our operations provide to the wider UK economy, which we calculate as 431,343 tonnes of carbon dioxide equivalent (CO_2e) for 2024, including offsetting electricity generation from fossil fuel, landfill avoidance, recycling activities and the re-use of by-products from our energy from waste process. Energy from waste remains the lowest carbon method to process waste, saving 450kg per tonne of waste compared to disposal in landfill. Please see **page 15** for details of how we intend to reduce our CO_2 emissions through our CCS project. We have included additional Scope 3 emissions sources in our verified data this year from the construction of Riverside 2; we do so to provide further completeness to our reporting and advance our decarbonisation journey.

During Summer 2024 we installed Carbon-14 testing at Riverside 1. Carbon-14 testing, also known as radiocarbon dating, is used in industry to determine if CO_2 emissions are sourced from plants/biomass or from fossil-based materials. For an EfW facility, it records the amount of CO_2 emissions that are derived from combusting waste that is comprised of biomass, (i.e. plants, food, paper, cardboard) and fossil sources, (i.e. plastics). It is a more accurate method of determining the fossil and biogenic split of our CO_2 emissions than the annual waste composition analysis, used hitherto.

Our reported CO_2 emissions from waste processed through Riverside 1 were measured using the facility's Continuous Emissions Monitoring System and then apportioned using the average Carbon-14 testing results from November 2023 (when we started trialling the testing regime) to October 2024 (more information on this is included in the Quantification and reporting methodology section on **page 50**).

EMISSIONS

Greenhouse gas emissions	Unit	2024	2023	2022
Scope 1 – total	tCO_2e	346,464[1]	435,535	433,274
Scope 2 – location based	tCO_2e	2,003	2,869	1,663
Total gross Scope 1 and Scope 2 emissions	tCO_2e	348,467	438,404	434,937
Intensity ratio (gross Scope 1 + 2)/tonnes of waste handled	tCO_2e	0.34	0.42	0.40
Scope 1 – waste processed through Riverside 1 (fossil)	tCO_2e	340,314	428,977	427,575
Scope 1 – combustion of natural gas	tCO_2e	119	127	112
Scope 1 – combustion of fuel for transport purposes	tCO_2e	462	433	957
Scope 1 – fugitive F-gas emissions[2]	tCO_2e	795	–	–
Scope 1 – combustion of fuel for site processes	tCO_2e	4,367	5,997	4,630
Scope 2 – market based	tCO_2e	373	569	823
Scope 3 – business travel	tCO_2e	17	17	17
Scope 3 – fuel and energy-related activities (not included in Scope 1 or Scope 2)	tCO_2e	2,061[3]	248	152
Scope 3 – consumables used in Riverside 1[4]	tCO_2e	11,468	11,157	–
Scope 3 – water supply and treatment	tCO_2e	33	40	–
Scope 3 – waste generated in operations[5]	tCO_2e	3,578	3,523	–
Scope 3 – Riverside 2 construction	tCO_2e	160,424	–	–

1 Decrease due to more accurate fossil/biogenic measurement.

2 Accidental discharge at Riverside 1 EfW facility.

3 Figure has increased due to the inclusion of Waste to Tank emissions for all fuels used in 2024 for completeness.

4 Figure includes emissions from use of lime, ammonia, activated carbon, caustic soda and hydrochloric acid used at Riverside 1 EfW facility.

5 Figure includes treatment of IBA for reprocessing into construction aggregates and APCr to both reuse for construction aggregates and for treatment and processing of other waste streams.

Streamlined Energy and Carbon Report continued

ENERGY CONSUMPTION USED TO CALCULATE THE ABOVE EMISSIONS

Usage	Unit	2024	2023	2022
Scope 1 – Natural gas	kWh	648,983	694,161	614,595
Scope 1 – Diesel – transport	kWh	23,066	21,929	1,089,654
Scope 1 – Gas oil – transport and plant	kWh	1,538,416	1,456,663	4,387,486
Scope 1 – Diesel – Barking processes	kWh	2,890,525	6,461,190	4,698,466
Scope 1 – Gas oil – Riverside 1 processes	kWh	14,330,865	17,124,227	11,555,623
Scope 1 – Biofuel – transport	kWh	13,125,830	13,223,672	12,877,509
Scope 1 – Company cars – transport	kWh	55,948	53,340	26,637
Scope 1 – Waste processed through Riverside 1	kWh	2,145,301,220	2,082,375,685	2,088,235,210
Scope 2 – Purchased electricity	kWh	9,674,061	13,852,784	8,599,645
Scope 3 – Private vehicles on business	kWh	44,127	17,002[1]	69,968

EMISSIONS OF BIOGENIC ORIGIN

Source	Unit	2024	2023	2022
Biogenic emissions from waste processed by Riverside 1	tCO_2	559,274	425,972	401,840
Biogenic emissions from the use of HVO	tCO_2	3,346	3,371	3,337

[1] Emissions from company cars - transport and private vehicles on business have been recalculated for 2023 due to a previous misunderstanding of the reporting requirements for lease cars.

EXTERNAL ASSURANCE

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

QUANTIFICATION AND REPORTING METHODOLOGY

Our reporting methodology is in accordance with UK Government Environmental Reporting Guidelines and the GHG Protocol Corporate Accounting and Reporting Standard. GHG emission factors are taken from the 2024 UK Government's conversion factors for GHG reporting, our electricity tariff's conversion factor and AIB's European Residual Mix 2023.

Throughout 2024 CO_2 emissions from our Riverside 1 EfW facility have been continuously monitored with the facility's Continuous Emissions Monitoring System (CEMS) which measured a CO_2 emitted to waste incinerated ratio of 1.11 to 1 tonne of waste. In 2023 this was 1.08 of CO_2 to 1 tonne of waste, and in 2022 1.05.

- As per the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, the carbon emissions from our EfW facility are separated into fossil and biogenic origin, and only the fossil CO_2 is included in this report as Scope 1 emissions. We include our emissions of biogenic origin from the combustion of waste and use of HVO in this report for completeness and transparency. For 2024 we calculated the fossil and biogenic content of the emissions from the results of newly installed Carbon-14 testing which measured biogenic content at an average of 62.17 per cent across six months of testing.

To obtain the data, a composite sample representative of the flue gas across the three operating lines at Riverside 1 is sent to a laboratory for analysis monthly. The result is obtained using the radiocarbon isotope (also known as Carbon-14, C-14 or 14C), a naturally occurring isotope of carbon that is radioactive and decays in such a way that there is none left after about 45,000 years following the death of a plant or animal. Its most common use is radiocarbon dating by archaeologists. An industrial application was also developed to determine if consumer products and CO_2 emissions were sourced from plants/biomass or from materials such as petroleum or coal (fossil-based).

Streamlined Energy and Carbon Report continued

The result used to develop this statement was obtained by measuring the ratio of radiocarbon in the material relative to a National Institute of Standards and Technology (NIST) modern reference standard (SRM 4990C). This ratio was calculated as a percentage and is reported as percent modern carbon (pMC). The value obtained relative to the NIST standard is normalised to the year 1950 AD so an adjustment was required to calculate a carbon source value relative to today. Interpretation and application of the results is straightforward. A value of 100 per cent biobased or biogenic carbon would indicate that 100 per cent of the carbon came from plants or animal by-products (biomass) living in the natural environment and a value of 0 per cent would mean that all the carbon was derived from petrochemicals, coal and other fossil sources. A value between 0-100 per cent would indicate a mixture. The higher the value, the greater the proportion of naturally sourced components in the material.

DATA COLLECTION

The data presented has been collected from Riverside's CEMS, C-14 testing, manual and automated meter readings, invoices, the distributed control system (DCS) plant operation system, weighbridge records, and mileage expenses. To facilitate the collation of data required to report according to the SECR requirements, Cory uses an HSEQ Management and Sustainability reporting software solution called Intelex. The platform enables digitised workflows of routine HSEQ processes as well as data aggregation, consolidation, and analysis.

ORGANISATIONAL AND OPERATIONAL BOUNDARIES

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

ENERGY EFFICIENCY ACTIONS

Cory is committed to maximising energy efficiency across all sites and activities. During 2024, the company has taken the following actions to improve energy efficiency:

- We have been working to utilise waste heat from Riverside 1 since 2018. During 2024, we made a commercial proposal to a potential anchor offtaker for the Riverside Heat Network. We have also been exploring innovative options to supply heat to the large district heat networks being developed in central London. In early 2024 we announced a project which would move waste heat along the River Thames in thermal stores on barges. Operating as a combined heat and power plant (CHP) will significantly improve the efficiency of our EfW process, as well as roughly half the carbon intensity of processing each tonne of waste.
- At Riverside 1, we upgraded our high-pressure low-pressure steam reducing station, following a Root Cause Analysis study. As part of the study, we collected a year's worth of plant data, consisting of 16 variables recorded at 7-second intervals, resulting in a dataset of 72 million data points. This comprehensive dataset allowed us to conduct an in-depth analysis of system behaviour and perform root cause analysis across a wide range of operating conditions. The findings offered valuable insights across multiple areas, including technical specifications, pipework design, calculations, process interlocks, control logic, proportional integral derivative (PID) control loop tuning and thermodynamics. Ultimately, we were able to improve net efficiency by 1.5 per cent, electricity export per tonne of waste by 0.45 MW and electricity generation by 4-6 MW/h.
- We are currently redeveloping our waste transfer station in Barking to maximise electrification of on-site processes and reduce reliance on fossil fuels. Once the main works are completed, we anticipate all processes being electrified. The Main Works Contractor for the redevelopment is working to the standard PAS 2080: Carbon management in infrastructure and implementing an Energy and Carbon Management and Reduction Plan.
- We have been using hydrotreated vegetable oil (HVO, also referred to as renewable diesel) in our river operations since June 2021, and our Northumberland Wharf, Smugglers Way and Cringle Dock Waste Transfer Stations used HVO throughout 2024, reducing our CO_2 emissions from fuel use by 3,765 tonnes.
- We are focused on energy efficiency on our tugs and have longstanding programmes to reduce engine idling and operate the fleet at a maximum of 75 per cent engine power when under way and when it is safe to do so. During 2024, the Lighterage team used an average of 1.51 litres of fuel per tonne of waste moved, reduced from 1.53 in 2023.
- Every year we undertake energy reviews with site representatives at Riverside 1, our WTSs, Barge Yard and Ship Repair Yard to develop energy efficiency plans for each site. WTS Site Managers are sent their energy use intensity ratio quarterly. The intensity ratios are the calculation of energy used to process one tonne of waste at each site.

We make continual upgrades to plant and equipment as required, for example, during 2024 we installed new long travel motors for both container cranes at Cringle Dock WTS, replaced the waste transfer cranes at Smugglers Way WTS, installed energy efficient motors in the crane at the MRF in Wandsworth and installed a heat exchanger on the exterior of Northumberland Wharf to reduce gas use for heating.

The Strategic report was approved by the Board on 29 April 2025.

By Order of the Board.

Ben Butler
Director
Cory Topco Limited

11385842

Corporate governance

THE RIGHT STEER

IN THIS SECTION

Board of Directors

JOHN BARRY

Independent Chair and Non-executive Director

R D

John has chaired Cory since the acquisition by its current shareholders in June 2018. He also chairs the Remuneration and Developments Committees. He started his career as a chartered accountant with seven years at Ernst & Young, specialising in M&A and private equity transactions, before working at 3i Group for 12 years, firstly in private equity and then helping to found 3i Infrastructure. From 2009–17, John was a Managing Director of First Reserve where he helped found its global energy infrastructure business. He also serves as a non-executive director on the boards of Anglian Water and North Sea Midstream, as well as the investment committees of MML Keystone and the Susi Energy Transition Fund.

KEY TO COMMITTEE MEMBERSHIPS

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

DOUGIE SUTHERLAND

Executive Director

R D A

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. Dougie is a member of all Committees.

BEN BUTLER

Executive Director

D

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

ALISTAIR RAY

Non-executive Director

D

Alistair is the Chief Investment Officer and founding partner of Dalmore Capital. He has more than 20 years' experience in the infrastructure sector. Since inception in 2009, Dalmore Capital, has invested more than £5 billion into infrastructure. Alistair began his career in 1997 with British Linen Bank and holds an honours degree in Engineering. Alistair is a member of the Developments Committee.

ANDREW RHODES

Non-executive Director

R D A

Andrew is the Chief Executive Officer of Semperian Infrastructure Group. He has worked as a project finance specialist for 25 years, with a background in major global energy, water and infrastructure projects. Andrew is registered as a general representative with the FCA. Andrew is a member of all Committees.

Board of Directors continued

SCOTT SPRINGETT

Non-executive Director

R A

Scott is a Director at Swiss Life Asset Managers with over 30 years' experience in the infrastructure sector spanning across design, construction and operations, due diligence, financing, acquisition and the disposal of investments. For the last 20 years, he has focused on the asset management of the investments for several infrastructure funds, acting as a Director on these investments. Scott's experience covers all infrastructure sectors, with significant involvement in transport, utilities, renewable energy and energy from waste, and public–private partnerships both in the UK and across the globe. Prior to joining Swiss Life Asset Managers, he was responsible for the performance of John Laing's global portfolio of infrastructure investments. Scott is a Chartered Engineer and holds an honours degree in Civil Engineering from the University of Southampton and an MBA from University College Dublin. Scott is a member of the Remuneration Committee and the Audit and Risk Committee.

BILL DOUGHTY

Non-executive Director

R D A

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

JASON COGLEY

Non-executive Director

R D A

Jason leads deal origination and execution and contributes to asset management in Europe for Fiera Infrastructure. Jason has extensive experience spanning more than 25 years in the infrastructure and investment industries, and has invested across the regulated utility, energy transition and social & digital infrastructure sectors. Jason holds a Bachelor of Commerce degree from Monash University in Australia and is qualified as a chartered accountant (ICAA). Jason is a member of all Committees.

GEORGE TASKER

Non-executive Director

R D A

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

MARK DRAPER

Independent Non-executive Director

D A

Mark has more than 35 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 Engineering and Technology and a Fellow of the Institute of Mechanical Engineers. He holds a master's degree in Mechanical and Electrical Engineering from Cambridge University. Mark is a member of the Developments Committee and the Audit and Risk Committee.

Our approach to governance and leadership

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

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

The Board is committed to acting in good faith to promote the long-term success of the company. Directors and management engage with a wide range of stakeholders that impact, or are impacted by, Cory's operations. These include employees, customers, suppliers, the environment and the wider community. We consistently communicate to maintain strong stakeholder relationships, and stakeholders' views are reflected in the strategic direction of the business (see 'Stakeholder management and our commitment to Section 172' on **page 33**).

CORY'S APPLICATION OF THE UK CORPORATE GOVERNANCE CODE

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

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

EMBEDDING A POSITIVE BUSINESS CULTURE

Our purpose is driven by a belief that waste should not be wasted, but rather managed in the most environmentally friendly and sustainable way possible. Central to our business model is ensuring that our service to our customers is exceptional, our people are kept well and safe, and that we consider the environment in everything we do. We can only achieve this through the exceptional work and dedication of our people. This requires us to nurture and maintain a positive culture so we can continue to deliver positive outcomes for our customers as well as broader benefits for our other key stakeholders (see 'Our business model' on **page 13** and 'Stakeholder management' and 'Our commitment to Section 172' on **page 33**).

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

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

Caring for and respecting people and our environment.

Actively looking for ways to reduce harm.

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

Encouraging and inspiring others.

BOARD ENGAGEMENT WITH THE WORKFORCE

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

The CEO, CFO and General Counsel attend every Board meeting, informing the Board of material matters affecting our people, for example in relation to health, safety and wellbeing, operational issues, and employee benefits and union negotiations.

Various employees who do not regularly attend Board meetings also present to the Board on matters affecting the business and our people, providing the Board an opportunity to engage directly with the workforce and vice versa. For example, in 2024, the Director of HSEQ reviewed the health and safety performance of the business with the Board, the Head of Communications and Public Affairs presented on the 2024 Communications and Stakeholder Engagement Plan including CCS communications, the Developments Director presented on major projects such as Decarbonisation/CCS, Cringle Dock Waste Transfer Station, heat development and Barking Waste Transfer Station redevelopment, the Head of Trading provided updates on the Capacity Market auction, REGOs and energy trading, the Head of Carbon presented on the ETS, and the Managing Director of Heat presented on the heat strategy.

Some Board members also attend site visits with their colleagues (employees of the Shareholders), where they have the opportunity to better understand the operations of Cory and engage directly with the workforce. In 2024, this included visits to the Riverside campus and Barking to assess the progress of the Riverside 2 development first hand.

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

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

Our approach to governance and leadership continued

LEADERSHIP BRIEFINGS

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

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

The CEO and CFO provide regular all-Group updates via Teams. These provide an opportunity for employees to engage directly with senior management and to ensure that Directors and management have regard to employee interests and the effect of this one the principal decisions to be taken by the Company.

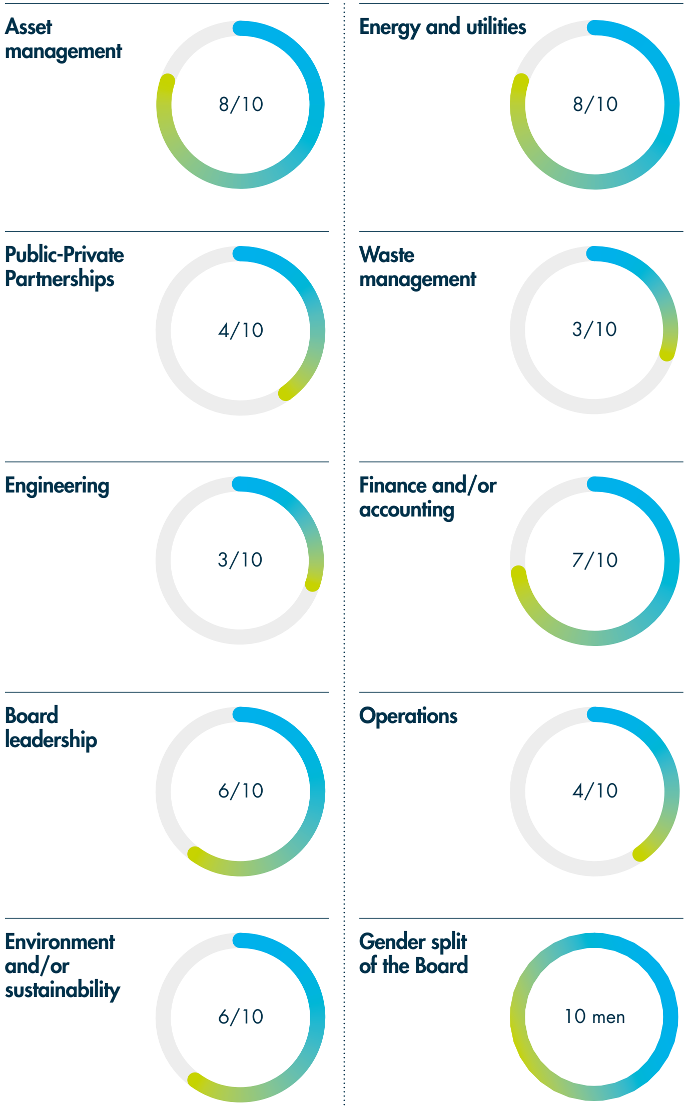
Any key themes or messages from these various briefings are then communicated back to the Board by the CEO via his Board report and informal calls.

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

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

SKILLS AND EXPERIENCE OF THE BOARD

The chart below shows Board composition as at 31 December 2024



Our approach to governance and leadership continued

INTERNAL CONTROLS AND RISK MANAGEMENT

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

The principal elements of the Group's internal control system and the main risks it faces are summarised on **pages 25 to 28**.

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

HOW WE DIVIDE RESPONSIBILITIES

THE BOARD

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

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

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

INDEPENDENT CHAIR

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

INDEPENDENT DIRECTOR

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

SHAREHOLDER-DIRECTORS

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

EXECUTIVE DIRECTORS

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

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

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

COMPANY SECRETARY

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

MANAGEMENT

The CEO, CFO and other senior Executive Leadership 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 disposal, recruitment and compensation, treasury, and litigation and claims settlement. The DAP authorises management to approve decisions up to specified limits, beyond which the Board's approval must be obtained. Certain decisions are reserved to shareholders for approval under the Shareholders' Agreement following consideration by the Board.

Committees

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

AUDIT AND RISK COMMITTEE

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

The Committee monitors the integrity of the financial statements and any formal announcements relating to the Company's financial performance and reviews significant financial judgements contained with them. It provides advice to the Board on whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable.

The Committee advises on external auditor appointments and reviews and monitors the external auditor's independence, objectivity and effectiveness. It reviews the company's financial controls and internal control and risk management systems, including a bi-annual review of the Group enterprise risk register, making sure it is comprehensive and appropriate mitigation measures are in place. The Committee also upholds standards relating to cyber security, whistleblowing and fraud detection.

REMUNERATION COMMITTEE

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

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

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

DEVELOPMENTS COMMITTEE

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

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

How we work

BOARD ATTENDANCE

John Barry	4/4
Jason Cogley	2/4
Mark Draper	4/4
Andrew Rhodes	4/4
Scott Springett	2/3
George Tasker	4/4
Ben Butler	4/4
Bill Doughty	3/4
Adolfo Pardo	1/1
Alistair Ray	2/4
Dougie Sutherland	4/4

BOARD MEETINGS

The Board convened four ‘regular’ Board meetings in 2024. Directors are expected to attend all meetings of the Board, and the Committee on which they sit, devoting sufficient time to Cory to fulfil their directorial duties. Each Shareholder Director is entitled to invite one observer to attend Board meetings.

The Board also convened on an ad hoc basis throughout the year to discuss other material business matters, including the approval of a bid submission to Essex County Council for a waste services contract and the approval of a Detailed Solutions bid submission for a waste services contract to East London Waste Authority.

The table to the left shows directors’ attendance at scheduled Board meetings during the period.

INFORMATION AND SUPPORT

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

CONFLICTS OF INTEREST

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

BOARD EVALUATION

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

Key activities of the Board and its committees

The following summarises the main activities of the Board and Committees during 2024.

Key area of activity	**Matters considered**
BUSINESS PERFORMANCE AND OVERSIGHT	• Received regular updates on how the business is performing against our strategic and operational priorities and KPIs, and areas of focus for 2025. • Received updates the fatal incident at Smugglers Way Transfer Station. • Received updates on the mobilisation of the Hertfordshire and Thurrock local authority contracts. • Received regular updates on planned and unplanned plant outages. • Received regular updates on the waste, commodity and energy markets. • Approved a bid for the capacity market auction (see Principal Decisions in 'Stakeholder management and our commitment to s172' on **page 33**). • Approved the dividend to shareholders (see Principal Decisions in 'Stakeholder management and our commitment to s172' on **page 34**)
STRATEGY AND FUTURE GROWTH	• Received regular updates on capital and strategic development projects, with a key focus on Riverside 2 and the Barking redevelopment, the CCS/Decarbonisation Project (including DCO application progress, funding models and selling of carbon credits), heat development and Cringle Dock. • Considered the impact of upcoming policy, regulatory and legislative changes on the business and its strategy, including in relation to waste (including EPR, Simple Recycling, landfill tax), changes to heat zoning and heat network regulations, net zero, Non-Pipeline Transmission and the ETS. • Considered key matters relating to long term local authority customers, including considering future strategy and opportunities. • Considered, and declined to engage in, a strategic M&A opportunity. • Ensured the business was advocating for the energy from waste industry, in conjunction with trade bodies. • Approved submission of bid to Esses County Council for a waste services contract. • Approved the Invitation to Submit Detailed Solutions submission of a bid for the waste services contract from East London Waste Authority (see Principal Decisions in 'Stakeholder management and our commitment to s172' on **page 34**). • Engaged a Managing Director for Heat to focus on heat development opportunities
RISK AND OPPORTUNITY	• Took part in enterprise risk management review on our principal risks to re-validate these risks and the risk appetite framework. • Considered the impact of the ETS, changes to landfill tax, opportunities presented by net zero/Track 2/non-pipeline transmission. • Considered risks and opportunities presented by AI • Considered risks and action plan relating to cyber risk and cyber security.
CULTURE AND GOVERNANCE	• Included ESG objectives in the executive incentive policy. • Set an agreed Corporate Governance/Board Calendar. • Approved the Modern Slavery Statement for publication on the website. • Monitored the gender pay gap. • Monitored supplier prompt payment practices. • Approved the Tax Strategy. • Approved the Information Security Policy.
TALENT AND PEOPLE	• Started every meeting with a health, safety and wellbeing moment. • Received regular updates on how the business is performing against our health and safety priorities and KPIs (including 'deep dive' sessions on health & safety). • Monitored the impact of the fatal incident on the workforce, as well as wider mental health issues. • Discussed succession planning and talent development. • Discussed importance of apprenticeship programme. • Discussed trade union negotiations and settlement agreements. • Approved pay rises and bonus plan.
STAKEHOLDER ENGAGEMENT	• Received regular updates on business engagement with stakeholders (see 'Stakeholder management and our commitment to s172' on **page 33**). • Undertook deep dive into communications and public affairs strategy for 2024, including stakeholder engagement.

Directors' Report

The Directors present their directors' report for the year ended 31 December 2024. The results for the year are set out in the audited financial statements on pages 62 to 83.

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

29	Employee engagement and other workforce matters
24	Going concern and viability statement
25	Principal risks and uncertainties
49	Energy and carbon reporting
55	Corporate governance review
62	Financial statements
9	Important events affecting the company
15-20	Likely future developments, research & development
29	Stakeholders
33	Section 172 statement

STRATEGIC REPORT AND ADDITIONAL DISCLOSURES

A review of the business for the year ended 31 December 2024, including an analysis of key financial and other performance indicators, financial risk management and future developments, is included in the Strategic Report on **pages 1 to 51**.

DIVIDENDS

The Group issued dividends during the year of £32.7 million (2023 – £113.4 million). The Directors do not propose payment of a final dividend (2023 – nil). The Group paid a post year-end interim dividend of £21.0 million in February 2025.

EVENTS SINCE THE BALANCE SHEET

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

POLITICAL DONATIONS

The company has not made any political donations or incurred any political expenditure in the financial year, and has made no contributions to a non-UK political party during the financial year. The company has no branches outside of the UK (2023 – nil).

EMPLOYEE MATTERS

The Group is aware of the importance of good communication and ensuring high levels of engagement with its workforce. The Group is aware of the benefits of having a diverse workforce and the critical importance of this to the long-term sustainability of its operations.

Furthermore, the Group measures and regularly reviews a series of employment KPIs, including gender split, equal pay, age profile, employees with disability and other measures. The Group continues to consider diversity and inclusion as part of its employment strategy, confirming the vital role that our people have in the ongoing success of the Group.

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

DIRECTORS

The directors of the company during the year were:

J R Barry
B J Butler
J D Cogley
W Doughty
M Draper
A F Pardo de Santayana Montes (until 30 April 2024)
A C M Rhodes
A G Ray
D I Sutherland
S Springett (from 30 April 2024)
G Tasker

The biographical details of the current Directors and the Board Committees of which they are members are set out on **pages 53 to 54**. All Directors held office throughout the year.

DIRECTORS' INDEMNITY AND INSURANCE

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

AUDITOR AND DISCLOSURE OF INFORMATION TO THE AUDITOR

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

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

DISCLAIMER

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

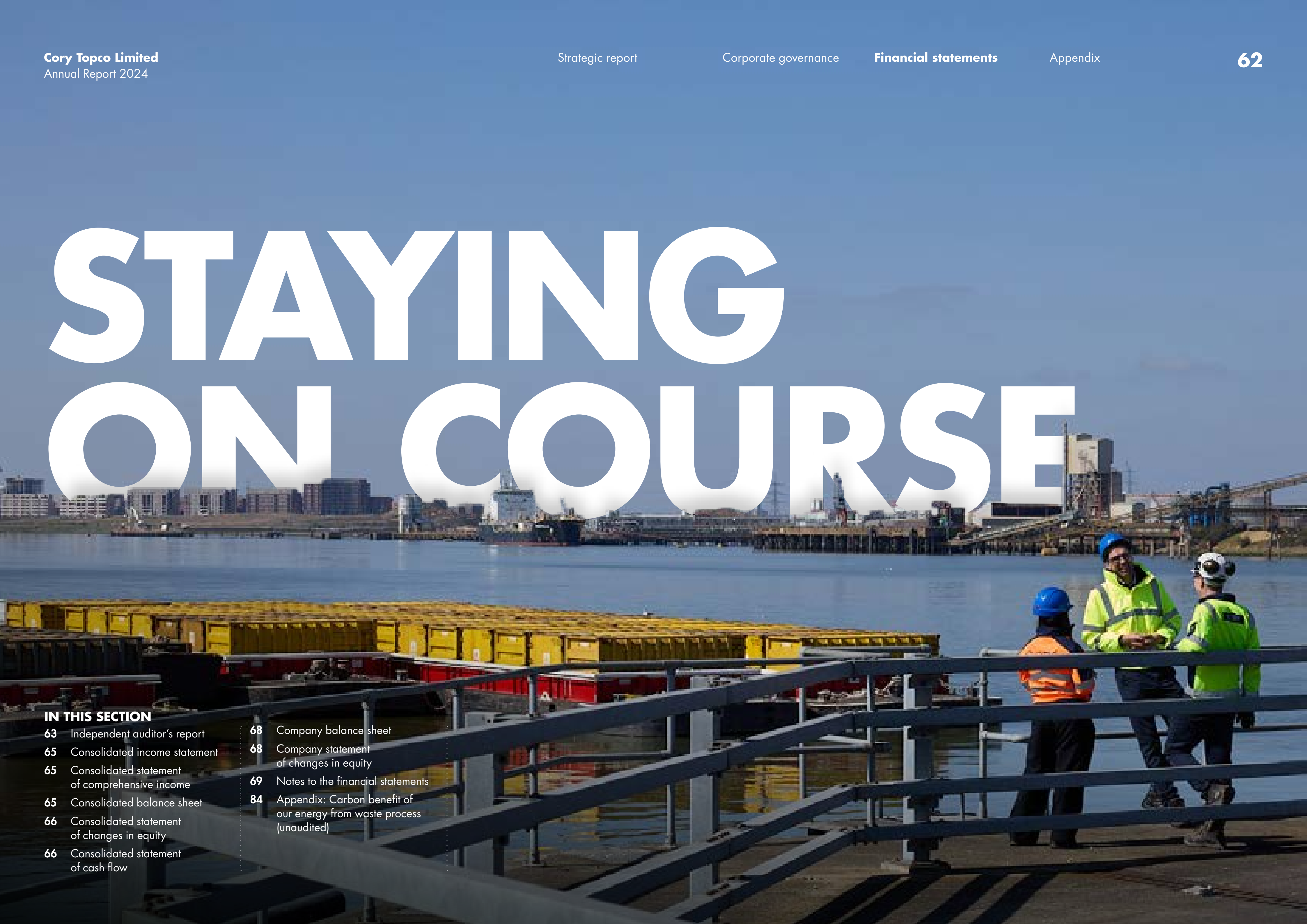
The Company, its Directors and employees, agents and advisers do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

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

The Directors' Report was approved by the Board on 29 April 2025.

By Order of the Board.

Ben Butler
Director
Cory Topco Limited
11385842



STAYING ON COURSE

IN THIS SECTION

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

OPINION ON THE FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Cory Topco Limited ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 December 2024 which comprise Consolidated income statement, Consolidated statement of comprehensive income, Consolidated balance sheet, Consolidated statement of changes in equity, Consolidated statement of cash flow, Company balance sheet, Company statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

BASIS FOR OPINION

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

INDEPENDENCE

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

CONCLUSIONS RELATING TO GOING CONCERN

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or Parent Company's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OTHER COMPANIES ACT 2006 REPORTING

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

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

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

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

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

RESPONSIBILITIES OF DIRECTORS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report

to the Members of Cory Topco Limited continued

EXTENT TO WHICH THE AUDIT WAS CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

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

NON-COMPLIANCE WITH LAWS AND REGULATIONS

Based on:

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

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

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

Our procedures in respect of the above included:

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

FRAUD

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

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

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

Our procedures in respect of the above included:

- Performed information produced by entity (IPE) testing regarding the completeness and accuracy of journal entries;
- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Critically reviewed the consolidation and obtained evidence supporting the validity of all significant or late journals posted at consolidated level;
- Performed revenue cut-off testing by understanding the point at which control passes and revenue should be recognised and testing a sample to ensure revenue is recognised in the correct period; and
- Reviewed unadjusted audit differences for indicators of bias or deliberate misstatement.

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

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

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

USE OF OUR REPORT

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

DocuSigned by:
Marc Reinecke
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Marc Reinecke (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
29 April 2025
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated income statement
for the year ended 31 December 2024

	Note	**Year ended 31 December 2024 £'000**	Year ended 31 December 2023 £'000
Turnover	3	**204,030**	199,451
Cost of sales		**(153,889)**	(154,261)
Gross profit		**50,141**	45,190
Administrative expenses (excluding exceptional items)		**(31,638)**	(34,656)
Exceptional costs	5	**(6,046)**	(7,141)
Administrative expenses		**(37,684)**	(41,797)
Other income and expenses	4	**(514)**	87
Group operating profit	8	**11,943**	3,480
Interest receivable and similar income	9	**6,464**	5,830
Interest payable and similar charges	10	**(35,372)**	(32,911)
Profit/(Loss) from changes in fair value of derivatives	23	**12,447**	(5,901)
Loss on ordinary activities before taxation		**(4,518)**	(29,502)
Taxation on loss from ordinary activities	11	**8,276**	17,010
Profit/(Loss) for the financial year		**3,758**	(12,492)

The notes on **pages 69 to 83** form part of these financial statements.

Consolidated statement of comprehensive income
for the year ended 31 December 2024

	Note	**Year ended 31 December 2024 £'000**	Year ended 31 December 2023 £'000
Profit/(Loss) for the financial year		**3,758**	(12,492)
Movement in interest rate hedge	23	**55,266**	(10,898)
Reclassification of interest expense		**(8,475)**	(7,550)
Deferred tax movement on interest rate hedge	28	**(11,698)**	4,612
Total comprehensive profit/(loss) for the year		**38,851**	(26,328)

The notes on **pages 69 to 83** form part of these financial statements.

Consolidated balance sheet
for the year ended 31 December 2024

Company number 11385842	Note	**2024 £'000**	**2024 £'000**	2023 £'000	2023 £'000
Fixed assets					
Intangible assets	14		**164,836**		179,112
Tangible assets	15		**1,630,629**		1,439,132
			1,795,465		1,618,244
Current assets					
Stock	17	**330**		488	
Debtors					
– falling due within one year	18	**62,881**		49,794	
– falling due after more than one year	19	**64,266**		28,195	
Cash at bank and in hand		**203,316**		238,742	
		330,793		317,219	
Creditors: amounts falling due within one year	20	**(110,910)**		(104,521)	
Net current assets			**219,883**		212,698
Total assets less current liabilities			**2,015,348**		1,830,942
Creditors: amounts falling due after more than one year	21		**(969,451)**		(794,411)
Provisions for liabilities	24		**(28)**		(28)
Deferred tax provision falling due after more than one year	21/28		**(188,201)**		(184,986)
Net assets			**857,668**		851,517
Capital and reserves					
Called up share capital	25		**14,092**		14,092
Share premium			**393,058**		393,058
Interest rate hedge reserve			**58,046**		22,953
Profit and loss account			**392,472**		421,414
Shareholders' funds			**857,668**		851,517

The financial statements were approved by the Board of Directors and authorised for issue on 29 April 2025.

B J Butler
Director

The notes on **pages 69 to 83** form part of these financial statements.

Consolidated statement of changes in equity

for the year ended 31 December 2024

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

	Note	**Share capital £'000**	**Share premium £'000**	**Interest rate hedge reserve £'000**	**Profit and loss account £'000**	**Total equity £'000**
At 1 January 2024		**14,092**	**393,058**	**22,953**	**421,414**	**851,517**
Loss for the year (before reclassification of interest expense)		**–**	**–**	**–**	**(4,717)**	**(4,717)**
Hedge effective portion of change in fair value of designated hedging instrument	23	**–**	**–**	**55,266**	**–**	**55,266**
Reclassification of interest expense	23	**–**	**–**	**(8,475)**	**8,475**	**–**
Deferred tax movement on interest rate hedge	23	**–**	**–**	**(11,698)**	**–**	**(11,698)**
Total comprehensive profit for the year		**–**	**–**	**35,093**	**3,758**	**38,851**
Dividend		**–**	**–**	**–**	**(32,700)**	**(32,700)**
At 31 December 2024		**14,092**	**393,058**	**58,046**	**392,472**	**857,668**

The notes on **pages 69 to 83** form part of these financial statements.

Consolidated statement of cash flow

for the year ended 31 December 2024 (Restated)

	Note	**Year ended 31 December 2024 £'000**	Year ended 31 December 2023 £'000
Profit/(Loss) for the financial year		**3,758**	(12,492)
Adjustments for:			
Depreciation and amortisation of fixed and intangible assets	8	**78,367**	75,759
Net fair value (profit)/loss recognised in income statement on derivatives		**(12,447)**	5,901
Net interest payable	10	**35,372**	32,911
Net interest receivable	9	**(6,464)**	(5,830)
Tax credit	11	**(8,276)**	(17,010)
Loss on disposal of tangible fixed asset		**950**	363
Loss on foreign exchange		**1,012**	1,526
Increase in trade and other debtors		**(5,075)**	(15,045)
Decrease/(Increase) in stocks	17	**158**	(287)
(Decrease)/Increase in trade and other creditors		**(2,598)**	42
Cash from operations		**84,757**	65,838
Cash settlements on derivatives (RPI swap)		**(12,198)**	(8,718)
Tax paid		**(4,560)**	(636)
Net cash generated from operating activities		**67,999**	56,484
Cash flows from investing activities			
Purchase of tangible fixed assets		**(239,913)**	(117,619)
Sale of tangible fixed assets		**330**	1,410
Interest received		**10,295**	11,225
Gain/(Loss) on foreign exchange		**338**	(1,272)
Net cash used in investing activities		**(228,950)**	(106,256)

Consolidated statement of cash flow continued

for the year ended 31 December 2024

	Note	**Year ended 31 December 2024 £'000**	Year ended 31 December 2023 £'000
Cash flows from financing activities			
Loan drawdowns	22	**211,500**	50,000
Interest paid		**(35,141)**	(28,643)
Loan repayments	22	**(23,523)**	(50,000)
Bank fees paid		**(3,140)**	(3,552)
Payments under hire purchase		**–**	(111)
Cash settlements on derivatives (Interest rate swap)		**9,879**	7,477
Equity dividends paid		**(32,700)**	(113,400)
Net cash generated from/(used in) financing activities		**126,875**	(138,229)
Net decrease in cash and cash equivalents		**(34,076)**	(188,001)
Cash and cash equivalents at beginning of year		**238,742**	426,997
Foreign exchange loss on cash and cash equivalents		**(1,350)**	(254)
Cash and cash equivalents at end of year		**203,316**	238,742
Cash and cash equivalents comprise:			
Cash at bank and in hand		**203,316**	238,742

In the prior year financial statements, interest paid was classified as an operating activity; however, in the current year and prior year comparative, interest paid has been classified as a financing activity.

The notes on **pages 69 to 83** form part of these financial statements.

Company balance sheet
for the year ended 31 December 2024

Company number 11385842	Note	**2024 £'000**	**2024 £'000**	2023 £'000	2023 £'000
Fixed assets					
Investments	16		**1,097,534**		1,097,534
			1,097,534		1,097,534
Current assets					
Debtors	18	**470,043**		434,921	
Creditors: amounts falling due within one year	20	**(94,840)**		(91,535)	
Net current assets			**375,203**		343,386
Net assets			**1,472,737**		1,440,920
Capital and reserves					
Called up share capital	25		**14,092**		14,092
Share premium			**393,058**		393,058
Profit and loss account			**1,065,587**		1,033,770
Shareholders' funds			**1,472,737**		1,440,920

The individual company's comprehensive income for the financial year was £64.5 million (2023: comprehensive income of £142.3 million).

The financial statements were approved by the Board of Directors and authorised for issue on 29 April 2025.

B J Butler
Director

The notes on **pages 69 to 83** form part of these financial statements.

Company statement of changes in equity
for the year ended 31 December 2024

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

	Share capital £'000	**Share premium £'000**	**Profit and loss account £'000**	**Total equity £'000**
At 1 January 2024	**14,092**	**393,058**	**1,033,770**	**1,440,920**
Total comprehensive income for the year	**–**	**–**	**64,517**	**64,517**
Share issue	**–**	**–**	**–**	**–**
Dividend paid	**–**	**–**	**(32,700)**	**(32,700)**
At 31 December 2024	**14,092**	**393,058**	**1,065,587**	**1,472,737**

The notes on **pages 69 to 83** form part of these financial statements.

Notes to the financial statements
for the year ended 31 December 2024

1. ACCOUNTING POLICIES

Cory Topco Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on page 77 and the nature of the Group's operations and its principal activities are set out in the Strategic Report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The consolidated financial statements present the results of Cory Topco Limited and its subsidiaries ("the Group"). The Group financial statements are prepared for the year ended 31 December 2024.

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

PARENT COMPANY DISCLOSURE EXEMPTIONS

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

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

AUDIT EXEMPTION RELATING TO SUBSIDIARIES

For the year ending 31 December 2024, the subsidiaries Cory Ship Repair Services Limited (company number 04087659) and SAS Depot Limited (company number 00937070) were entitled to exemption from audit under section 479A of the Companies Act 2006. A parental guarantee is provided by Cory Topco Limited.

GOING CONCERN

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

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

BASIS OF CONSOLIDATION

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

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

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

EXCEPTIONAL ITEMS

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

TURNOVER

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

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

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

GOVERNMENT GRANTS

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

INTANGIBLE ASSETS AND GOODWILL

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

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

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

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

Notes to the financial statements
for the year ended 31 December 2024

1. ACCOUNTING POLICIES continued

TANGIBLE ASSETS

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

Assets under construction are not subject to depreciation until the asset is commissioned or available for use.

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

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

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

DEPRECIATION

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

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

Office and IT equipment is included within plant and machinery.

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

INVESTMENTS

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

FOREIGN CURRENCIES

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

FINANCIAL ASSETS

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

FINANCIAL LIABILITIES AND EQUITY

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

CURRENT TAX AND DEFERRED TAXATION

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

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

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

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

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

INTEREST INCOME

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

LONG-TERM INCENTIVE SCHEMES

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

Notes to the financial statements
for the year ended 31 December 2024

1. ACCOUNTING POLICIES continued

LONG-TERM INCENTIVE SCHEMES CONTINUED

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

PENSIONS

The Group participates in the following defined contribution pension schemes:

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

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

OPERATING LEASES

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

LEASING AND HIRE PURCHASE CONTRACTS

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

PROVISIONS FOR LIABILITIES

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

INSURANCE PROVISIONS

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

OTHER PROVISIONS INCLUDING LIABILITIES, DAMAGES AND OTHER CLAIMS

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

HOLIDAY PAY ACCRUAL

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

STOCKS

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

INTEREST-BEARING LOANS AND BORROWINGS

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

INFLATION RATE SWAPS

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

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

INTEREST RATE SWAPS

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

Determining the fair value of interest rate swaps where quoted prices are not available requires estimates to be made of the future expected cash flows and derivation of an appropriate discount rate which reflects, amongst other things, the credit and funding risk of the counterparties and the profit margin required by 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. The valuation techniques and key inputs used are described in note 23. If they are terminated early, the gain/loss is recognised immediately.

FOREIGN EXCHANGE (FX) FORWARD CONTRACTS

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

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

Notes to the financial statements
for the year ended 31 December 2024

1. ACCOUNTING POLICIES continued

HEDGE ACCOUNTING USING DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

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

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

DAY ONE P&L ADJUSTMENTS

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

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

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

INTEREST RATE BENCHMARK REFORM

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

The Group recognises goodwill at the acquisition date as:

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

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

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

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

DIVIDENDS

Equity dividends are recognised when they become legally payable.

FAIR VALUE MEASUREMENT

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

RESERVES

The Group and Company's reserves are as follows:

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

Notes to the financial statements
for the year ended 31 December 2024

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

Other key sources of estimation uncertainty:

- *Tangible fixed assets (see note 15)*
  Tangible fixed assets are depreciated over their useful lives taking into account residual value, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors such as maintenance programmes and technological innovation.
- *Intangible fixed assets (see note 14)*
  Intangible assets include key customer contracts which are depreciated over the length of contract. Goodwill is amortised over the useful life of the Group's primary tangible asset.
- *Derivative financial instruments (see note 23)*
  Derivative financial instruments are fair valued as at each year end. As quoted prices are not available, the Directors have been required to estimate the fair value of the Group's derivative financial instruments. The Group's current estimate of the fair value of the interest rate swap, RPI swap and FX forward contracts at 31 December 2024 using mid-market wholesale prices excluding adjustments for credit and funding risk is a liability of £144.3m (2023: £196.6m). This fair value incorporates estimates of the future cash flows as well as estimates relating to the determination of an appropriate discount rate (which is applied to the estimated future forecast cash flows) that factors in the credit and funding risks of the counterparties and the estimated remaining profit margin required by counter-party banks to enter into such instruments (which is reduced over time as the remaining weighted-average notional balance of the Group's derivatives decreases). This value is adjusted as described above to derive the fair value of the interest rate swap contracts in accordance with FRS 102.

3. TURNOVER

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

4. OTHER INCOME AND EXPENSES

	2024 £'000	2023 £'000
Loss on sale of fixed assets	**(950)**	(363)
Insurance recovery	**436**	–
Grant income	**–**	450

Insurance recovery relates to recovery of funds received in relation to turbine and generator damage at the RRRL EfW facility in October 2018, following successful subrogation proceedings.

Grant income received in the prior year relates to government funding received to help develop the Riverside Heat Network project and fund project costs.

5. EXCEPTIONAL COSTS

	2024 £'000	2023 £'000
Other exceptional items included within operating profit/(loss):		
Project development	**6,046**	7,141
	6,046	7,141

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

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

6. EMPLOYEES

	2024 £'000	2023 £'000
Staff costs consist of:		
Wages and salaries	**26,238**	22,504
Social security costs	**2,534**	2,321
Other pension costs	**1,004**	891
	29,776	25,716

Notes to the financial statements
for the year ended 31 December 2024

6. EMPLOYEES continued

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

	2024 Number	2023 Number
Operations	**300**	290
Administration	**89**	83
	389	373

The Company has two employees (2023: two). The Company incurred wages and salary costs of £319,000 (2023: £316,000) and social security costs of £44,000 (2023: £43,000).

7. DIRECTORS

	2024 £'000	2023 £'000
Directors' remuneration consists of:		
Aggregate remuneration in respect of qualifying services	**1,451**	1,645
Aggregate remuneration in respect of long-term incentive schemes	**1,004**	1,620
Aggregate contributions to money purchase pension schemes	**4**	4
	2,459	3,269
Number of Directors accruing benefits under long-term incentive schemes	**2**	2
Number of Directors accruing benefits under money purchase pension scheme	**1**	1

	£'000	£'000
Other information regarding the highest-paid Director is as follows:		
Aggregate remuneration in respect of qualifying services	**677**	829
Aggregate remuneration in respect of long-term incentive schemes	**613**	961
	1,290	1,790

As at 31 December 2024, the Directors have been awarded but not yet paid £2.4 million (2023: £2.6 million) in respect of long-term incentive schemes, £1.4 million (2023: £1.5 million) of which will vest in future years.

8. OPERATING PROFIT/(LOSS)

	2024 £'000	2023 £'000
This has been arrived at after charging/(crediting):		
Operating lease rentals:		
– land and buildings	**3,293**	3,075
Auditor's remuneration:		
– audit services	**788**	817
– non-audit services	**–**	–
Loss on sale of fixed assets (note 4)	**(950)**	(363)
Exceptional costs (note 5)	**6,046**	7,141
Loss/(gain) on foreign exchange	**1,012**	1,526
Depreciation and amortisation:		
– Depreciation – owned assets (note 15)	**64,091**	61,515
– Goodwill amortisation (note 14)	**2,729**	2,729
– Intangible amortisation (note 14)	**11,547**	11,515

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2024 £'000	2023 £'000
Interest receivable on current bank accounts, deposits and interest rate and inflation hedges	**6,464**	5,830

10. INTEREST PAYABLE AND SIMILAR CHARGES

	2024 £'000	2023 £'000
Interest payable on external loans	**34,455**	31,994
Amortisation of deferred finance costs	**917**	917
	35,372	32,911

Notes to the financial statements
for the year ended 31 December 2024

11. TAXATION ON LOSS FROM ORDINARY ACTIVITIES

	2024 £'000	2023 £'000
UK corporation tax		
Current tax on loss for the year	**207**	3,295
Total current tax	**207**	3,295
Deferred tax		
Origination and reversal of timing differences	**(7,467)**	(13,843)
Adjustments in respect of prior periods	**(1,016)**	(4,862)
Difference in current and deferred tax rate	**–**	(1,600)
Total deferred tax	**(8,483)**	(20,305)
Total tax credit for year	**(8,276)**	(17,010)

Following the November 2022 Autumn Statement, the Electricity Generator Levy achieved Royal assent in July 2023. The Electricity Generator Levy applies at the tax rate of 45 per cent to electricity generation revenues, which will be determined by reference to revenue from sales exceeding a benchmark price of £75.00/MWh (£77.95/MWh from 1 April 2024). The Electricity Generator Levy will apply from 1 January 2023 to 31 March 2028.

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

	2024 £'000	2023 £'000
Loss on ordinary activities before tax	**(4,518)**	(29,502)
Taxation on loss on ordinary activities at the standard rate of corporation tax in the UK of 25% (2023: 23.52%)	**(1,130)**	(6,939)
Effects of:		
Expenses not deductible for tax purposes	**3**	(3,106)
Income not taxable for tax purposes	**(375)**	369
Enhanced capital allowances	**1,216**	1,095
Movement in respect of interest rate swaps	**594**	1,580
Timing differences	**(1,140)**	(1,070)
Adjustments in respect of prior periods	**(3,622)**	(4,767)
Differences between current and deferred tax rates	**–**	(1,185)
Deferred tax not recognised	**(3,822)**	(2,987)
Total tax (credit) for year	**(8,276)**	(17,010)

The aggregate current and deferred tax relating to items recognised in other comprehensive income is a charge of £11,698,000 (2023: £4,612,000).

The main rate of UK corporation tax is 25% (2023: 23.52%). For further information on deferred tax balances see note 28. The deferred tax not recognised relates to capitalised interest and finance costs; in addition the Group has tax losses of £35,618,000 for which no deferred tax asset is being recognised.

12. DIVIDENDS

	2024 £'000	2023 £'000
Ordinary shares		
Interim paid	**32,700**	113,400

Notes to the financial statements

for the year ended 31 December 2024

13. PARENT COMPANY'S RESULT FOR THE YEAR

The Parent Company's comprehensive income for the financial year was £64.5 million (2023: £142.3 million).

14. INTANGIBLE ASSETS

Group	Goodwill £'000	Customer contracts £'000	Total £'000
Cost or valuation			
At 1 January 2024	90,402	166,495	256,897
Additions	–	–	–
At 31 December 2024	**90,402**	**166,495**	**256,897**
Amortisation			
At 1 January 2024	14,406	63,379	77,785
Charge for the year	2,729	11,547	14,276
At 31 December 2024	**17,135**	**74,926**	**92,061**
Net book value			
At 31 December 2024	**73,267**	**91,569**	**164,836**
At 31 December 2023	75,996	103,116	179,112

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

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

15. TANGIBLE ASSETS

Group	Freehold land and property £'000	Long leasehold £'000	Short leasehold £'000	Plant and machinery £'000	Assets under construction £'000	Totals £'000
Cost or valuation						
At 1 January 2024	**1,304,326**	**3,426**	**74,340**	**243,098**	**126,677**	**1,751,867**
Additions	7	50	133	19,868	238,048	258,106
Disposals	–	(497)	(3,659)	(11,200)	–	(15,356)
Transfers	(207)	5,442	(1,708)	9,280	(12,807)	–
At 31 December 2024	**1,304,126**	**8,421**	**69,106**	**261,046**	**351,918**	**1,994,617**
Depreciation and impairment						
At 1 January 2024	**214,280**	**1,420**	**29,307**	**67,728**	–	**312,735**
Charge for the year	38,929	587	5,326	19,249	–	64,091
Disposals	–	(362)	(3,659)	(8,817)	–	(12,838)
Transfers	(5)	2,130	(602)	(1,523)	–	–
At 31 December 2024	**253,204**	**3,775**	**30,372**	**76,637**	–	**363,988**
Net book value						
At 31 December 2024	**1,050,922**	**4,646**	**38,734**	**184,409**	**351,918**	**1,630,629**
At 31 December 2023	**1,090,046**	**2,006**	**45,033**	**175,370**	**126,677**	**1,439,132**

There were no indicators of impairment at 31 December 2024 or since the year end.

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

Assets under construction additions include £236,981,000 (2023: £119,128,000) of capitalised costs relating to the construction of Riverside 2. These are being held as assets under construction which are not subject to depreciation until the asset is commissioned.

Notes to the financial statements
for the year ended 31 December 2024

16. INVESTMENTS

Company	2024 £'000	2023 £'000
At 1 January and at 31 December	**1,097,534**	1,097,534

At 31 December 2024, the Company holds 100 per cent (2023: 100 per cent) of the equity share capital of the following subsidiary companies. Denmark Topco Limited is incorporated in Jersey. All other entities are incorporated in the UK.

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

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

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

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

Notes to the financial statements
for the year ended 31 December 2024

17. STOCK

	Group 2024 £'000	Group 2023 £'000
Raw materials	**330**	488

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

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £'000	Group 2023 £'000	**Company 2024 £'000**	Company 2023 £'000
Trade debtors	**20,667**	13,081	**709**	–
Other debtors	**3,196**	1,579	**–**	–
Interest rate swap (note 23)	**9,407**	7,924	**–**	–
Corporation tax	**1,162**	–	**–**	–
FX forwards (note 23)	**–**	306	**–**	–
Social security and other taxes	**4,466**	2,600	**–**	–
Prepayments and accrued income	**23,983**	24,304	**1,092**	–
Intercompany debtors	**–**	–	**468,242**	434,921
	62,881	49,794	**470,043**	434,921

The expense recognised in the period in respect of bad and doubtful trade debtors was £15,000 (2023: £10,000).

19. DEBTORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2024 £'000	Group 2023 £'000	**Company 2024 £'000**	Company 2023 £'000
FX forwards (note 23)	**14**	1,768	**–**	–
Interest rate swap (note 23)	**64,252**	18,743	**–**	–
Net finance costs prepaid	**–**	7,684	**–**	–
	64,266	28,195	**–**	–

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £'000	Group 2023 £'000	**Company 2024 £'000**	Company 2023 £'000
Other loans (note 22)	**20,571**	24,795	**–**	–
Amounts owed to Group undertakings	**–**	–	**84,595**	82,963
Trade creditors	**30,900**	2,707	**–**	–
Social security and other taxes	**–**	–	**634**	–
Corporation tax	**–**	3,200	**8,517**	8,572
Other creditors	**2,606**	5,189	**–**	–
RPI swap (note 23)	**10,353**	8,833	**–**	–
FX forwards (note 23)	**7,017**	1,777	**–**	–
Accruals and deferred income	**39,463**	58,020	**1,094**	–
	110,910	104,521	**94,840**	91,535

Amounts owed to Group undertakings are unsecured with no fixed date of repayment. Interest was charged on outstanding balances at rates at 0.0% during the year (2023: 0.0%).

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

	Group 2024 £'000	Group 2023 £'000	**Company 2024 £'000**	Company 2023 £'000
Accruals	**765**	693	**–**	–
Deferred tax liability (note 28)	**188,201**	184,986	**–**	–
Other loans (note 22)	**768,053**	579,011	**–**	–
RPI swap (note 23)	**198,789**	213,427	**–**	–
FX forwards (note 23)	**1,845**	1,280	**–**	–
	1,157,653	979,397	**–**	–

Notes to the financial statements
for the year ended 31 December 2024

22. LOANS

An analysis of the maturity of loans is given below:

	Group 2024 £'000	Group 2023 £'000
Amounts falling due within one year or on demand:	**20,571**	24,795
Amounts falling due between one and two years:	**19,237**	17,907
Amounts falling due between two and five years:	**322,150**	92,465
Amounts falling due in more than five years:	**426,666**	468,639
	788,624	603,806

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

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

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

- £143.7 million senior term A loan which expires in 2030 on which interest is charged at a rate of SONIA +27.66bps +1.4 per cent;
- £275.0 million senior term B1 loan which expires in 2038 on which interest is charged at a rate of 3.6 per cent;
- £61.6 million senior term B2 loan which expires in 2038 of which interest is charged at a rate of SONIA +27.66bps +1.8 per cent;
- £25.0 million senior term D1 loan which expires in 2040 of which interest is charged at 0.6 per cent with an RPI-linked principal;
- £25.0 million senior term D2 loan which expires in 2040 of which the interest is charged at 3.6 per cent; and
- A £50 million senior term E loan facility which expires in 2030 – interest is charged at a rate of SONIA +1.6 per cent. The margin increases in future years – 1.8 per cent from September 2026 and 1.9 per cent from September 2028. At year-end a balance of £50.0 million was outstanding on the facility.

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

On 9 December 2022, the Group reached financial close on its new Riverside 2 facility. As part of this transaction, the Group entered into a new senior facilities agreement to finance the development through two construction loans – a £500 million construction facility and a £14 million Debt Service facility. During the year, £211.5 million was drawn down on these facilities. The terms attached to these facilities are below:

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

23. FINANCIAL INSTRUMENTS

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

	Group 2024 £'000	Group 2023 £'000
Financial assets		
Financial assets measured at amortised cost	**241,880**	267,722
Derivative financial instruments designated as hedges of variable interest rate risk with ineffective portion of the hedge measured at fair value through the income statement	**73,659**	26,667
Other derivatives measured at fair value through the income statement	**14**	2,074
Financial liabilities		
Financial liabilities measured at amortised cost	**857,707**	665,141
Derivative financial instruments designated as hedges of variable interest rate risk with ineffective portion of the hedge measured at fair value through the income statement	**–**	–
Other derivatives measured at fair value through the income statement	**218,004**	225,317

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

Financial assets measured at amortised cost comprise cash in hand, trade debtors, other debtors and accrued income of £14.7 million (2023: £14.3 million).

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

Notes to the financial statements
for the year ended 31 December 2024

23. FINANCIAL INSTRUMENTS continued

QUALIFYING CASH FLOW HEDGING ARRANGEMENTS

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

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

Term A and Term B2 loans are 100 per cent hedged (2023: 100 per cent), with six (2023: six) pay fixed/receive floating interest rate swaps providing a blended fixed rate payable by the Company of 1.83 per cent (2023: 1.83 per cent). All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges of the Company's interest rate cash flow exposure resulting from variable interest rates on the refinanced RSTF loan. The hedged cash flows are highly probable and expected to affect the income statement over the period to maturity of the interest rate swaps in October 2038.

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

As part of the funding secured to fund the construction of Riverside 2, the Group entered into eight (2023: eight) interest swap facilities to hedge exposure to variable interest rates on the Riverside 2 Senior Term Facilities (R2STF) and 48 (2023: 88) foreign exchange forward contracts to hedge exposure against future foreign currency payments relating to the fixed price Engineering, Procurement and Construction Contract. The interest rate swaps have been designated in a qualifying cash flow hedging relationship of the cash flow interest rate risk on the R2STF loan.

INTEREST RATE SWAP CONTRACTS

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

Outstanding receive floating pay fixed contracts	**Average contract fixed interest rate**		**Notional principal value**		**Fair value**	
Maturity	**2024 %**	2023 %	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
RSTF swaps (five years +)	**1.83**	1.83	**222,253**	222,253	**21,391**	18,594
R2STF swaps (three years)	**3.12**	3.12	**1,250**	1,250	**609**	116
R2STF swaps (five years +)	**3.12**	3.12	**56,954**	56,954	**51,659**	7,957
			280,457	280,457	**73,659**	26,667

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

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

Gains of £55.3 million (2023: losses of £10.9 million) were recognised in other comprehensive income. Hedge ineffectiveness resulting in a credit of £0.7 million (2023: £0.1 million) recognised in the income statement.

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

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

Notes to the financial statements
for the year ended 31 December 2024

23. FINANCIAL INSTRUMENTS continued

RPI SWAP CONTRACTS

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

Outstanding receive floating pay fixed contracts	**Index**		**Notional principal value**		**Fair value**	
Maturity	**2024 %**	2023 %	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
Five years +	**RPI**	RPI	**69,761**	69,761	**(209,142)**	(222,260)
			69,761	69,761	**(209,142)**	(222,260)

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

RPI-linked swaps are valued at the present value of future cash flows estimated and discounted based on the applicable RPI and interest yield curves derived from quoted RPI and interest rates as adjusted for the estimated credit and funding risks of the counterparties as well as the evidence provided by prices seen in actual transactions (see note 2 for further details). Gains of £13.1 million (2023: loss of £1.4 million) were recognised in profit and loss.

FX FORWARD CONTRACTS

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

Outstanding forward contracts to purchase foreign currency	**Currency**	**Blended FX Rate**		**Notional principal value**		**Fair value**	
Maturity		**2024**	2023	**2024 £'000**	2023 £'000	**2024 £'000**	2023 £'000
One Year	EUR-GBP	**0.89906**	0.89919	**89,929**	73,847	**(5,555)**	(1,768)
Two Years	EUR-GBP	**0.89906**	0.89919	**37,353**	94,629	**(1,683)**	(1,157)
Three Years	EUR-GBP	**0.89906**	0.89919	**–**	37,354	**–**	(116)
				127,282	205,830	**(7,238)**	(3,041)
One Year	GBP-CHF	**1.0611**	1.0612	**33,892**	30,626	**(1,463)**	297
Two Years	GBP-CHF	**1.0611**	1.0612	**13,362**	34,892	**(147)**	1,115
Three Years	GBP-CHF	**1.0611**	1.0612	**–**	13,362	**–**	647
				47,254	78,880	**(1,610)**	2,059

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

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

DAY ONE P&L ADJUSTMENTS

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

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

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

	2024 £'000	2023 £'000
As at 1 January	**972**	1,061
New transactions	**–**	–
Amounts not recognised in Income Statement during the period	**(89)**	(89)
As at 31 December	**883**	972

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

Notes to the financial statements
for the year ended 31 December 2024

23. FINANCIAL INSTRUMENTS continued

INTEREST RATE BENCHMARK REFORM

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

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

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

	2024 Income statement £'000	**2024 OCI £'000**	2023 Income statement £'000	2023 OCI £'000
Change in fair value of interest rate swap	**(671)**	**55,266**	59	(10,898)
Reclassification of interest expense	**–**	**(8,475)**	–	(7,550)
Deferred tax movement on interest rate hedge	**–**	**(11,698)**	–	4,612
Change in fair value of FX forward	**–**	**–**	(4,595)	–
Change in fair value of inflation swap	**13,118**	**–**	(1,365)	–
Total (charge)/credit	**12,447**	**35,093**	(5,901)	(13,836)

24. PROVISIONS FOR LIABILITIES

	Group 2024 £'000	Group 2023 £'000	**Company 2024 £'000**	Company 2023 £'000
Dilapidations provision	**28**	28	**–**	–

Provision relates to leased land and property.

25. SHARE CAPITAL

Allotted, called up and fully paid

	2024 Number	2023 Number	**2024 £'000**	2023 £'000
'A' Ordinary shares of £0.01 each	**1,409,246,691**	1,409,246,691	**14,092**	14,092

The ordinary shares each carry one voting right.

26. CAPITAL AND OTHER COMMITMENTS

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

	2024 £'000	2023 £'000
Within one year	**5,772**	4,924
Between one and five years	**22,112**	19,549
Over five years	**136,025**	108,023
	163,909	132,496

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

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

	2024 £'000	2023 £'000
Within one year	**284,727**	289,846
Between one and five years	**93,254**	271,708
	377,981	561,554

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

27. PENSION COMMITMENTS

The Group participates in the following defined contribution pension schemes:

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

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

The pension cost charge for the above schemes includes contributions payable by the Group to the funds and amounted to £1,004,000 (2023: £891,000).

Notes to the financial statements
for the year ended 31 December 2024

28. DEFERRED TAXATION (RESTATED)
A) DEFERRED TAXATION PROVISION

	2024 £'000	2023 £'000
Deferred tax provision at beginning of year	**(253,359)**	(260,666)
Charged to income statement	**7,792**	2,695
(Charged)/credited to other comprehensive income	**(11,698)**	4,612
Deferred tax provision at end of year	**(257,265)**	(253,359)

The deferred tax provision is made up of the following:

	2024 £'000	2023 £'000
Capital gains on revalued assets	**(208,278)**	(219,304)
Deferred tax on interest rate swap	**(18,415)**	(6,667)
Other timing differences	**(30,572)**	(27,388)
	(257,265)	(253,359)

B) DEFERRED TAX ASSET

	2024 £'000	2023 £'000
Deferred tax asset at beginning of year	**68,373**	50,763
Credited/(charged) to income statement	**691**	17,610
Deferred tax asset at end of year	**69,064**	68,373

The deferred tax asset is made up of the following:

	2024 £'000	2023 £'000
Other timing differences	**14,566**	12,562
Deferred tax on inflation rate swap	**52,286**	55,565
Deferred tax on FX forwards	**2,212**	246
	69,064	68,373

The classification of deferred tax balances, between deferred tax assets and liabilities, has been restated in the prior year comparatives following a reassessment of the classification of the balances in the current year.

29. KEY MANAGEMENT PERSONNEL

Key management personnel include all Directors across the Group who together have authority and responsibility for planning, directing and controlling the activities of the Group. The total compensation paid to key management personnel in the year for services provided to the Group was £2,791k (2023: £2,883k).

A long-term incentive scheme is in place for qualifying Directors whereby, based on the targets and conditions set, a cash-based incentive is awarded. Directors' remuneration in relation to this is discussed in note 7, and key management personnel were remunerated in total in the year under this scheme of £1,004,000 (2023: £1,620,000).

30. RELATED PARTY TRANSACTIONS

The Group paid dividends to shareholders of £32.7 million (2023: £113.4 million) during the year and a post year-end interim dividend to shareholders of £21 million in February 2025 (2023: £18.2 million in February 2024).

31. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

Cory Topco Limited is the parent undertaking of the largest Group of which the Company is a member for which Group financial statements are prepared.

32. POST BALANCE SHEET EVENTS

The Group paid a post year-end interim dividend of £21 million in February 2025.

33. RESERVES

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

Appendix

The following note is unaudited and does not form part of the notes to the financial statements.

CARBON BENEFIT OF OUR EFW PROCESS (UNAUDITED)

(t CO_2e)	**2024**	2023	Notes
Riverside 1			
Emissions			
Scope 1 – emissions from waste	**340,314**	428,977	1
Scope 1 – fuels	**3,984**	4,754	1
Scope 2 – location-based electricity	**122**	1,366	1
	344,420	435,097	
Avoided emissions			
Power generation offset	**(119,336)**	(98,642)	2
Recovery of by-products (IBA and APCr)	**(886)**	(729)	3
Metals from EfW	**(105,148)**	(96,627)	4
	(225,370)	(195,998)	
Emissions net of avoided emissions	**119,050**	239,099	
Emissions per tonne of waste (kgCO_2e/tonne)	**148**	303	
Landfill			
Emissions	**512,480**	509,589	5
Avoided emissions			
Power generation offset	**(30,525)**	(29,889)	6
Emissions net of avoided emissions	**481,955**	479,700	
Emissions per tonne of waste (kgCO_2e/tonne)	**597**	607	
Carbon saving v landfill	**362,905**	240,601	
CO_2e saving per tonne of waste (kgCO_2e/tonne)	**450**	304	

Notes:

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

	2024	2023
R1 EfW power exported (MWh)	**576,294**	476,361
Carbon intensity (kgCO_2e/MWh)	**0.207**	0.207
Emissions avoided (tonnes CO_2e)	**119,336**	98,642

3. Calculated using the EpE Tool as follows:

	2024	2023
Combustion wastes – IBA recovered	**146,118**	123,071
ZWS Carbon Metric	**0.004**	0.004
Emissions avoided	**525**	492
Combustion wastes – APCr recovered	**9,772**	7,759
OCO Carbon Intensity	**0.037**	0.037
Emissions avoided	**361**	286
Total avoided emissions	**886.0**	778.6

4. Calculated using the EpE Tool as follows:

	2024	2023
Metallic wastes, ferrous – recovered	**13,036**	12,782
ZWS Carbon Metric	**1,768**	1,768
Emissions avoided	**23,054**	22,604
Metallic wastes, non-ferrous – recovered	**8,241**	7,431
ZWS Carbon Metric	**9,961**	9,961
Emissions avoided	**82,094**	74,023
Total avoided emissions	**105,148**	96,627

Appendix continued

CARBON BENEFIT OF OUR EFW PROCESS (UNAUDITED) continued

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

	2024	2023
Emission from Municipal waste (kgCO_2e/tonne)	**610.5**	610.5
Emission from Commercial & Industrial waste (kgCO_2e/tonne)	**683.5**	683.5
Municipal waste inputs to R1 EfW (%)	**63%**	53%
Commercial & Industrial inputs to R1 EfW (%)	**37%**	47%

6. Power generation from landfill calculated as follows:

		2024	2023
Waste processed at R1 EfW (tonnes)	A	**807,056**	790,239
Percentage carbon	B	**27%**	27%
Decomposable carbon	C	**27%**	27%
Mass of decomposable carbon (tonnes)	D	**58,834**	57,608
Mass of methane (tonnes)	E	**39,223**	38,406
Mass of methane captured (tonnes)	F	**25,887**	25,348
Proportion used for generation	G	**25,887**	25,348
Calorific value (MJ/tonne)	H	**50**	50
Electrical conversion efficiency	I	**41%**	41%
Energy generated (GJ)	J	**530,686**	519,628
Energy generated (MWh)		**147,413**	144,341

CAUTIONARY STATEMENT

This Annual Report and Cory's website may contain certain 'forward-looking statements' with respect to the Cory Group and the Group's financial condition, results of its operations and business, and certain plans, strategy, objectives, goals and expectations with respect to these items and the economies and markets in which the Group operates. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'anticipates', 'aims', 'due', 'could', 'may', 'should', 'expects', 'believes', 'intends', 'plans', 'targets', 'goal' or 'estimates' or, in each case, their negative or other variations or comparable terminology. Forward-looking statements are not guarantees of future performance. By their very nature forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely. There are a number of such factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in the political conditions, economies and markets in which the Group operates; changes in the legal, regulatory and competition frameworks in which the Group operates; changes in the markets from which the Group raises finance; the impact of legal or other proceedings against or which affect the Group; changes in accounting practices and interpretation of accounting standards under IFRS, and changes in interest and exchange rates. Any forward-looking statements made in this Annual Report or on Cory's website, or made subsequently, which are attributable to the Company or any other member of the Group, or persons acting on their behalf, are expressly qualified in their entirety by the factors referred to above. Each forward-looking statement speaks only as of the date it is made. Except as required by its legal or statutory obligations, the Company does not intend to update any forward-looking statements.

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