

Building a world where nothing goes to waste

ESG Report: Financial year 2022

Full Document










About this report

Our ESG report: Financial Year 2022 (FY22) represents the first year of a new ESG-focused approach to our business strategy. It underlines our commitment to identify what matters most and where we can make the biggest impact and then to report upon it accurately so that we, and you, can track our progress.

The report has been designed to be as easy to navigate as possible.

Page numbers can be clicked to jump directly to desired sections and the quick links panel on the right hand side of each page will help you move easily through the report:

-  **Contents** - Return to the main contents page
-  **Forward** - Move forward one page through the report
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-  **Metrics** - Jump forward to ESG data for FY22
-  **Appendix** - Jump forward to glossary and references

The glossary contains a list of technical words, terms and phrases that may require further explanation. A link to the definition is provided the first time the word or phrase appears within the report.

References links are shown as follows: 'example²' and may lead to external websites or downloads.

Also, look out for some of these common abbreviations used throughout the report:

- ESG - Environmental, Social and Governance*
- ERF - Energy recovery facility*
- GHG - Greenhouse gas*
- EfW - Energy from waste*

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Welcome to Viridor's first full Environmental, Social and Governance (ESG) report since becoming a standalone company in 2020.

ESG is going through a transformation to becoming an integral determinant of the fundamental value of a business. As concerns about environmental and social issues rise globally, the importance of ESG is filtering through to investors, customers and our people and communities.

This ESG report is our public statement of our progress and challenges to deliver a truly sustainable business. The report covers a year of great change. A year that started with the world emerging from the peak of the global pandemic and concluded with Europe witnessing its first major military land invasion since the Second World War. For Viridor, it was a seismic year, as we continued to operate an essential service throughout lockdown while also carrying out a major strategic review and subsequently divesting and restructuring our business. Having successfully completed this year of transformational change, with ESG now central to everything we do, Viridor is set for the future.

Kevin Bradshaw,
Chief Executive Officer



Foreword

In just two years we have come a long way. First and foremost, through driving our safety culture, as any and all success stems from having a business where our colleagues, contractors and visitors go home safe and well every day. Our determination to improve safety always underpins all other progress.

In the past year, we made two major commitments: to deliver a circular plastics economy in Britain by 2025 and to become a net zero company by 2040. But more than this, we began orientating the company to deliver on these commitments by setting a new purpose, vision and values built around both our ESG and financial ambitions.

Against that backdrop, I am delighted to present this ESG report as the baseline against which we can be held to account. Having set out our vision, made our commitments and started to create a company-wide culture around achieving our purpose, we are well set for the future. Fundamental to this will be a genuine focus on ESG that ensures we deliver for our people, communities, customers, investors and government.



Paul Davies,
ESG Committee Chair

A handwritten signature of Paul Davies in green ink, written in a cursive style.

In compiling the first full ESG report for Viridor, we have spent time really looking at what we have achieved both corporately and at a site level, and two stark conclusions have emerged from this review.

Firstly, we still have a lot to do. Transforming our business to adapt to the ESG challenges of a rapidly changing world requires the deployment of new technologies and processes, and the development of a culture where both financial and ESG performance are considered in all we do from the outset.

But secondly, we recognised that together we are already delivering real improvement. Examples are numerous and diverse. From the apprentice who seized the opportunity to grow and qualify as a trained technician, to the education team that found a way to run virtual site tours to enable local schools to keep learning, through to the IT team who sought to find a second life for old laptops rather than simply discarding them for recycling.

Right across the business we uncovered stories of people working to deliver our ESG goals in ways that fit their communities and sites. In a year of dramatic change, we were inspired by people going above and beyond, demonstrating that the words in this report reflect the actions of real people responding to challenges in the best way, to deliver a business that makes a difference; a business that is building a world where nothing goes to waste.

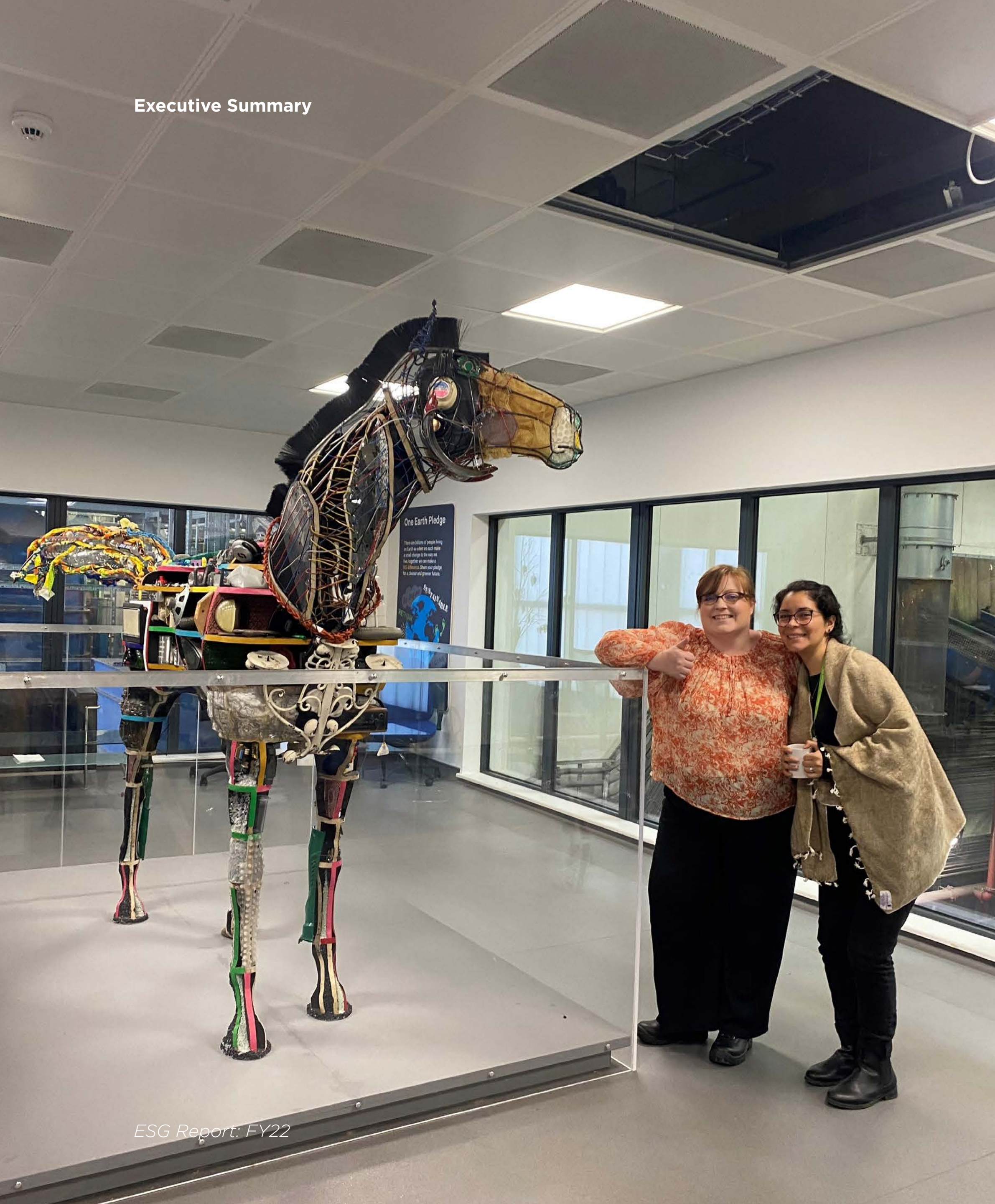


Dr Tim Rotheray,
Director of ESG and
External Affairs

A handwritten signature of Dr Tim Rotheray in green ink, written in a cursive style.



Executive Summary



The past year was one that saw a dramatic transformation of the Viridor business.

The launch of a new strategy and the move to a core focus on energy recovery and plastics recycling saw the divestment of our non-core waste operations. These included the collections business, the landfill and **landfill gas** business, and certain recycling contracts and assets. As a result, we entered the year as one business and finished it reshaped as a different business, one with a clear purpose for the future – to build a world where nothing goes to waste.

Financially and environmentally, it was a year of success, as we continued to deliver sustainable growth in UK resource recovery and recycling. With a de-risked infrastructure model, our revenues from operating assets were principally backed by profitable long-term contracts and continue to be so.

Viridor's underlying revenues increased by 21.2% to £556.1 million in the FY22 period (FY21: £458.9 million). This was in-line with expectations with a full year of trading from the Avonmouth Resource Recovery and Recycling Centre, improvements in the operational and commercial performance of the **Energy from Waste (EfW)** facilities, and positive macroeconomic tailwinds, in particular in relation to unhedged electricity revenues left open as part of Viridor's electricity hedging and risk management policy. Viridor's underlying **EBITDA** for FY22 was £224.0 million (FY21: £194.8 million) an increase of £29.2 million (15%).

The year was significant for **ESG** globally, with the delayed COP26 climate conference taking place in Glasgow. The attention that COP26 brought not only to the global climate, but to environmental issues more widely, drove us to focus on the environmental elements of our ESG strategy throughout the year. As climate continues to move up the agenda for our customers, the finance community and governments, it was important that we set out our ambitions for Viridor.

In May 2021, we committed to becoming a net zero business by 2040. On our critical technology path was carbon capture and storage, we worked with industry and government to open up a new avenue of opportunity, successfully arguing for a dedicated policy mechanism to support Energy Recovery Facilities to participate in the UK carbon capture and storage programme. In response, we developed and submitted a proposal to the Government to capture c.900kT of CO₂ a year at our Runcorn facility. In a world that is changing fast and needs to change faster, it is essential that here at Viridor we become a driver of change.

Executive Summary

The refocussing of our recycling business enabled us to develop a targeted **circular economy** strategy based on building a circular economy for plastics. Plastics are increasingly cited in environmental debates for the harm they cause when they enter the environment. At the same time the resource and climate benefit of using plastics compared to alternatives is increasingly well documented¹. The mismanagement of plastics represents a strategic risk to the packaging and recycling sector, and already poor consumer sentiment is pushing a driver to alternative packaging² often with a higher carbon or ecological footprint.

In response Viridor's ESG plans were developed to focus on the four most commonly used plastics with an ambition to achieve circularity across these four by 2025. We also set an ambition to end plastics waste exports. A UK-wide end to plastics waste exports would improve traceability of plastics recycling and create jobs and investment across the country, aligning business growth and ESG performance. As plastics in the waste stream account for c.70% of Viridor's fossil carbon footprint, and recycling of plastics generates emissions six times lower than virgin material³, it became clear that decarbonisation and plastics circularity were intertwined in our business.

With some major commitments made, we turned our attention to developing our formal ESG strategy. The strategy had to integrate all our activities that contribute to being a successful business that does good in society. A critical aspect of any successful ESG strategy is integration with the wider business strategy.

This ensures that delivering ESG performance is aligned to both where the business can make material change and where there is commercial opportunity to do so. Without this alignment, ESG sets up an internal tension with the desire for economic success pulling against ESG performance.



Central to our thinking on the full strategy was aligning the social and governance elements of ESG with the environmental commitments we had already made. Critically at the heart of this is our people, and in particular, the delivery of our health and safety strategy. This year, our dedicated **SHEQS** team developed a new roadmap to deliver material improvements in leading and lagging indicators of health and safety performance. The success of this was seen in a reduction of our key **All Injuries Frequency Rate (AIFR)** metric to 4.34 down from 6.24 – a 30% improvement.

Building on this, we also launched a new trust and engagement survey to establish a baseline against which we could develop our people engagement strategy. In a year of so much change, it was vital to engage with the people who make our business a success. Launching our first ever internal awards programme aligned to our new values and purpose was a vital way to connect our environmental and social concerns directly with individuals and teams.

We also opened our new Avonmouth Resource Recovery and Recycling Centre. This facility combines the diversion of over 300,000 tonnes of non-recyclable waste from landfill every year saving 126,000 tonnes of CO² with the reprocessing of over 80,000 tonnes of plastic back into new raw materials. Diverting this amount of plastic from the EfW waste stream saves a total of 151,000 tonnes of CO² per year as well as securing more than 120 high quality green economy jobs.

FY22 is the first full year for Viridor as a standalone business. It is also the first year covered by all the ESG metrics used in this report and which we will continue to monitor in the future. We know that ESG delivers when we combine stretching ambition with accurate data collation and reporting to track progress. As you read this report, you will see many areas where we have improved but also some where we are stalling or even falling behind. The purpose of this report is not to hide but to help us focus on where we need to work harder or differently to ensure we deliver progress year on year. This report forms a baseline for us as a business. One we will be measuring ourselves against – and one against which we will be judged. Thank you for taking the time to join us on our journey.



Building a world where nothing goes to waste: Our year in numbers

Every business in the waste sector exists primarily because of environmental and health concerns – ensuring that waste is taken away and, however treated, managed responsibly. But transition to a world where nothing goes to waste is not just about waste and recycling, it is about making sure people’s health and wellbeing are protected, and that the talent found in our communities does not go to waste either. It is about ensuring that we play our part in building a sustainable long-term business through a purposeful and focused ESG strategy. Here we present our FY22 highlights:



Introduction



FY22 was the first full year for Viridor as a standalone company, and it started with the UK in lockdown under the third wave of COVID-19.

As an essential service provider, the challenge of maintaining safe sanitary waste treatment while keeping our colleagues protected from COVID-19 was our priority. As the year progressed, and the impact of the vaccination programme took effect, managing the situation became easier and we were able to resume site visits and face to face meetings, and to refocus our efforts on our ESG strategy.

During the year, the delayed COP26 conference in Glasgow drove a focus on climate change within our business and within our ESG strategy. Despite the challenges of a global pandemic, it was clear that climate was not going down the agenda. If anything, it was rising up. In response, we focused our efforts on our decarbonisation commitments, looking to better manage the climate risks inherent in our operations, and to find ways to ensure we could continue to operate while reducing our carbon footprint in line with the 2015 Paris Accord.

The attention on climate also drove a focus on plastics and their impact. Not only do plastics cause very significant environmental issues when released into the environment, their production and disposal in energy recovery also emits significant carbon emissions. This led us to look again at our plastics reprocessing activity and drove our commitment to build a circular economy in plastics which will not only address key ESG issues such as resource use and land use change but will also impact on our ability to decarbonise our own business.

This year we also completed the strategic review of our business. Divestments of some parts of the business led to a reshaped Viridor focused on energy recovery and plastics recycling. It was against this backdrop of a rapidly changing business in a rapidly changing world emerging from a global pandemic that we developed our ESG strategy. Our challenge was to create something that was fit for purpose in a time of such change. To achieve this, we set out to focus on our material risks and opportunities and how these impacted our four key stakeholders – our people and communities, our investors, our customers, and policy makers. We recognised that ensuring that our ESG strategy delivers and is relevant to these key stakeholders is ALL about aligning our activity with a strategic business plan that maximises our value to each of these groups.

This report therefore reflects the first year of a new ESG-focused approach to our business strategy. It underlines our commitment to identify what matters most and where we can make the biggest impact and then to report upon it accurately so that we, and you, can track our progress.

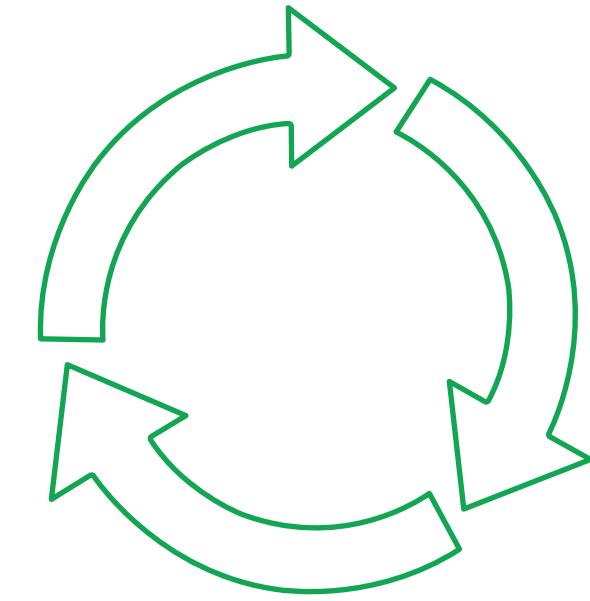
Who we are as a business

Who we are as a business



Viridor is a sector leading resource recovery and recycling business focused on energy recovery and plastics recycling and reprocessing. We operate the largest fleet of EfW facilities in the UK and the largest multi-line **polymers** reprocessing plant in the UK. Through a fleet of 10 EfW facilities, three plastics recycling and reprocessing sites, and a network of transfer stations, we process over three million tonnes of waste and recycling a year. Across 25 sites, we employ 1,100 people with 13 of those sites, all EfW and Polymers facilities, operating 24 hours per day, 365 days of the year.

The business was originally formed in 1956 as Harrison Western Ltd, and later, in 1998, became part of the Pennon Group Plc. In 2020, Viridor became a standalone company once again with majority investor Kohlberg Kravis Roberts & Co. L.P. (KKR), an American Investment company. Part of this shareholding was through the KKR Global Impact Fund which helps to reinforce our focus on ESG performance and our commitment to sustainable infrastructure growth.



As CEO, I am proud to lead a company with a tradition of evolution, continually striving to use its considerable capacity for innovation and investment to be a force for good and working hard to provide meaningful solutions to some of the most challenging environmental issues.

Kevin Bradshaw, CEO at Viridor

Who we are as a business

Our driving force

As part of our ongoing transformation and commitment to ESG performance we have developed a new purpose, vision and values that better reflect who we are, what we are driving to achieve and how we go about it. These three elements, working in tandem with our strategy will guide us through the coming years of Viridor's journey. Below we set out our new purpose, vision and values and explore how these contribute towards our ESG goals.

Purpose: *The value we create and the gap that would be left if we don't exist.*

Our purpose drives us.

Our purpose is the reason we exist.

It's the reason why we come to work every day.



OUR PURPOSE IS:

TO BUILD A WORLD WHERE NOTHING GOES TO WASTE.

Because we only have one planet and we must each play a part in protecting it, educating and inspiring others along the way.



Who we are as a business

Our driving force

Vision: *What we as an organisation want to be seen as in the future.*

Our vision is our future ambition.

It's who we want to be as a business in 10-20 years.

It's our North Star; our collective goal.



OUR VISION IS:

TO BE THE UK'S LEADING
INNOVATOR OF RESOURCE
RECOVERY AND RECYCLING,
TRANSFORMING WASTE FOR
A CLIMATE-POSITIVE FUTURE.



Who we are as a business

Our driving force

We have big ambitions for Viridor, but not only do we want to achieve great things, for us it's important that we achieve them in the right way. How we deliver is just as important as what we will achieve.

WE LEAD WITH AMBITION

Through world class leadership we strive for success through our people, our partners, our shareholders. Leading our sector with innovation, teamwork and pride in our purpose.



WE BELIEVE IN EACH OTHER

Safety is at the heart of all we do. We are collaborators and partners, working together to achieve results – and we always have each other's backs.



WE RISE TO THE CHALLENGE

We drive customer and market needs. We take accountability for our actions, and we will never compromise on doing the right thing for our customers, people and partners.



WE LOOK AFTER TOMORROW

We are resourceful, always striving for better and delivering for our customers. All of this is built on the foundation of long-term relationships.



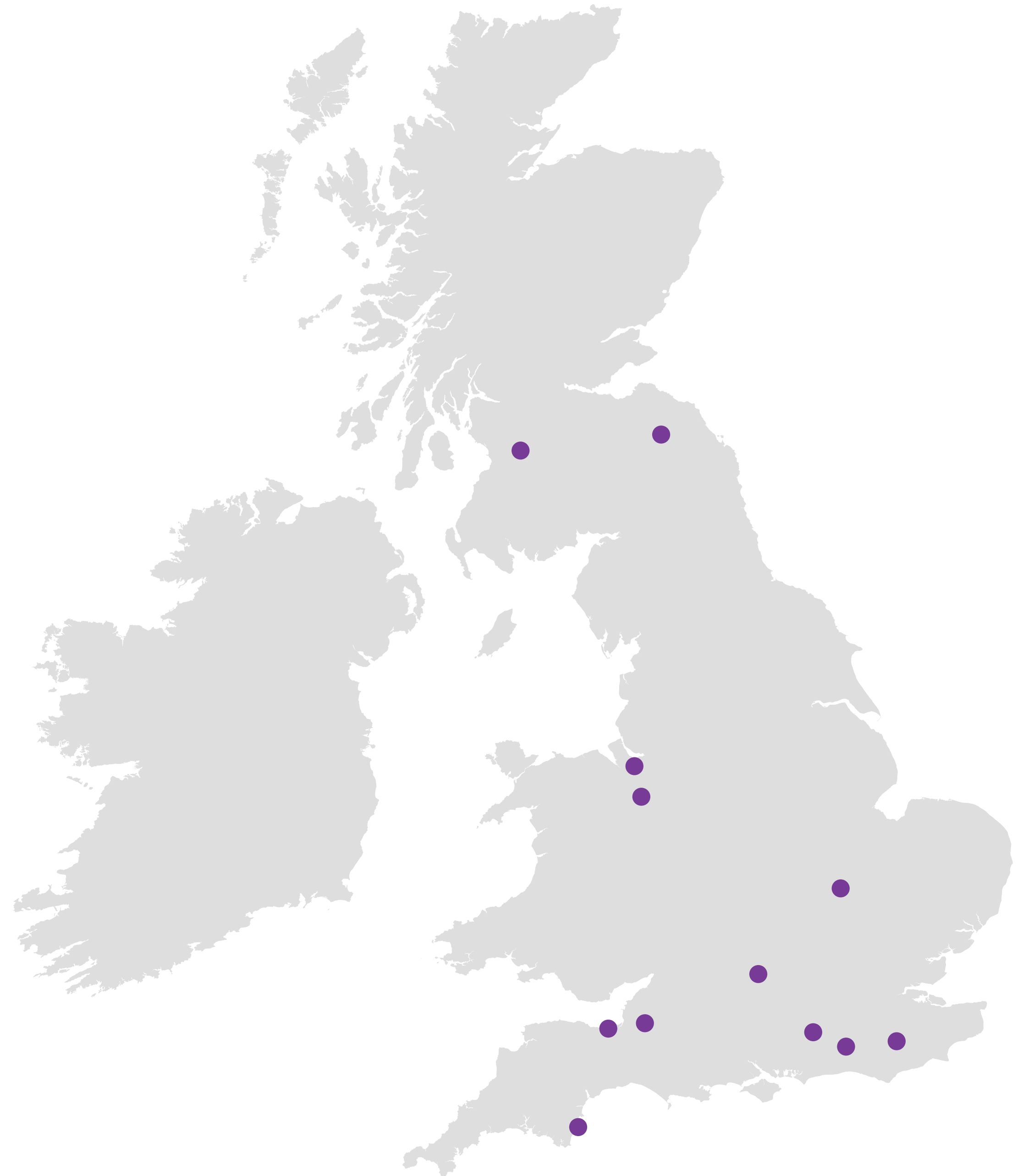
Our values reflect the very best of Viridor. They have been built by our people, for our people, which means they are authentic and already being lived and breathed across our business.

Who we are as a business

Our day-to-day business

For the past 20 years, Viridor, along with the wider waste processing sector, has been focused on driving the move away from landfill to recycling and energy recovery. This has been critical in improving the environmental control of waste management and making sure the resources we use go further for longer — with the ultimate goal of bringing an end to the ‘buy-use-throw’ society.

As of 1st September 2022, our resource recovery and recycling portfolio has grown to comprise 25 sites (ten EfW facilities supported by nine transfer stations;⁴ three plastics recycling and reprocessing facilities; one wet waste facility and two offices).

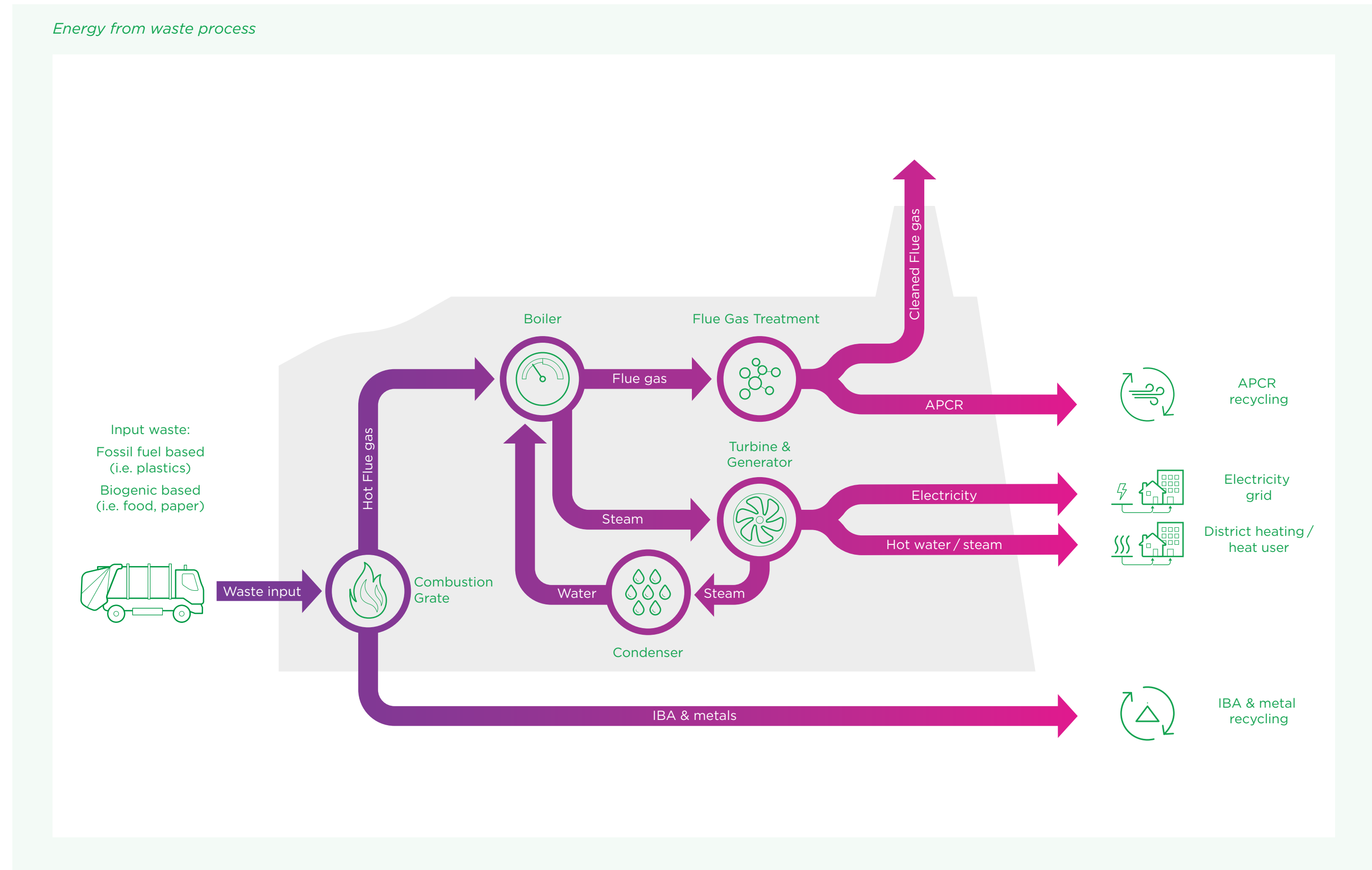


Who we are as a business

Our day-to-day business

Introducing our energy from waste portfolio

Viridor has led the move away from landfill in applying new technologies to reduce the environmental impact of non-recyclable waste management. As a significant proportion of waste is still non-recyclable and constantly extending landfill is no longer a viable option, this includes building world class EfW facilities, which safely treat non-recyclable waste and turn it into power and heat.



Who we are as a business

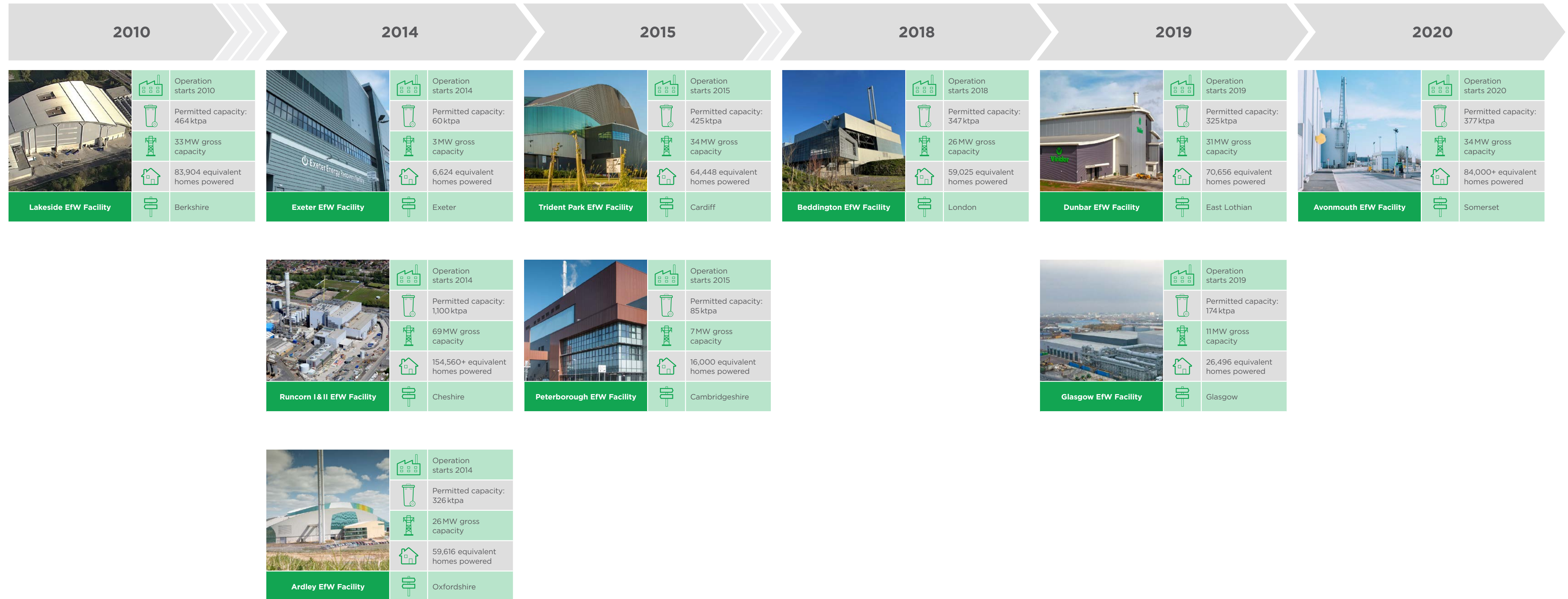
Our day-to-day business

Introducing our energy from waste portfolio

As early as 2000, Viridor began investing in alternatives, commissioning its first EfW facility in 2010. Today Viridor operates the largest share (22%) of the UK EfW market,⁵ consisting of ten⁶

EfW facilities with a total permitted capacity to divert 3,683,000 tonnes of non-recyclable waste from landfill per year, avoiding approximately 650kT CO₂e per year.

Highly efficient EfW facilities



Who we are as a business

Our day-to-day business

Introducing our energy from waste portfolio

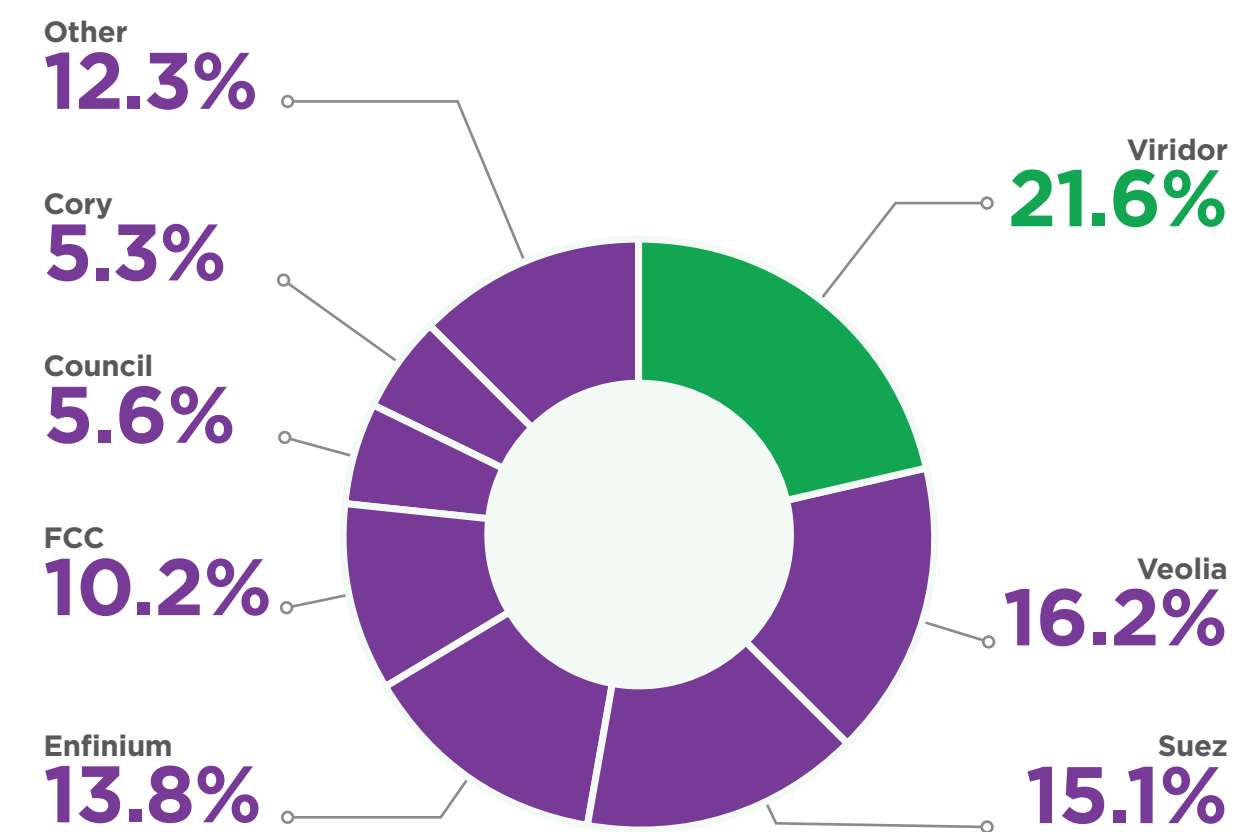


To date we have invested over £1.2 billion into the development of our state-of-the-art EfW portfolio. In 2019 the total tonnage of **residual waste** sent to EfW facilities in the UK exceeded the tonnage sent to landfill for the first time⁷ – a landmark moment.

Our facilities across the country include interactive environmental visitor centres, where we invite schools, colleges and community groups to learn and help promote better understanding

and best practice in waste reduction, reuse, recycling, recovery, resource management and sustainability. Talking with students and other community groups helps to raise awareness and develop greater understanding of our ambition to build a world where nothing goes to waste.

2021 EK EfW Operator Market Share (input,kt)



Who we are as a business

Our day-to-day business

Introducing our plastics recycling and reprocessing portfolio

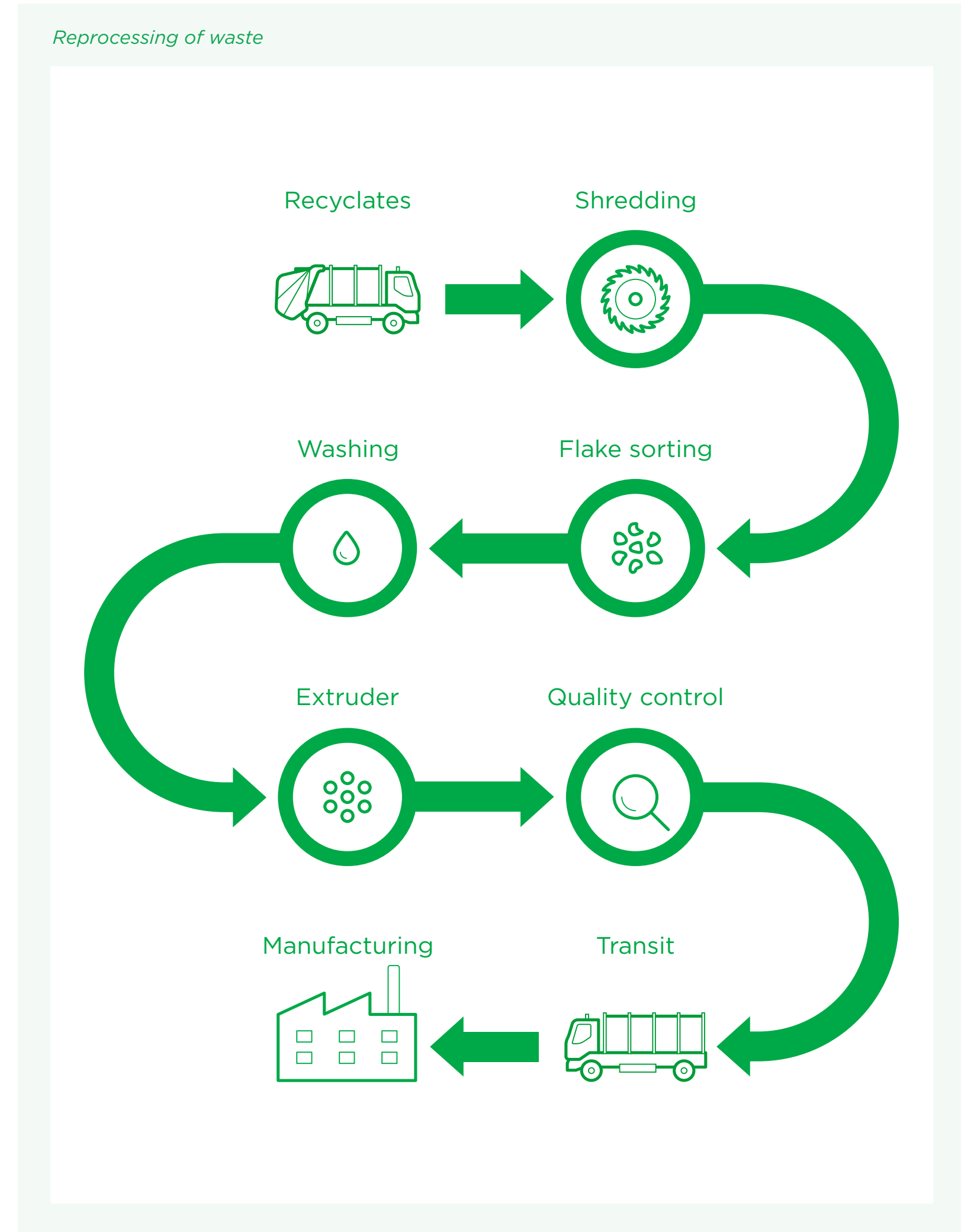
The vital role our sector plays in the economy – ensuring that the country’s waste is safely and effectively managed – has transformed over the past three decades. The development of comprehensive recycling and the move away from landfill has seen greenhouse gas emissions fall by almost two thirds (63%)⁸ between 1990 and 2019. The next major technological step forward was the reprocessing of waste – turning plastics back into raw materials for making new bottles and packaging.

Today, we operate one plastics recycling facility, where material is sorted based on its type, with total capacity to recycle 100,000 tonnes of plastics a year. The recycled plastic is then sent for reprocessing to our two plastics reprocessing facilities, where the material is reprocessed based on its type and turned back into product in the form of pellets and flakes.

Together these reprocessing facilities have a capability to reprocess over 120,000 tonnes of plastics per year, equivalent to two billion pieces of plastics, and saving 157kT CO₂e.

Our plastics recycling and reprocessing facilities

| Rochester plastics recycling | | Avonmouth plastics reprocessing | | Skelmersdale plastics reprocessing | |
|------------------------------|------------------------------------|---------------------------------|-----------------------------------|------------------------------------|-----------------------------------|
| | Operation starts 2014 | | Operation starts 2021 | | Operation starts 2008 |
| | Permitted capacity: 100,000t/annum | | Permitted capacity: 80,000t/annum | | Permitted capacity: 40,000t/annum |



Who we are as a business

Our day-to-day business
Combining processes to drive
better outcomes

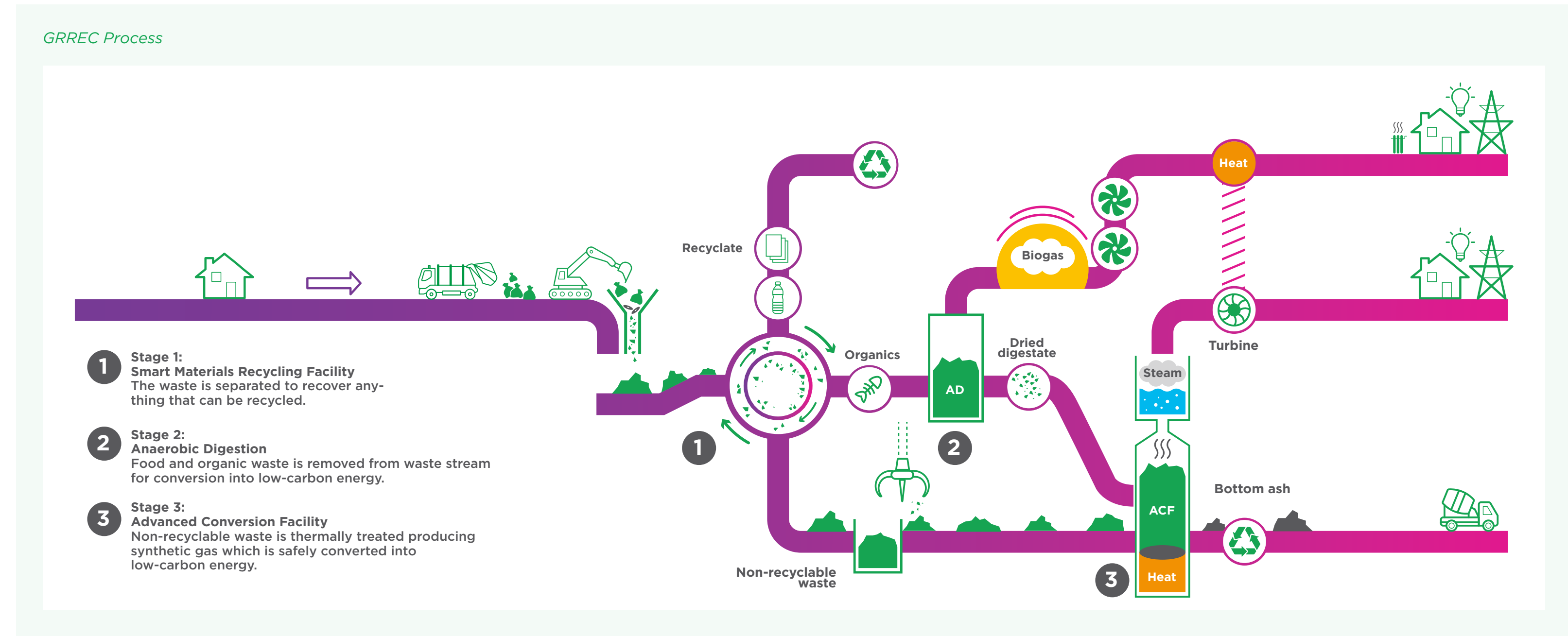
As a business operating in a sector that exists as a response to environmental concerns, it is right and necessary that we lead on driving the structural changes needed to create a sustainable ecological footprint.

As such, we are continuously looking for solutions to harness process synergies to maximise our facilities efficiency and ability to drive down the environmental and societal impact of waste.

Today, we operate three key facilities which have been designed to exploit synergies to drive better environmental and economic performance. Below we look at the capacity these facilities now offer us to address the challenges faced by society.

Avonmouth Resource Recovery and Recycling Centre

Avonmouth is the UK's first facility to house co-locating plastic reprocessing and energy recovery capabilities in one building. As well



as diverting 320,000 tonnes of non-recyclable household waste from entering landfill a year, the facility produces more than 300 GWh of electricity annually, enough to power 84,000 homes.

The co-located plastic reprocessing facility has the capacity to recycle up to 80,000 tonnes of plastic materials a year, equivalent to more than 1.6 billion bottles, tubs and trays. By co-locating the two sites, we were able to combine infrastructure (weighbridges, etc) and reduce building resources. In operation, the heat and power from the ERF are used to drive the energy intensive recycling processes - reducing the demand on the grid for power and increasing the efficiency of the ERF.

Glasgow Recycling and Renewable Energy Centre (GRREC)

GRREC has the capacity to handle 222,000 tonnes of **black bag waste** a year and comprises three separate lines, where recyclable material and food waste are separated from the black bag waste and the remaining non-recyclable waste is treated to produce a **refuse derived fuel (RDF)**. RDF is then passed through an **advanced conversion facility (ACF)**, which heats the RDF creating a gas which is captured and combusted to generate steam to power a turbine which in turn generates electricity to power the equivalent of 26,500 homes. The plant also has an **anaerobic digestion facility** using bacteria to break down all organic waste sorted from the black bag waste

delivered and to release methane to be used as a fuel to generate renewable electricity.

Bargeddie Recycling Hub

Up to 190,000 tonnes of residual black bag waste is processed at the Bargeddie Recycling Hub to identify and remove any recyclable materials which can then be sent for further reprocessing.

The remaining non-recyclable material is then transferred to Viridor's EfW facility in Dunbar, where it is processed to generate electricity. The sophisticated technology used at Bargeddie maximises the opportunities for black bag waste to be recycled, driving down the need for virgin materials and the associated carbon footprint.

Who we are as a business

Our day-to-day business

Practical Governance: Making the day-to-day work



In ESG, governance refers to the checks and balances in place to ensure that the commitments and processes we advocate are tracked and delivered. Governance runs through the heart of ESG – embedded within every commitment, every data point and every action. In our day-to-day activities, the processes we have and the reporting we do are critical elements of governance.

As part of the transformation of our business, we are deploying digital tools to achieve best-in-class compliance, ensuring consistency and accuracy every day. Critical to this is having data and processes accessible and standardised for all.

In documentation, our electronic document management system (EDMS) ensures that policies and procedures are kept up to date and standard across all business units and activities.

In data, our digitalisation programme is about creating one version of the truth; moving data reporting away from manual (minimising the associated risks of human error) to automated digital processes that both free up operational time and deliver improved reporting accuracy.

This combined focus on digitised data and document management will help to ensure that we build consistency and improve performance across our day-to-day operations.

Who we are as a business

Our day-to-day business

Practical Governance: Making the day-to-day work

Case Study 1:

Digitalisation as a key to an effective workplace

FY22 has seen momentous change across Viridor. As part of the separation from Pennon Group Plc and our transition to a standalone business we implemented Dynamics 365 across the whole of Finance, HR and Procurement, going live in November 2021. Involving a mixed team from across the business and beyond, including Viridor IT and Wipro, this programme was 90% delivered online via Microsoft Teams with the last few weeks taking place socially distanced in our Head Office.

This transition has touched every user throughout Viridor and represents a significant achievement, as recognised by our parent company, KKR. All programme objectives were delivered ahead of time, within budget and will form the foundations of our system architecture to build on in coming years.

With regards to infrastructure, we transformed and modernised our Employees Workspace. Migrating all users to the Microsoft Managed Desktop platform (MMD). Citrix has



been removed and replaced with Azure Virtual Desktop, reducing costs by 75%, and we have replaced the pre-existing MPLS network with a new SD-WAN platform which includes, for the first time, Operational Technology (OT) connectivity for our EfW facilities. This upgrade has allowed us to increase bandwidth on sites by 50%.

From a data perspective, we consolidated existing data sources into our new Azure Data Lake and, using Azure Data Factory, built a robust and wide-ranging data set across all functional areas to allow colleagues to self-serve their reporting needs using Power BI (Business

Intelligence). Following this, a company-wide BI Development Community was also established to share knowledge, expand the skills and capabilities of service users, and exploit newly transformed data.

A key part of our data strategy for the year included the analysis of power metering data from our metering partner. This allowed our Power Portfolio Team to obtain an accurate view of our energy output from plants within 30 minutes. This previously unavailable information was used to maximise output to the grid and deliver significant value during the last 12 months in terms of energy pricing. We also kick-started further projects designed to deliver significant benefit to the business in the months and years ahead. We completed the blueprint and initial design phase for the migration of our Plant/Work Maintenance and Asset Control platform into Dynamics 365. When complete, this will enable end-to-end control of over £35m of working capital contained within the engineering stores in our facilities and deliver significant value.

Together with AMCS we commenced the replacement of our weighbridge platforms across all sites. We have sought to add increased functionality in terms of logistics scheduling, auto pay mechanisms, driver assisted terminals, automatic weighbridges, and on-demand forecasting for all our operational sites. The upgrade will be transformative for our EfW



facilities, Transfer Stations and Polymers plants. Weighbridge facilities across our sites are business critical, responsible for processing 75% of the company's revenue. This added functionality will encourage automation and cost efficiencies across myriad functions of the business.

FY22 truly was a significant year of delivery that saw us reshaping the business and its digital processes and building a robust platform that will help to deliver future success.

Looking after our people

Looking after our people
Year in highlights



Health and Safety

HomeSafe has successfully delivered and sustained a falling incident rate from a **Lost Time Injuries Frequency Rate (LTIFR)** of 2.20 down to 0.64 across five years, and from FY21 onwards, when we started targeting the reduction of all injuries, HomeSafe has helped us to reduce our **All Injuries Frequency Rate (AIFR)**, from 6.24 to 4.34 within a year, a 30% reduction.

Viridor continues to perform favourably against the overall waste industry sector, with **RIDDOR** data for FY22 being 67% lower than the UK-wide waste industry performance for FY21.



Engagement

In January 2022 we held the first full employee survey since we became a standalone business, and we selected Great Place to Work as our partner. We achieved strong scores across key categories including the fair treatment of employees (81%) and health and safety (69%), reflecting our ongoing focus on building a fair and inclusive workplace, and our sustained internal focus on HomeSafe.



Recognition

We launched a new, prestige recognition scheme for all colleagues – Viridor Values in Action (VIVA) - which celebrates our colleagues who go above and beyond in their roles. As well as the annual award ceremony, we now open the VIVA nomination window each quarter to create a consistent focus on recognition throughout the year.

We developed a new employee profit share benefit scheme called Your Share. This provides a pay-out based on company **outperformance** and was paid out for the first time in summer 2022 based on FY22 outperformance.



Talent of the Future

A huge part of looking after tomorrow is ensuring that we are able to attract and retain top talent. Talent that can grow alongside us and together with our aspirations. To meet this need, we have endeavoured to develop future talent through two key programmes – the Graduate Programme and the Apprentice Programme.

A new and refreshed Viridor Graduate Programme will see the first cohort starting in September FY23, comprising of a total of nine graduates.

The Apprentice Programme has also seen the intake of c.25 apprentices over both FY21 and FY22 with plans to more than double this number in FY23.



Gender Pay Gap

As we continue to evolve and respond to the changing market, we remain focussed on paying men and women fairly and equitably. We are committed to encouraging diversity in our workforce and recognise the benefit that a diverse workforce can bring to our business.

In FY21 the Viridor **gender pay gap** was 9.9%, with a median gender pay gap of 3.6%, and the gender diversity split was 76.7% male and 23.3% female (our Gender Pay Gap report is published annually in FY Q4 for the previous FY and can be found on our website).

Since becoming a standalone business, Viridor has transformed – a new owner, new leadership, and a new strategy.

The full strategic review process created a period of uncertainty and significant change as we divested our waste and collection businesses and began to shape the current Viridor. This process all took place during the pandemic, which constrained traditional colleague engagement, but we were committed to sharing our bold vision of the future and providing all our people with clarity of direction.

Significant change can be unsettling, so we have worked hard to ensure our employees recognise they are valued, and to help them understand the part they play as individuals and together in creating our sector-leading business.

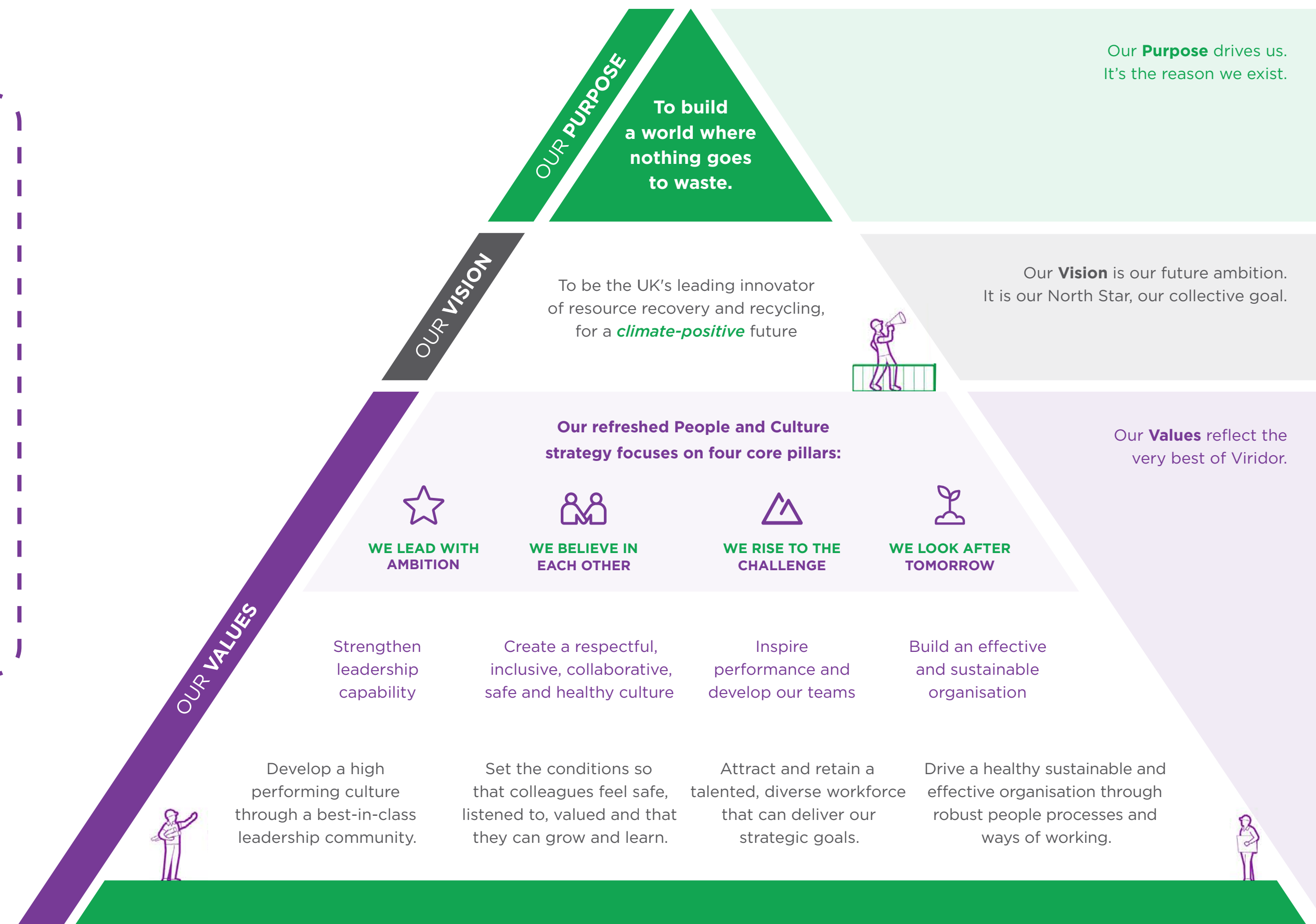
The primary aspect of valuing our people is in ensuring we keep them safe and well at all times. In this respect, our health and safety programme saw renewed focus and drive under the HomeSafe brand.

We then built on this by establishing a High-Performance Culture programme designed to increase activity, accountability and agility on projects to help us build an exceptional workplace, attracting, developing and retaining the best talent in our sector. This programme is now working towards the strategic objective of achieving Great Place to Work™ accreditation.

During the year we also refreshed our People and Culture strategy which is focused on four core pillars:

- Strengthen leadership capability.*
- Create a respectful, inclusive, collaborative, safe and healthy culture.*
- Inspire performance and develop our teams.*
- Build an effective and sustainable organisation.*

Our People Story



Looking after our people
HomeSafe. Every one. Every day.



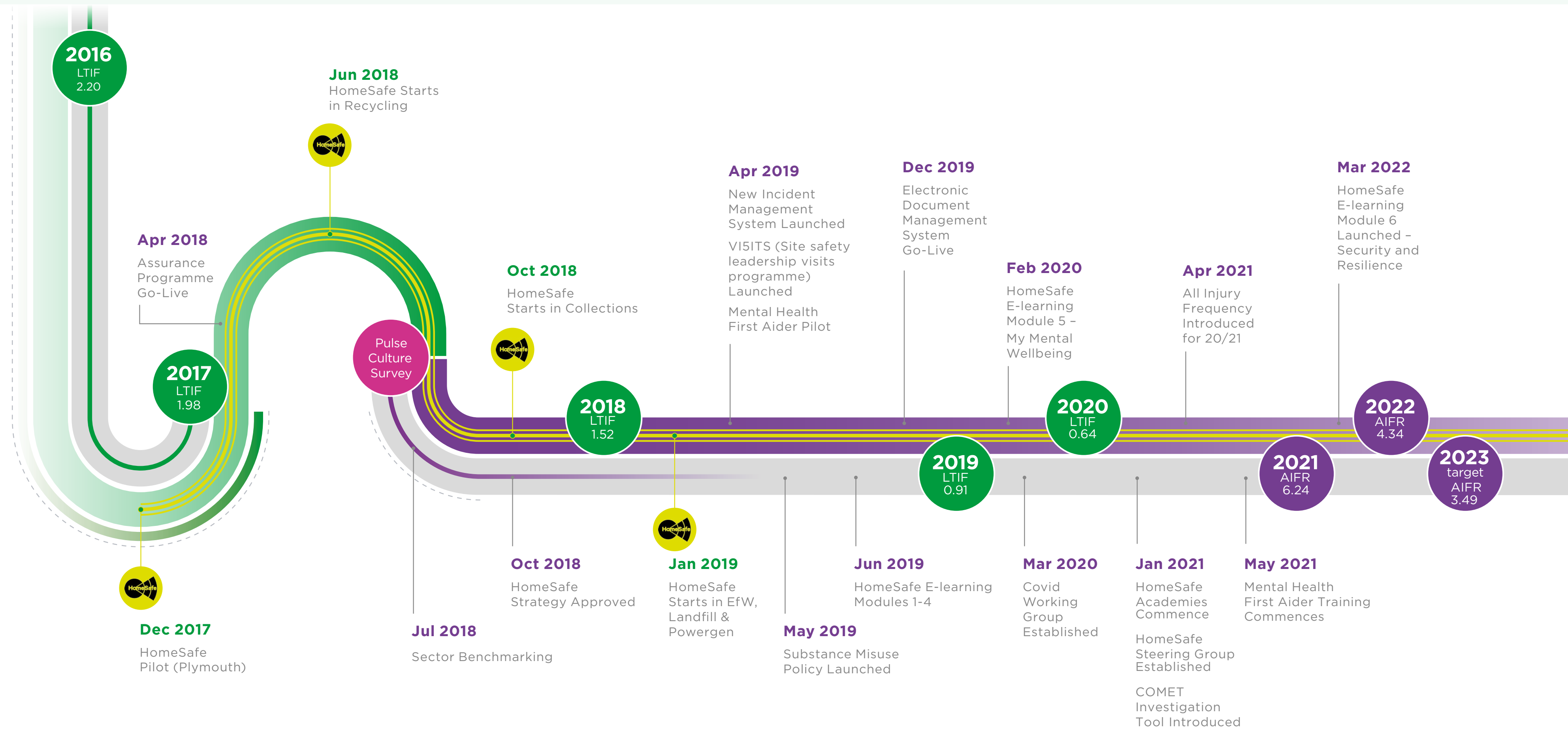
HomeSafe. Every one. Every day.

To create a respectful, inclusive, collaborative, safe and healthy culture, we must start with the health, safety and wellbeing of our people. HomeSafe is our behavioural **SHEQS** vision, journey and delivery programme. Ensuring our colleagues, visitors and contractors all go home safe and well at the end of every day is the foundation on which our people and culture strategy can be built.

Our HomeSafe journey started as a SHEQS brand and induction concept in April 2017 and, with its initial framework of behaviours and rules targeting key areas of risk, represented a company commitment to ensuring that everyone returned home safe. Since then, HomeSafe has remained a constant during organisational change and has an important role to play in our future - not only in our everyday operations but in our ESG journey too, as we strive to make our operations and working environments safer and healthier for our colleagues, customers and communities. Today, we believe HomeSafe can be a transformational lever to help us build a truly purpose-driven ESG culture at Viridor.

Looking after our people
HomeSafe. Every one. Every day.

Viridor's HomeSafe journey



Looking after our people

*HomeSafe. Every one. Every day.
Driving performance – our 6-point plan*

Our 6-point plan

In FY22, the SHEQS Team adjusted its operating model and developed a SHEQS Roadmap to address the root causes of our most significant, 'high-potential' incidents. The roadmap identifies six key areas including further enhancing HomeSafe; improved contractor management; our management system documentation, including risk assessments; training and competence; mental health and wellbeing; and shared learning and continual improvement. These core focus areas continued to shape our activities and projects throughout FY22. Notable achievements across the six-point plan include:

1 Further enhancing and embedding HomeSafe delivery through improved governance, ownership and business support. This included establishing new HomeSafe Academies, delivering improved training and e-learning and implementing a HomeSafe steering group.



2 Delivering improved Contractor Competence Assurance and third-party training which is focused on getting all our contractors to work safely and assuring that their activities are then completed safely and in line with expectation.

4 Introducing an enhanced focus on Safety Critical Training and Competence for all our employees including a new site level induction framework and process incorporating HomeSafe Induction and safety critical training.



3 Refreshing the Viridor Incident Management System (VIMS) and further improving document control within the Electronic Document Management System (EDMS), with a focus on Risk Assessments and Safe Operating Procedures.

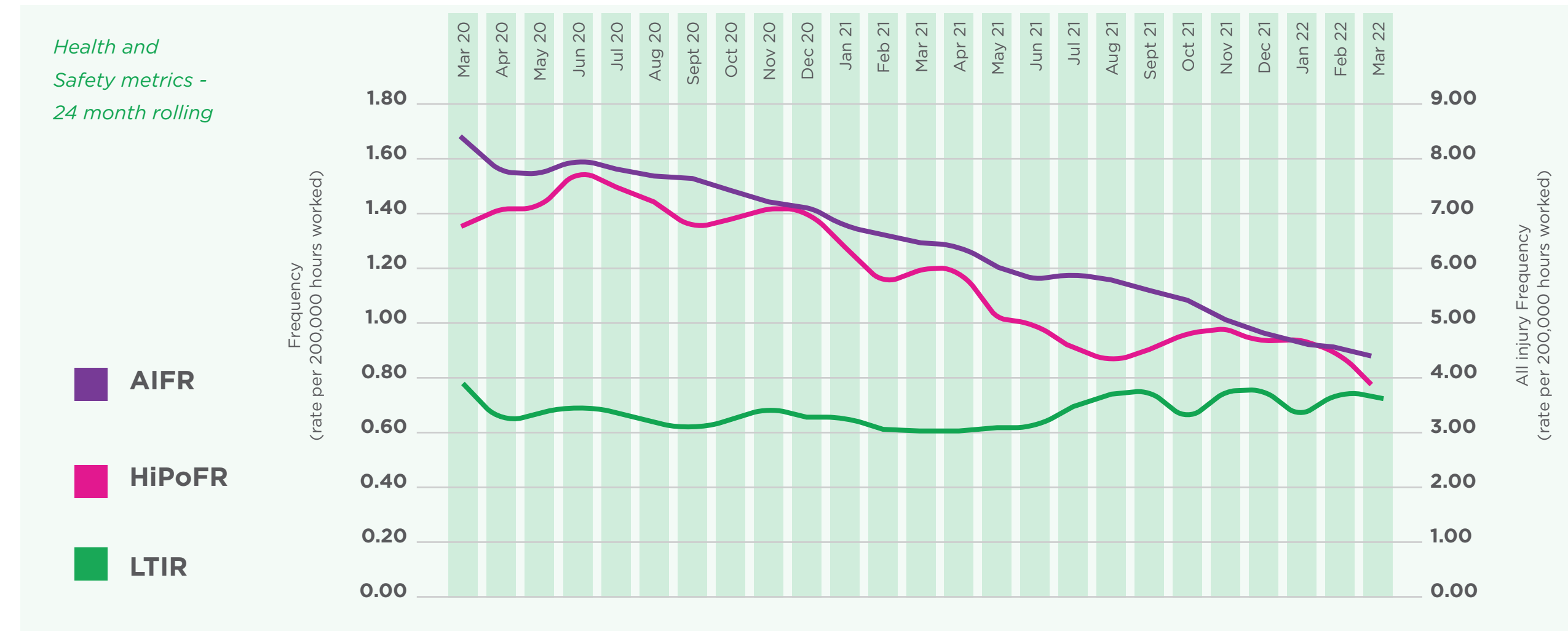
5 Expanding the mental health support provided to our staff and their families in response to the unprecedented challenges they have faced since 2020. This included introducing a more formal Mental Health and Wellbeing programme with mental health awareness training, guidance and a suite of tools for managers to support colleagues. We have also recruited additional mental health first aiders and wellbeing champions across all site functions.

6 Ensuring that 'COMET' investigation, incident review and lessons learned help to drive shared learning to prevent recurrence of incidents. This included the delivery of 11 COMET Practitioner courses delivered by third-party trainers and 100+ users trained across the business.

Looking after our people

HomeSafe. Every one. Every day.
Keeping people safer – a year of delivery

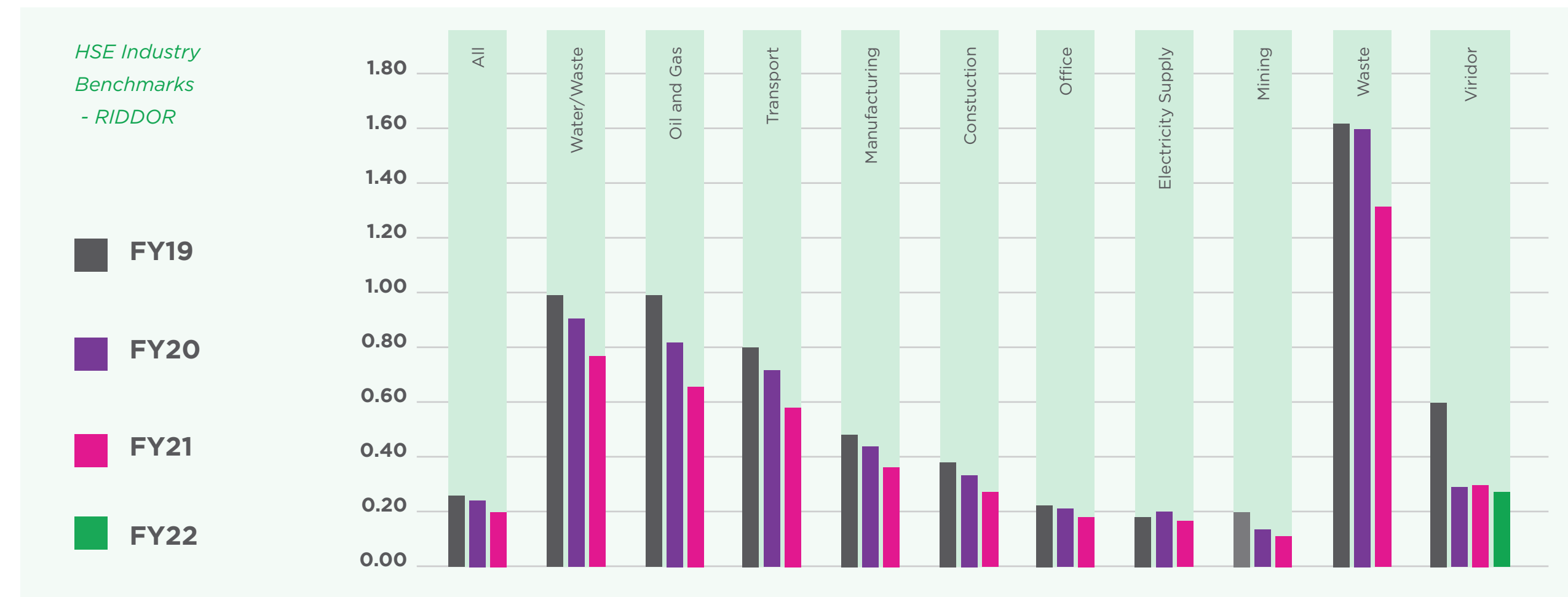
Below we summarise our Safety, Health, Environmental, Quality and Security (SHEQS) performance for FY22 by bringing together key data and accompanying commentary that has been routinely reported throughout the period via monthly reports and updates provided to the Viridor Board and ESG Committee.



NOTE: Accident table - includes data for sold entities (e.g. Biffa, Crayford, Valencia) up to the point of their sale.

Performance in context - industry benchmarking

Comparing our safety performance against other similar industries provides us with useful insights into how we are performing and helps us benchmark where we should be. We benchmark LTIF and RIDDOR data to provide comparisons within our own sector and with other industry sectors in the UK. Whilst RIDDOR is a narrow injury definition, it still provides a useful measure of where we sit relative to other industries.



HSE Industry Benchmarks vs Viridor

This chart shows that Viridor continues to perform favourably against the overall waste industry sector - Viridor RIDDOR data for FY22 is 67% lower than the UK-wide waste industry performance for FY21 (provisional dataset).

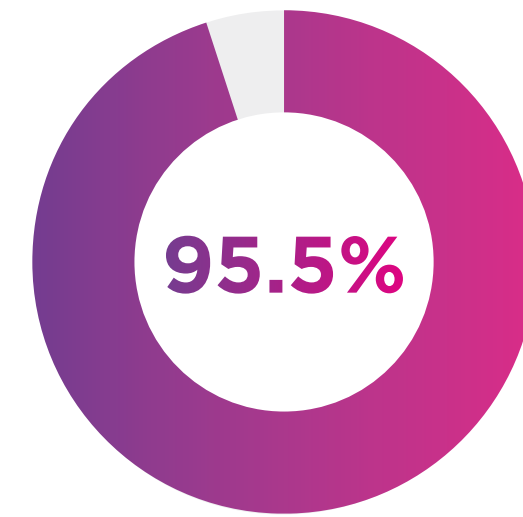
Looking after our people
HomeSafe. Every one. Every day.
Recognising our successes

Recognising our successes

There have been some notable achievements towards many of our key performance indicators, against a backdrop of business changes and COVID-19 challenges in FY22. These improvements would simply not have been possible without the continued support and efforts of everyone in the business and help us to ensure that everyone goes home safe.



Occupational Health
Assessed the needs of 583 of our colleagues and implemented workplace improvements where possible to maintain and promote health



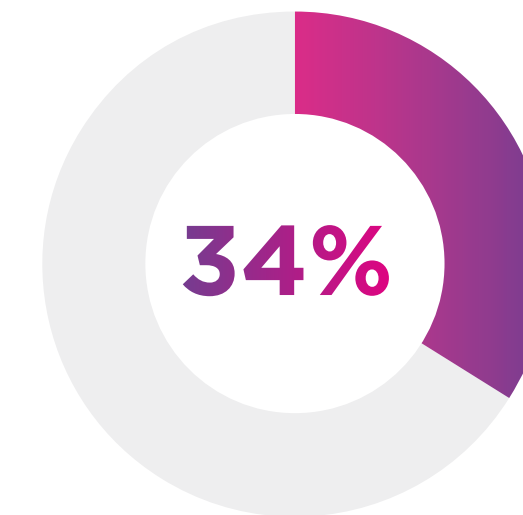
Training Compliance
95.5 % training compliance achieved, an uplift of 40% from 2020, ensuring colleagues are invested in and have the right skills for their roles



Injury Reduction
Reduction in the rate of all injuries reported, which is a fantastic achievement in Protecting the Team



Reduced Overdue Actions
Overdue incident and audit actions have improved from 2% overdue (for more than 60 days) to 0% overdue. Closure of actions in a timely manner ensures we maintain a safe, healthy and compliant workplace



Reduction in HIPOs
Reduction in the rate of *High Potential Near Miss Incidents* reported—every high potential event had the potential to cause significant injury or damage



Hazards and Observations
Every hazard that has been spotted and then removed has eliminated the potential for an incident to occur



Looking after our people

*HomeSafe. Every one. Every day.
Looking ahead to continual improvement*

Looking ahead to continual improvement

HomeSafe will continue to have an important role to play in our future - not only in our everyday operations but in our ESG journey at Viridor. As we look ahead, we want to achieve more. To do this effectively, HomeSafe must continue to evolve, and as such we are committed to:

- Developing a 2025 HomeSafe roadmap and strategy that will not only prevent harm but empower us to become the SHEQS benchmark in the UK resource recovery and recycling sector
- Launching, communicating, and fully embedding the next evolution of HomeSafe which will support more localised leadership, ownership and engagement

Looking after our people

Continued colleague engagement

In January 2022 we held the first full colleague survey since we became a standalone business. We selected Great Place to Work as our partner as its survey measures both trust, and engagement. Trust and integrity are increasingly important for organisations and their employees and, given the scale of change that Viridor has experienced over the last couple of years, trust feels like an important metric.

Our ambition is to become an accredited Great Place to Work™, which requires high levels of both engagement and trust. This year's survey has established our benchmark against which we will measure progress.

What did the survey tell us?

We achieved 81% in the 'fair treatment of employees' category of the survey and 69% in the 'health and safety' category. This reflects our ongoing focus on building a fair and inclusive workplace, and our keen internal focus on HomeSafe.

We also achieved 69% for 'empowerment and accountability', with employees citing that they are given responsibility to undertake their roles effectively.

The Great Place to Work survey allows us to identify our key drivers – those areas which will have the most impact if improved. Our key drivers were highlighted as leadership conversations, integrity (living our values and behaviours), developing our managers, and increasing the opportunities for employee voice and involvement. These four key drivers are now the pillars for our FY23 engagement strategy, and we are working with our Senior Leaders to make positive improvements across the organisation in these four areas.

On top of this, each leader has an engagement action plan, which focuses on the issues and opportunities to increase trust and engagement at a team level. This dual pronged approach – corporate and team - should enable us to make great strides towards becoming a Great Place to Work™.

What have we put in place to engage our colleagues?

Having completed the acquisition of Viridor and then completed a major corporate restructure, there is now an opportunity for a major focus on building trust and engagement to new, high levels. This will take time and we dedicated FY22 to putting in place key foundational processes on which we can build that trust and engagement, in particular in response to what we learned from the engagement survey. We explore and summarise these on the next pages.



Looking after our people
Continued colleague engagement

Our People Journey



YOUR SHARE PAYMENT

Sharing our successes. You told us that you feel much more aligned with the business when you're rewarded for performing over and above target.



VIVA AWARDS

All about you. You told us that you feel valued when you are recognised for the contributions you make.



PURPOSE, VISION & VALUES

Clarity of direction. We launched our new purpose and vision - our 'North Star' for Viridor. These are supported by our new values which highlight how we do things.



LISTENING SESSIONS

We hear you. You told us that you wanted more opportunity for two-way communication. Executive leaders have responded by hosting a number of listening sessions around the country.



EMPLOYEE SURVEY

Getting your input. Having carried out our first survey in 2 years, pulse surveys will continue to amplify colleagues' voices.

Looking after our people

Continued colleague engagement

Our People Journey cont.



ESG STRATEGY LAUNCH

Roadmapping the future. Putting people, safety and the environment at the heart of everything we do.



CHARITY FUNDRAISING

Taking our social responsibility seriously. We know there are opportunities to do more good. We support colleagues' Ukraine fundraising, including matching funds. We also partner with charities which support our vision such as the Reuse Network.



MONTHLY PERFORMANCE

Keeping you updated. We committed to communicate with you how the business is performing, through updates and managers' briefings.



SOCIAL EVENTS

It's important that the work we do on site is carried out safely. But we have introduced some social events, such as the Viridor World Cup, to have a bit of fun whilst working here.



IT'S GOOD TO TALK

Plans are in place to reintroduce the business town halls, as well as Coffee Chats with the CEO and roadshows around the business to tell our ESG story, so look out for those!

Looking after our people
Recognising our people



The people development part of our ESG strategy aims to help us build a high performing, engaged team that goes above and beyond to deliver transformational business results.



We are committed to continuous training and development to ensure that everyone is trained to do their role safely and competently, and that all colleagues at all levels understand the philosophy under which we operate. We are fully focused on optimising, broadening and fairly rewarding the performance of everyone within the business to help us attract, grow and retain the best talent in the future.

Viridor Values in Action (VIVA)

In FY22, we launched a new, prestige recognition scheme for all colleagues – Viridor Values in Action (VIVA) – which celebrates our colleagues who go above and beyond in their roles. Aligned to our values and to our HomeSafe culture, the first VIVA awards showcased and celebrated those who embody the kind of company we aspire to be. This celebration enables us to drive trust and engagement within the business and ensure that across sites our colleagues understand that their contribution is publicly valued. In a short space of time, VIVA has become a highlight for employees. What have we put in place to engage our colleagues?

Your Share

In direct response to feedback from our colleagues, we developed a new employee profit share benefit, Your Share. This provides a pay-out based on company outperformance and, in summer 2022 paid out at the full value reflecting FY22 outperformance recognising the value colleague contribution.

A huge part of looking after tomorrow is ensuring that we are able to attract and retain top talent. To meet this need, we have endeavoured to develop future talent through two key programmes – the Graduate Programme and the Apprentice Programme.

Graduate Programme

During the FY22 we developed a new, refreshed Viridor Graduate Programme. We worked closely with an external recruitment specialist GRB (Graduate Recruitment Bureau) to attract and acquire the best possible talent available in the market. The first cohort to the new programme started in September 2022 (in FY23) and is made up of nine graduates covering EfW operations, Polymers, IT and Finance business areas.

Graduates will rotate throughout their selected business area every six months, contribute towards business-wide projects and participate in a calendar of development days to ensure that they are ready for their first role upon completion of the programme.



Apprentice Programme

Providing a route into apprenticeships is an integral part of our people strategy. Developing an apprenticeship culture at all levels within Viridor is helping to raise skills within our teams. This in turn is supporting both our strategic ambitions, talent pipelines and succession planning.

Apprenticeships within Viridor are seen and valued as high-quality pathways to successful careers. Providing opportunities for new and existing colleagues to develop their skills to meet the growing needs of the business. Over the next few years, we will face several challenges regarding talent pipelines feeding into technical roles. These challenges can only be met if we attract and retain the right people, with the right skills at the right time to meet demands.

To date, the Viridor Apprentice Programme has seen the intake of c.25 apprentices over both FY21 and FY22 with plans to more than double this number in FY23.



As an organisation continuing to evolve and respond to the changing market, we remain focussed on paying men and women fairly and equitably. We are committed to encouraging diversity in our workforce and recognise the contribution that a diverse workforce can bring to the business.

The information published in our 2021 pay gap report shows our *gender pay gap* for the FY21, it is an example of our commitment to go beyond the statutory requirements and it continues to demonstrate transparency to all our stakeholders. We know that creating a more diverse company is a key task, for both Viridor and for our sector more widely.

In FY22, we have refreshed some of our people-related policies, including the introduction of more progressive family friendly policies which are representative of our business today. We have

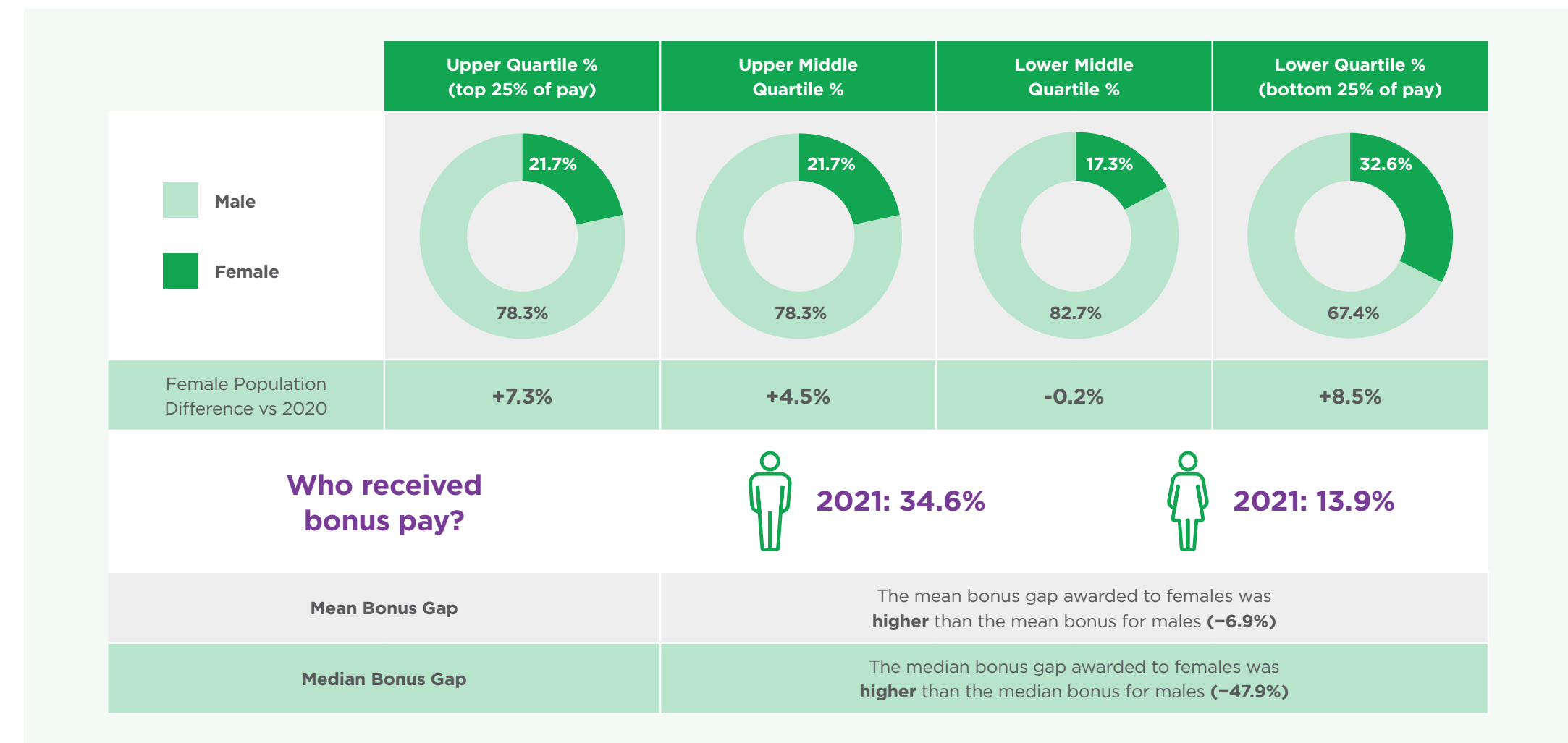
also increased our focus on female apprenticeships and graduates as part of our long-term workforce strategy. We believe this will help support our desire to increase female representation across the Viridor Group.

We issue our Gender Pay Gap report annually in the FY Q4 for the previous FY and it is published on our website. For FY21, the national average gender pay gap was 15.4%. The Viridor gender pay gap was 9.9%, with a median gender pay gap of 3.6%.

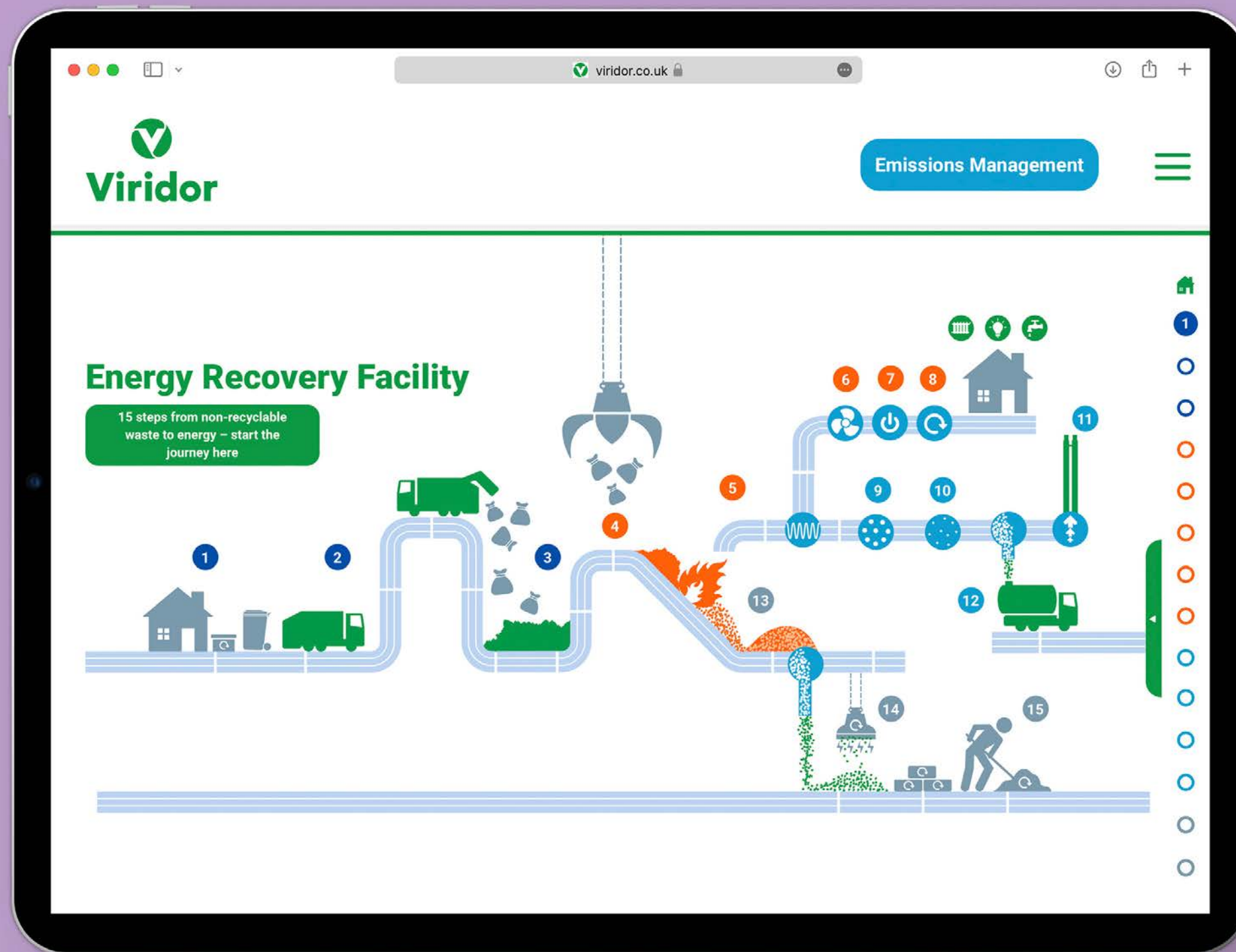
Our Gender Pay Gap action plan

We remain committed to creating an inclusive workspace and in FY23 we will focus on the following:

- 1 Reviewing our graduate assessment programmes to ensure they are more inclusive and enable female talent to be successful and equally able to progress through different roles
- 2 Promoting our female talent and actively support their growth and development
- 3 Reviewing the recruitment process, where possible ensure female representation through all stages, including at interview stage
- 4 Continuing to ensure pay parity is maintained when recruiting new roles across the business
- 5 Continuing to review gender representation at each level of the business, from the Executive Leadership Team right down throughout the organisation, to identify any areas of weakness or potential barriers to progression



Looking after our communities



Our ambition is for our purpose to be greater than our work, and for it to be carried out into wider society. With a large local authority client base, ensuring our activities deliver maximum local social value is a key driver. Our people are not just our employees, they are active members of the communities in which we work, and our aim is to equip colleagues so that they can fully contribute to building a world where nothing goes to waste within their communities.

Virtual Visitor Centre

We developed and launched a virtual *energy recovery facility* tour which serves the entire UK fleet allowing residents to better understand the journey of their non-recyclable waste and how it is used to generate heat and power. The Viridor virtual tour built on the Beddington virtual visit which was shortlisted for the *National Recycling Awards* 2020 in the Campaign of the Year Below £20k category.

Looking after our communities

Year in highlights

Nation-wide community reach

During the COVID-19 pandemic we adopted and embedded new digital tools, leading to highly effective engagement with coverage increasing to almost 20,000 people in FY22.

In addition to the engagement with the communities where we operate, we have funding set aside to support community projects. Runcorn EfW contributed just over £809,000 into Halton Borough Council Environmental Fund for improvements to the local area. While our Cardiff, Peterborough and Beddington EfW facilities together awarded 41 grants distributing almost £288,000 across their local communities in FY22.

Young Persons Guarantee Employer

In March 2022, Viridor was recognised as a 'Young Persons Guarantee Employer'. The **Young Person's Guarantee** is a Scottish Government initiative which recognises employers who work closely to support and engage with young people through work experience, apprenticeships and other learning and development opportunities.

Glasgow COP26

Viridor Glasgow Recycling and Renewable Energy Centre (GRREC) and **Engineering Development Trust** (EDT) created a series of activities exploring themes of sustainability and the circular economy, enabling local communities to celebrate COP26. A total of 64 primary schools, 156 classes and 5,386 pupils participated in the programme and all pupils who completed the challenge received a nationally recognised award at the end – the Industrial Cadets Challenger award.

Celebrating the success of our apprentices

In August 2021, two of our apprentices won awards from the Engineering Trust Training. Joe Pratley received the Trevor Woodger Career Progression Post Apprenticeship and Jamie Smy was shortlisted for the Best Apprentice Award.



It is always a challenge to pursue qualifications within a dynamic work environment. The additional difficulties brought about by the global pandemic make apprentices' achievements even more impressive.

David Simmonds, Engineering & Maintenance Manager
Ardley ERF at Viridor

Looking after our communities

Year in highlights

Working with the Reuse Network

Viridor's ESG strategy can deliver on decarbonisation and circularity for the waste we receive but preventing waste in the first place is a critical part of the waste hierarchy. As Viridor does not influence this, we sought to partner with an organisation that can help avoid waste ending up in our care in the first place.

During FY22 we worked closely with Reuse Network to create a strategic partnership. Reuse Network is a charity focused on diverting millions of usable household items from landfill and into low-income households, tackling poverty, saving hundreds of thousands of tonnes of CO2, and supporting a vast, growing network of people through volunteering, employment and training opportunities.



We committed £50,000 to support the charity and its network of reuse charities and social enterprise members who continue to find balanced environmental and social solutions for both people and the planet. The money will help fund roles focused on developing guidance for re-users in how to collect, handle, process, test and repair electrical and electronic equipment (EEE) to meet relevant regulations and ensure products are fit and safe for purpose.

We are delighted to support the work of the Reuse Network and to work together to raise awareness of the importance and benefits of reuse in communities all across the UK. Building a world where nothing goes to waste lies at the heart of everything we do and reuse is one of the core elements in achieving that goal, helping to create thriving carbon neutral communities.

Developing the reuse sector requires partnership, and we are delighted to be working with Viridor to come together as one team to deliver real change in the local communities we call home.

Craig Anderson, CEO at Reuse Network



Edita Adamcikova, Head of ESG at Viridor

Looking after our communities

Our community highlights

Ardley Energy Recovery Facility

Throughout FY22, we ran both virtual and face-to-face live events to continue our support for the local community and immediate environment. We also hosted an ERF virtual tour for 623 unique users. In total, 481 households attended 20 live virtual events and we hosted 250 people in person in the Ardley visitor centre.

We offered a range of online events for primary and secondary schools and community groups. We delivered two virtual visits for Heritage Open Days which proved popular with 100 households registering to attend.

Whole year group cohorts attended online 'Earth Matters' and 'Climate Change' sessions which were given to local primary schools. Other online sessions for secondary schools included a 'No time to waste' workshop for an Eco-Schools committee. Once again, we were able to take part in Science Oxford's **STEM** summer work experience week with 58 students providing positive feedback on their interactive experience.

Great British Spring Clean with the Bicester Technology Studio Year 10s and Ardley ERF volunteers supported an event on 11th June 2021 as part of the 'Million Mile Keep Britain Tidy' campaign. Viridor donated litter picking equipment to ensure there was enough for event participants and future use.



It was brilliant to be able to welcome visitors to our centre and have face-to-face engagement with them. Investment in the virtual tour combined with the digital dexterity brought about by lock downs, means that we have the tools to reach further out into the community than we were able to before.

Jessica Baker-Pike, Learning and Visitor Centre Manager at Viridor

During the year our Ardley facility made the following donations to support the local community:

£710

to Peeps HIE

£712.50

to Blue Sky thinking

£712.50

to Cancer Research UK

£245

to AFECT, which paid for planting of 12 mature saplings at Ardley Quarry Fields.

Looking after our communities

Our community highlights

Clyde Valley Facilities

Working across the Dunbar Energy Recovery Facility, Bargeddie Recycling Hub and Clyde Valley Transfer stations, Viridor partnered with Engineering Development Trust (EDT) to deliver a Net Zero Virtual Work Experience Programme to benefit young people during COVID-19 pandemic restrictions.

The opportunity was offered to all Scottish schools for pupils in S3-S6 and launched in June 2021. Pupils completed modules and a final written report, outlining their learning from the project. All pupils who completed the full project received an **Industrial Cadets Silver Award** accreditation, which is an industry recognised qualification, while those who completed the modules only, achieved a **Bronze Award Accreditation**.

A total of 125 students signed up from across Scotland. Some 29 completed the whole programme and gained the Silver Industrial Cadet Award and four completed the company modules and gained the Bronze Industrial Cadet Award.



We would like to thank our sponsors; Viridor, Network Rail, Leidos and GFG Foundation for their support to enable students to take part in our first Net Zero themed Virtual Work Experience programme.

Engineering Development Trust



Looking after our communities

Our community highlights

In March 2022, Viridor was recognised as a 'Young Person's Guarantee Employer'. The Young Person's Guarantee is a Scottish Government initiative which recognises employers who work closely to support and engage with young people through work experience, apprenticeships and other learning and development opportunities.

Fifteen Online Business Workshops were delivered during the FY22 (in partnership with GRREC) to support Small to Medium Enterprises (SMEs) across the Glasgow and Clyde Valley regions. Over 100 Clyde Valley businesses/employees signed up to attend the sessions throughout the contract year.

Viridor is proud to support young people across Scotland through the delivery of our community benefits programme...and to give young people the opportunity to develop the skills, experience and confidence they need to be successful in the industry. This commitment is also a sign of our intentions to ensure we are progressive in creating and maintaining an inclusive and fair workplace for all.

Sarah Quinn, Community Benefits Officer at Viridor

Viridor were overall sponsors of the FY21 Industrial Cadets Bronze Award National Final which took place virtually on 23rd June 2021. Boclair Academy from the Clyde Valley Hub were crowned National champions at the event which was attended by various Councillors, MSPs and Viridor representatives.

We also sponsored the FY22 Clyde Valley and South Lanarkshire Industrial Cadets Bronze Award Hubs - with a total of 162 pupils accessing virtual visits of Bargeddie RWT and Dunbar ERF as part of their Bronze Award projects.

The Clyde Valley Hub launched virtually on 17th November 2021 and concluded with a Celebration and Assessment Day (CAD) which also took place virtually on 23rd February 2022 with 12 teams from nine schools participating.

The South Lanarkshire Hub launched virtually on 24th November 2021 and concluded with a virtual CAD event on 2nd March 2022. A total of ten teams from eight schools competed in the South Lanarkshire Hub and received Bronze Award accreditation.

At our newest Scottish ERF, the Dunbar ERF worked to engage with schools and the next generation of colleagues including the facility's third young apprentice, Jack Quinn, who joined through a Modern Apprenticeship in Engineering - Control & Instrumentation.

In addition to supporting the Industrial Cadets Bronze Award programme, we supported the 'Developing Young Workforce's Circular Economy Challenge Edinburgh & Lothians' with virtual site tours and facilitated the delivery of the Engineering Development Trust's Virtual Work Experience Programme.

As part of a key coastal community located in an important rural landscape, Dunbar ERF also supported local charities the RNLI and Dunbar Community Woodland Group with donations of £1,475 each.



Looking after our communities

Our community highlights

Beddington Energy Recovery Facility

Our Beddington Virtual Visitor Centre (VVC) has been reaching out to those who have not been able to visit us at the ERF in person. In FY21 the Beddington VVC hosted 7,152 sessions where users have actively engaged with the website.



The Beddington Community Benefit Fund has been investing in local organisations and projects. In FY22, we donated over £207,000 to 17 projects ranging from local charities feeding the homeless to organisations helping vulnerable children. The donations have supported a range of amazing projects including a garden and kitchen being renovated in a homeless shelter to enable the service users to grow and cook their own food.

We also supported the restoration of a garden belonging to a local children's theatre to help their imaginations flourish not only on stage but also in nature. We have paid for equipment at a local allotment teaching children about growing their own food, creating skills that can contribute towards a better environment, making sure not only that we look after tomorrow but also the community that surrounds us.



During FY22, we also had two apprentices on site. In May 2022, our electrical apprentice, Neil Andino, took his end point assessment and passed, he then secured himself a job as technician on site. It has been exciting to see him grow and develop into the skilled worker he is today.



I wanted an apprenticeship that would let me work with electrical services but was dynamic and different every day, this was the perfect place and role for me.

Neil Andino, Electrical Technician at Viridor's Beddington Energy Recovery Facility

Looking after our communities

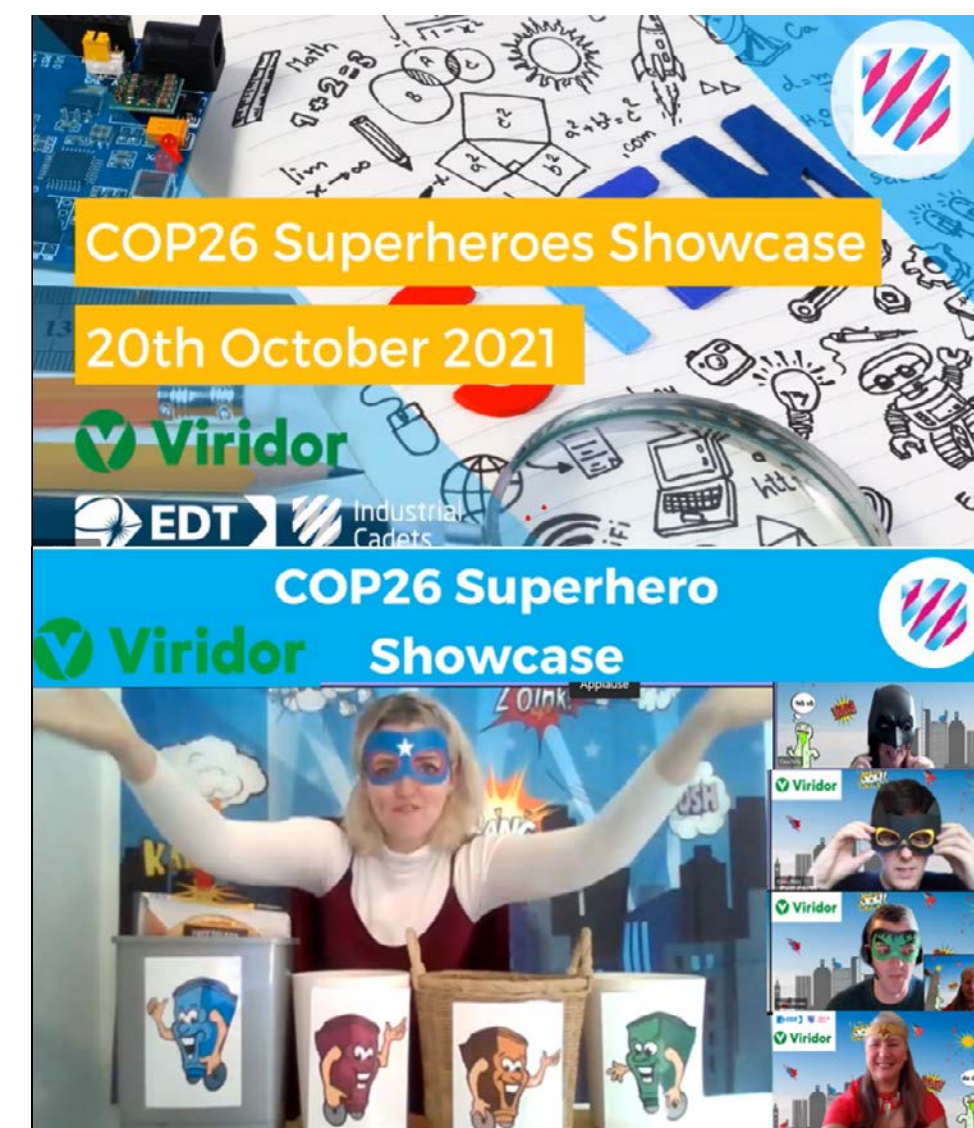
Our community highlights

Glasgow Recycling and Renewable Energy Centre

Working around COP26, Viridor Glasgow Recycling and Renewable Energy Centre (GRREC) and the Engineering Development Trust (EDT) created a series of activities exploring themes of sustainability and the circular economy, enabling local communities to engage with the work of COP26 and discover the vital role that sustainable waste-management plays in responding to the climate crisis.

In the Industrial Cadets Bronze Programme with Viridor and EDT, I've learnt lots about sustainability and about researching with my peers with lots of help from our amazing teacher Miss Hendry. I've got my confidence now to talk in front of my peers because at the start I was very shy to even do this, but I thought I'll give it a try and I've loved every single minute of it.

Jayden Bain, pupil at St Andrews Secondary School, Glasgow



The COP26 Climate Superheroes programme was an exciting STEM educational programme designed for students in P5-7 (age 9-11). The programme provided workbooks for pupils and information packs for teachers with the aim of getting young people engaged and enthused about STEM by looking at sustainability, the circular economy and waste management.

The programme commenced with an online workshop followed by further creative workshops and culminating in a 'Climate Superhero Showcase' on 20th October 2021 hosted online by Viridor and EDT. This online event was attended by 858 people including pupils, teachers, councillors, MPs, Viridor staff and local authority education staff.

The pupil's 'Climate Superhero' comic strips showcased at the event were published in a book, with the 'top 10' classes being presented

with a copy during the event. A total of 64 primary schools, 156 classes and 5,386 pupils participated in the programme and all pupils who completed the challenge received a nationally recognised award – the Industrial Cadets Challenger award.

Students also had the opportunity to engage with Viridor through an online module where they could access information about careers and pathways in the sustainability sector and explore different elements of the organisation. This helped to inform the students about choices and further learning and careers.

GRREC also interviewed and appointed a 'Year in Industry' student for 1-year work placement, and sponsored and delivered the Glasgow Hub, Industrial Cadet's Bronze Programme for secondary school pupils, aged 12-14 years.



Other highlights included:

- Delivering virtual visits to schools participating in the Industrial Cadets Bronze Programme
- Hosting a new Virtual Work Experience Placement Programme (VWEX) for secondary schools, via the Engineering Development Trust, launched on 14th June 2021
- Delivering a pilot, virtual school visit to a Special Educational Needs pupil in senior school
- Calling on SMEs and social enterprises around Glasgow to register for the free, online workshops we created due to Covid-19 lockdown. The first year of the online webinar/workshops in FY21 were so well received by local businesses that we extended it throughout FY22 and created a new suite of free online training workshops for local businesses in Glasgow, which have been well attended
- Working with Kings Park Secondary School on its sustainability film project
- Celebrating the GRREC / Local Authority Partnership being shortlisted for The Association for Public Service Excellence (APSE) Service Award 2021, submitted by Glasgow City Council
- Hosting a roundtable event as part of COP26 with visitors including FCC environment, WRAP, ADE, Suez, CCC, ZWS, Veolia, Aker and Progressive Energy
- Hosting an overseas visit from Belgian Consulate, including Belgium's Minister for Environment, Alain Maron, as part of COP26
- Presenting a cheque for £3,600 to the charity **Children's Hospices Across Scotland**
- Hosting a coffee morning that raised £435 for **MacMillan Cancer Support**
- Arranging for publicity photo visits and cheques to go to charities **Cash For Kids** and **Sight Scotland** at £1,760 each

Looking after our communities

Our community highlights

Trident Park Energy Recovery Facility

Trident Park has forged deep links with Careers Wales and is now a qualified member of the 'School Valued Partner Programme' for Willows High School, Cowbridge Comprehensive, Llanishen High School and Corpus Christi Catholic High School.

We are a stakeholder of the Cardiff Curriculum for School Working Group, coming together with eight other businesses to help schools around the capital deliver the new Welsh curriculum with the support of local employers.

In addition, we continued to support the 'Girls into STEM' programme run by **EESW/STEM Cymru**. In FY22, we welcomed groups of young women on several on-site tours that enabled them to engage with engineering activities and to broaden their horizons of what is possible for themselves.

In total, we hosted 29 virtual, on-site and outreach visits in FY22 reaching 3,701 visitors and provided two virtual open days as part of **Cadw's Open Doors Festival** in September 2021.

The **Prosiect Gwyrdd** Community Fund, which is part of the Trident Park ERF community commitment, awarded 19 grants for a total of £34,954. The fund has awarded more than a quarter of a million pounds to date.

Viridor was delighted to celebrate a Year of Safety at the Trident Park Energy Recovery Facility by donating £1,715 to **Tŷ Hafan**. Trident Park has now had nearly 1,000 consecutive days without any lost time accidents, which ensured the full amount of any potential donation was available in FY22. Staff decided that Tŷ Hafan would receive the funds, recognising the excellent work they do with children and families in Wales facing life-limiting conditions.



It's an understatement to say how grateful we were to receive your incredibly generous donation of £1,715 from the team at Viridor. This money will make a huge difference to the lives of life-limited children and their families at Tŷ Hafan and will enable us to continue to deliver a high standard of palliative care whilst creating happy memories that the families can cherish.

Sorrel Mayo, Senior Executive at Tŷ Hafan

Looking after the environment

Viridor's greatest opportunity for transformational impact is in the environment. The heart of what we do is to ensure environmental protection through driving up recycling and ensuring safe disposal of waste that cannot be recycled.



Monitoring our performance

We continued to deliver a high-level of environmental performance through a dynamic combination of pro-actively managing our activities, avoiding significant incidents, ensuring our environmental monitoring requirements were met and regulatory reporting obligations were delivered successfully.

In FY22 Viridor's corporate **scope 1** operational emissions increased by 3%, while **scope 2** emissions decreased by 26%. The **carbon intensity factor** (gross Scope1+2/£100k revenue) improved from 258.6 to 245.7t CO₂e. Our ten EfW operations represented 76% of the company's total carbon Scope 1 and 2 emissions profile (1.45Mt CO₂e) with emissions per tonne of waste processed maintained at 0.45 in FY22.

Cementing our commitments

In May 2021, we published our Decarbonisation Roadmap that sets out how we will deliver on our **net zero** and **net negative** emissions targets. We have committed to achieving net zero emissions across all our operations by 2040 and to further develop our decarbonisation ambition, we published our Circular Economy Roadmap – Closing the Loop. This is our roadmap to a truly circular plastics economy, and it focuses on plastics recycling and reprocessing as key areas for improvement, both in terms of reducing **GHG** emissions and addressing the ecological harm of plastic in the environment.

Carbon capture for waste sector made possible

Following the launch of our Decarbonisation Roadmap, we put forward a successful case to the UK Government for expanding the **carbon capture and storage (CCS)** programme to include support for energy from waste. In parallel we joined the HyNet decarbonisation coalition and jointly engaged with the Government to encourage the development of the HyNet cluster to enable Viridor to continue our decarbonisation programme. The Government confirmed support for HyNet which together with the EfW eligibility for CCS opened up the opportunity for us to develop a bid for carbon capture at Runcorn EfW with a potential to halve our fleet fossil carbon emissions. At the time of publication Viridor has been invited to join the second stage of the bidding process, as the only operational EfW facility in the UK.

Looking after the environment

Year in highlights

Walking the walk

Driven by the company purpose to build a world where nothing goes to waste, we are seeking to minimise the waste we generate. In April 2022 we announced a contract with Rock Solid Processing, an **incinerator bottom ash (IBA)** processor, to recycle 65,000 tonnes a year of material from the Dunbar ERF increasing our IBA recycling rate to 81%.



In the spirit of 'looking after tomorrow' we have also donated surplus office furniture for restoration to be donated to 150 families in need, saving them approximately £5,240 and avoiding waste together with roughly 3.3 tonnes of CO₂e. In addition, old laptops and desktops were collected from Viridor sites and donated to families and schools that don't have the resources they need for education. In total, 55 laptops and 25 desktops were repurposed to support children's learning. Teaming up with Somerset Computers for Home Online Learning (SCHOL) and the BBC Make A Difference Campaign, computers were reset, installed with Windows and distributed to young people who need them the most. A great initiative to ensure that we continue to build a world where nothing goes to waste.

Embedded management system as a key to success

We are accredited to a voluntary **ISO 50001:2018** Energy management standard ensuring continuous energy efficiency improvement (thereby carbon reduction) across our fleet. In FY22, we successfully passed six site audits (with no major non-conformities identified), and in March 2022 we successfully recertified the corporate accreditation for a further three years.

Viridor believes that all waste should have a purpose and the contract agreed with Rock Solid is evidence of that commitment. Across Viridor's UK energy recovery fleet we are committed to partnering with companies which share this commitment and ambition to recycle and re-use resources where this opportunity exists.

Pierre Dorel,
Chief Operations Officer at Viridor



Tackling climate change is the defining issue of our generation. It demands action across every area of the economy.

Businesses who do not act are likely to fall behind, whereas those who embrace change early have the potential to seize new opportunities and maintain both a social licence to operate and a competitive edge. As a prominent UK waste company, Viridor is determined to play a leading role in transforming the waste sector to drive the creation of a net zero emissions sector by 2040.

In May 2021, we published our Decarbonisation Roadmap (below) that sets out how we will go about transforming our business to deliver on our net zero and net negative emissions targets. We have committed to achieving net

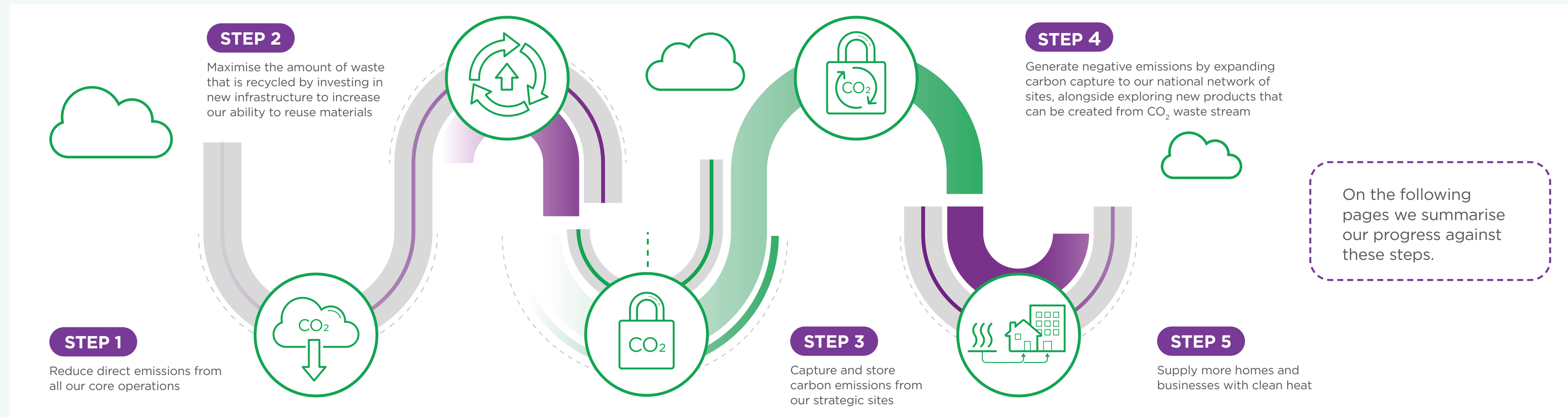
zero emissions across all our operations by 2040 and to align our ambition with the Paris Agreement through our commitment to the **Science Based Targets Business Ambition** for 1.5°C.

We were delighted to be present at the Glasgow COP26 summit and used our GRREC facility to host a debate on the link between resource use and emissions. As a business at the heart of the resource use economy, our analysis of our carbon footprint highlighted how important tackling resource use is to control climate change as well as move to one planet living.

It is great to see that Viridor has joined our efforts to tackle climate change.

Kwasi Kwarteng, Former Business and Energy Secretary

Decarbonisation Roadmap



Looking after the environment
Climate action: A year of progress

Step 1:

Reduce direct emissions from all our core operations

Viridor is accredited to the ISO 50001:2018 Energy management standard ensuring continuous energy efficiency improvement (thereby reducing carbon) across our fleet.

In FY22 we successfully passed six site audits (with no major non-conformities and only one minor non-conformity across all sites identified). In March 2022, we successfully

recertified and extended the corporate ISO 50001:2018 accreditation for three years. During the *corporate recertification audit* only one minor non-conformity was identified and subsequently resolved.

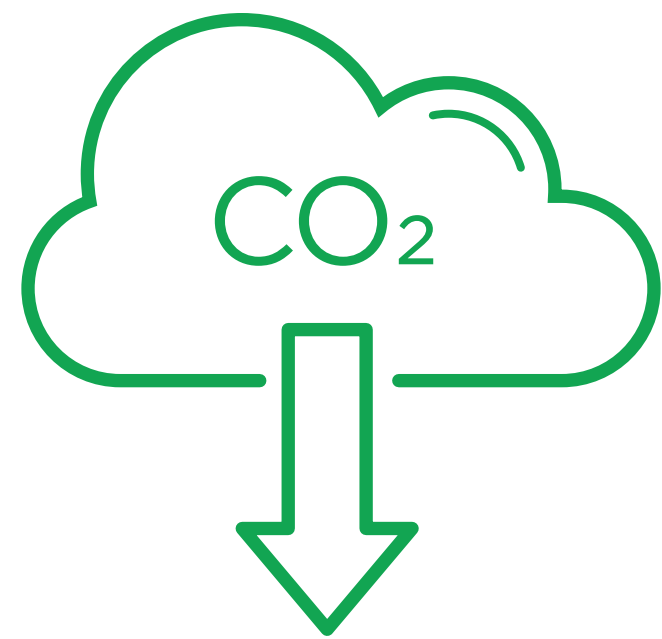
In the second half of FY21 an updated ISO 50001 hub was created to make achieving compliance with the standard accessible for everyone and providing easy-to-follow guidance. The hub has become the central point for everything energy management related. This tool has delivered an 85% reduction in minor non-conformities from FY21 to FY22, and an

86% reduction in opportunities for improvement (below). The ISO 50001 hub is part of developing a carbon conscious culture within the company.

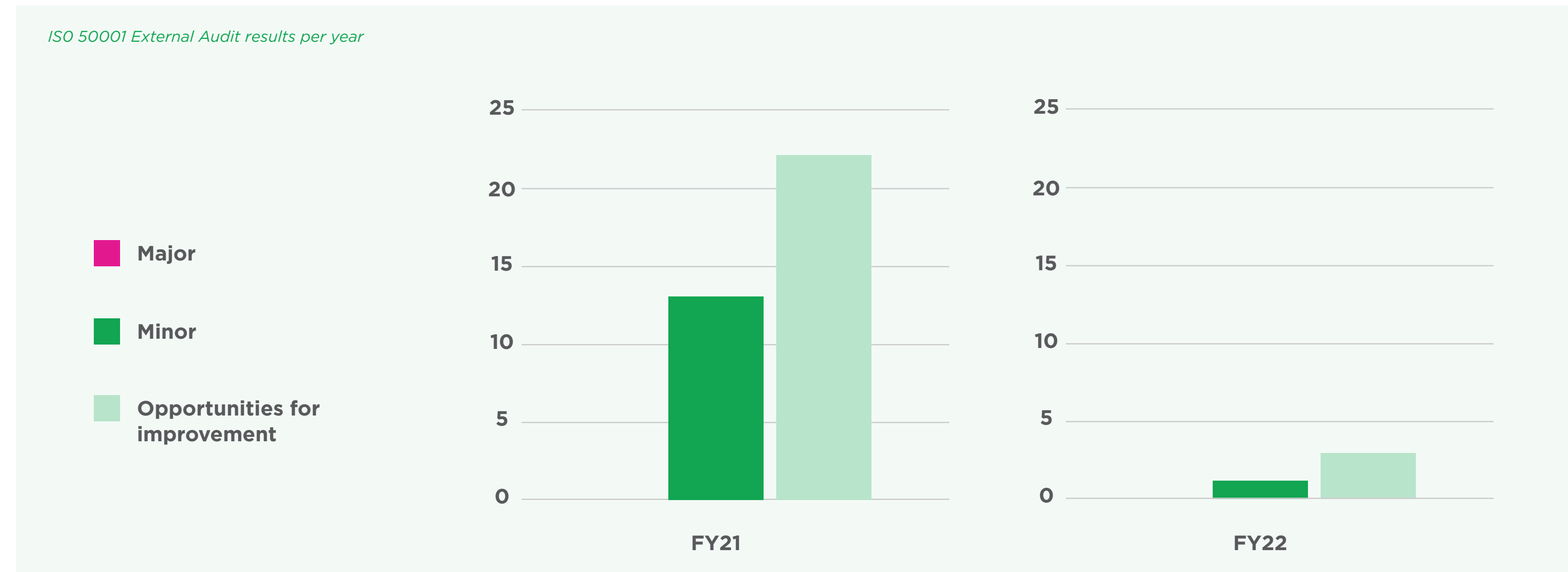
While ISO 50001 is the driving force behind energy efficiency management at Viridor, we consistently link the energy use with associated carbon emissions, setting the standard as a cornerstone of our onsite decarbonisation efforts.

To further develop the corporate carbon awareness to drive necessary action we have developed an interactive carbon and circular economy tool - CCEpedia. This interactive

dashboard and one-stop shop for carbon emissions and circularity data offers colleagues a consistent and verified source of information. This tool includes all carbon emissions and circularity metrics for the company, and for each facility. With a user-friendly format, definitions to provide context, and additional background information, the tool helps our teams to communicate key data to customers, investors, communities and government.



ISO 50001 External Audit results per year



Case study 2:

Striving for maximum efficiency at Runcorn ERF

A comprehensive study was completed at the Runcorn plant across all four lines, utilising steam, water, and condensate flows to identify potential losses. These losses were addressed in FY22 outages, and a subsequent study has indicated a recovery of approximately 4t/hr of steam per Phase (Runcorn Phase 1 and Phase 2, both consist of two lines).

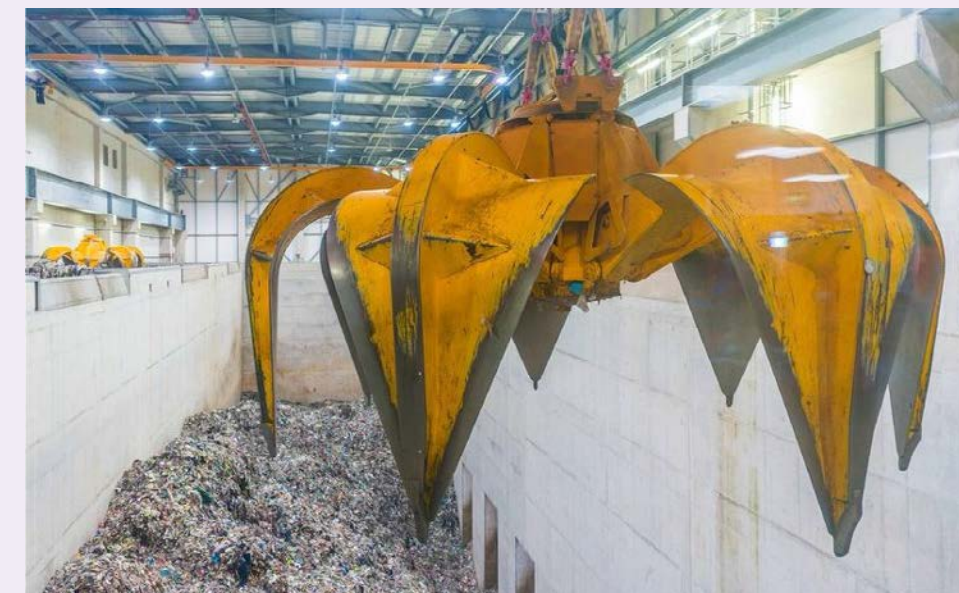


We have also targeted turbine efficiency and a major overhaul of Phase 1 turbine has provided an efficiency improvement of 0.5 MWe per hour. A review of the steam cycle identified an opportunity to optimise the Deaerator steam pressure. This adjustment has provided an approximate power improvement of 80-100kWe per hour per line.

We also focused on the cooling towers performance and have implemented a control philosophy change to target turbine back pressure. Initial calculations estimate an average annual improvement of 180-200kWe per hour per phase. The most significant improvements

will be observed when the ambient temperature is low and at times of high steam exports from Phase 1. Data is currently being collected following the control change to demonstrate the improvement.

To further enhance the facility's performance, we focused on reducing the onsite energy consumption and developed an LED lighting replacement project which is currently being realised in the boiler house. The quality of light emitted from these LED fittings is significantly better creating a safer and happier place to work. There is also the additional benefit of achieving over a 20% reduction in energy consumption. Further lighting projects are being planned throughout the boiler house, and flood lighting for external areas and the tipping hall is currently under review.



Our Runcorn ERF completed a series of improvement projects throughout FY22 which helped to increase the plant's efficiency as well as reduce energy consumption

Darren Bolton, Plant Manager, Runcorn ERF

Looking after the environment

Climate action: A year of progress

Step 2:

Maximise the amount of waste that is recycled

The way we extract, consume and dispose of materials has a major impact on the economy's carbon footprint. Too often the circular economy is wrongly seen as a separate part of the environmental debate. Living in balance with the planet requires us to build a world where nothing goes to waste

Recycling displaces the need to generate new, or virgin, products with higher embedded emissions. Removing recyclable materials from the waste stream also avoids the carbon

emissions associated with their disposal. This is particularly true for plastics, where current levels of recycling have resulted in the plastic content of the residual waste stream accounting for about 70% of the fossil carbon footprint of an energy from waste (EfW) plant. In addition, the production of virgin plastic generates lifecycle emissions up to six times greater than recycled plastics⁹.

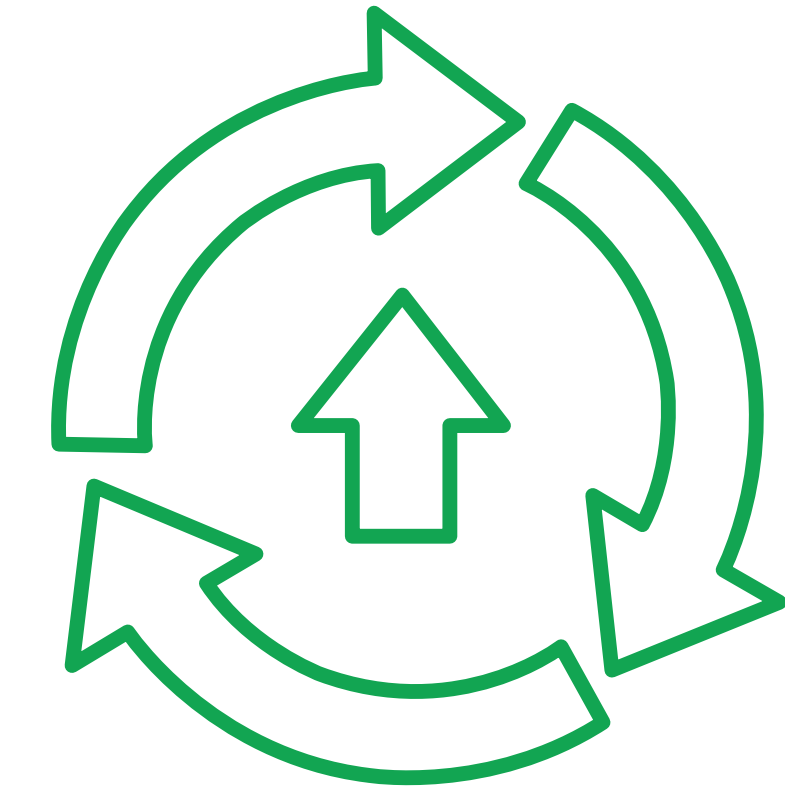
Our roadmap to a truly circular plastics economy

In December 2021 we published our plan to lead the way – *Closing the Loop: Viridor's roadmap to a truly circular plastics economy*. It sets out how we are focussed on plastics recycling and

reprocessing as a key area for improvement – both in reducing GHG emissions and addressing the ecological harm of plastic in the environment.

We have identified five key commitments that Viridor will make to help create a more circular plastic economy a reality:

1. End plastic waste export
2. Drive an infrastructure market for recycling
3. Expand operations to hard-to-recycle materials
4. Extract plastics from general waste and drive novel reprocessing techniques
5. Drive innovation and regulatory improvement to achieve complete plastic circularity



Building from these commitments, we are targeting to end our export of plastic waste and focus on reprocessing all four major forms of plastics, working with industry and government to achieve fully circular recycling for *polyethylene terephthalate (PET)*, high- and low-density *polyethylene (HDPE and LDPE)* and *polypropylene (PP)* by 2025. In the long term, we believe using CO₂ captured from our EfW plants may be a route to end plastic dependency on fossil fuels by 2040.

Since we made those commitments, the UK Resources and Waste Minister, Jo Churchill MP, opened our Avonmouth Resource Recovery and Recycling Centre in March 2022. The 80,000 tonne a year facility will allow us to reprocess more than 90% of the plastics that we previously exported, cutting plastic waste exports in the UK by around 8%.

Viridor's ambitious new facility will be a game changer in our work to recycle more of our waste and to reduce our use of polluting plastics – cutting exports of waste and making better use of our resources. The new Avonmouth site shows we can create jobs that have a positive impact on our environment, cut our CO₂ emissions, and give our plastics new life.

Jo Churchill, Resources and Waste Minister

Looking after the environment

Climate action: A year of progress

GRREC commissioned its plastic extraction line

Our GRREC facility pre-treats black bag waste to separate **recyclate**. This year we have recommissioned a full plastics extraction line with the intention of removing all rigid plastics from the waste stream – diverting them from incineration and into recycling. This has the twin benefit of reducing the carbon footprint of incineration and replacing virgin plastic with recycled material reducing resource use and cutting carbon further (virgin plastic emits six times more CO₂ in production than recycled⁹). The plastic detectors, conveyors, separators, holding bunkers and balers have all been overhauled and recalibrated and are undergoing recommissioning.

This project is targeting diverting 20 tonnes of plastic a day to reduce our CO₂ emissions, increase our site recycling levels and reduce our bunker level per tonne of waste processed through the MRF. This could increase the total volumes that the MRF can process in the future which could improve revenues, but the primary focus of this project is on delivering our commitment to ‘looking after tomorrow’.

Providing evidence to EFRA Committee

In March 2022, The Environment, Food and Rural Affairs (EFRA) Committee held an inquiry into plastic waste. Viridor’s Director of ESG and External Affairs, Dr Tim Rotheray, was invited to give evidence alongside Greenpeace and the Environmental Services Association (ESA) to help inform MPs about the need for policy to help drive investment to eliminate plastic waste exports.



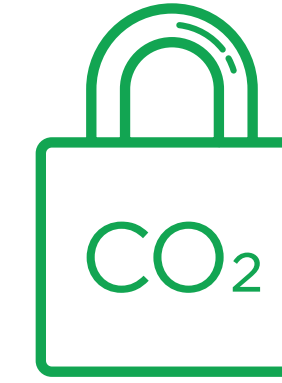
The evidence session showed that NGOs and industry are strongly aligned. Routine plastic waste exports undermine domestic recycling rates and quality, create opportunities for crime and result in unacceptable health and environmental problems for other countries. Key to ensuring we end plastic waste is creating a policy environment which prioritises and rewards domestic recycling and reprocessing – creating jobs and infrastructure investment in Britain. Householders rightly expect their recycling to be dealt with at home and used to make new raw materials for the products they buy. The key challenge now is for DEFRA’s policy reforms to ensure this expectation can be met.

Dr Tim Rotheray, Director of ESG and External Affairs at Viridor

Looking after the environment
Climate action: A year of progress



ESG Report: FY22



Steps 3 & 4:

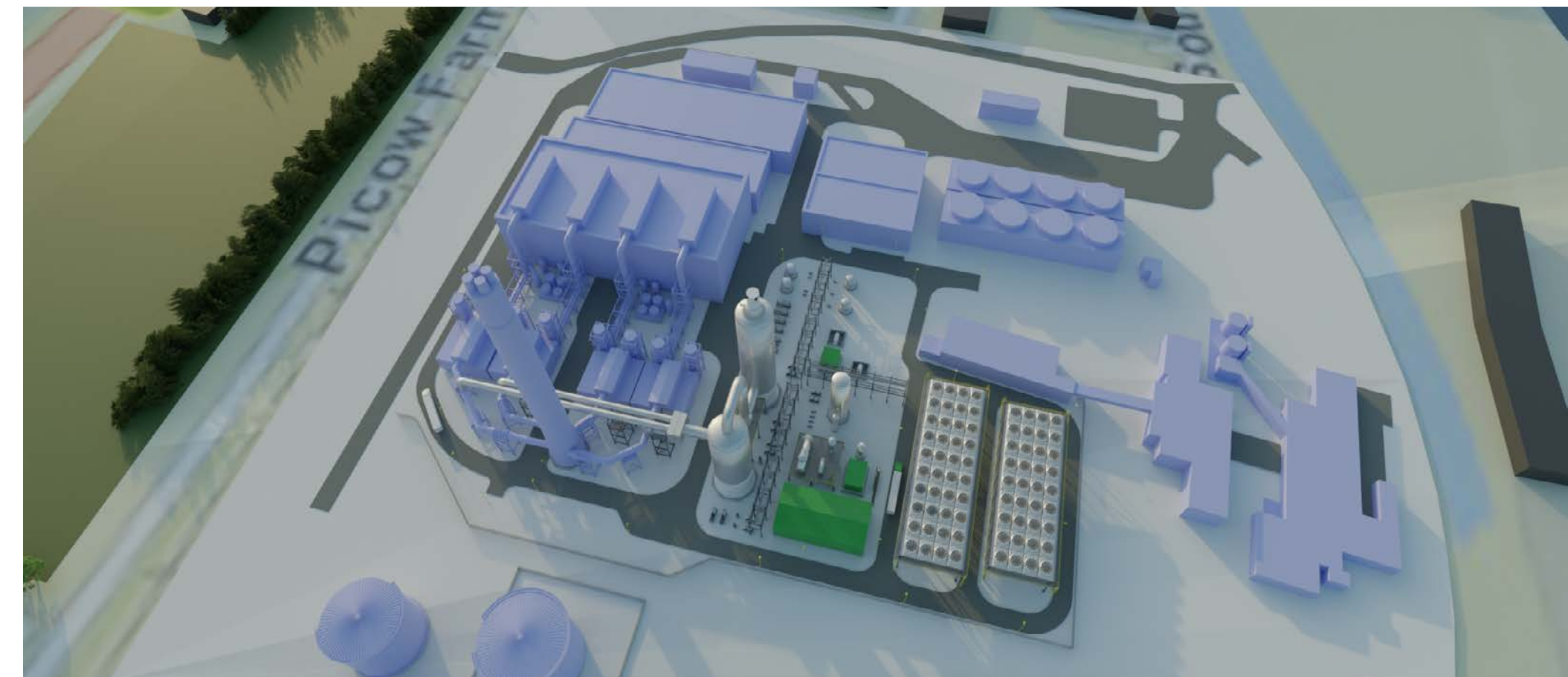
Capture and store carbon emissions from our strategic sites and generate negative emissions

Following the launch of our Decarbonisation Roadmap in May 2021, we put the case to the Government for expanding the carbon capture programme to include support for energy from waste. In November 2021, the Department for Business, Energy and Industrial Strategy (BEIS) announced plans to include energy from waste as part of the Industrial Carbon Capture policy.

The carbon capture business model is designed to incentivise investment in carbon capture at industrial sites aligning business investment and ESG performance objectives.

The Government identified key geographic clusters for the development of carbon capture. On examination, Viridor's Runcorn plant was best located near to the English North West Cluster called HyNet. Runcorn 1 and 2 also comprise Viridor's largest source of CO₂ emissions and are a major supplier of industrial heat to Inovyn. Viridor joined the HyNet coalition and jointly engaged with the Government to encourage the development of the HyNet cluster to enable Viridor to continue our decarbonisation programme.

As part of our Government and HyNet engagement we hosted energy ministers Anne Marie Trevelyn, and Greg Hands, as well as officials from across the Government at our Runcorn facility to discuss the potential of carbon capture for the waste sector.



Looking after the environment

Climate action: A year of progress

In autumn 2021, the Government confirmed support for HyNet and for EfW eligibility for CCS. Combined these two policy decisions open up the opportunity for Viridor to halve our fleet fossil carbon emissions. In addition, the nature of EfW with stable CO₂ generation and long-term feedstock contracts makes it a valuable technology to help underpin investment in CCS infrastructure. EfW with CCS will help deliver better value for the taxpayer by helping to ensure a cost-effective transition to the UK low carbon economy.

As approximately half of the emissions from ERF are renewable (**biogenic**), ERF CCS has the potential to generate negative emissions to help decarbonise the wider economy. Viridor is an

active participant in the coalition for negative emissions, seeking to drive this market, critical to maintaining the hope of keeping global temperatures within 1.5°C.

At the time of publication Viridor has been invited to join the second stage of the bidding process, as the only operational EfW facility in the UK. We are delighted by this announcement and continue working on this exciting project and will keep reporting progress.

At the Prime Minister's Global Investment Summit in October 2021, we announced a potential for investing up to £1 billion in cutting-edge CCS technologies, which could create up to 1,200 green jobs.



Viridor's investment in cutting-edge decarbonisation technology will support the UK's commitment to green growth and ambitious net zero targets. Investments like this will be vital to help reduce emissions and limit the rise in global temperatures whilst driving jobs, growth and levelling up across the country. The Global Investment Summit will demonstrate how we can use investment to nurture technological developments and propel our economy towards a more prosperous, greener future.

Gerry Grimstone, UK Minister for Investment

Looking after the environment
Climate action: A year of progress

Step 5:

Supply more homes and businesses with clean heat

At our new Avonmouth Resource Recovery and Recycling Centre, we identified the opportunity to use both heat and power from the ERF facility to drive the reprocessing of plastics into new materials at our adjacent polymers plant.



Following the commissioning of the ERF, a programme to feed heat from the steam turbine to the polymers building to supply the plastics wash processes was initiated. The heat connection is set for full commissioning in FY23 and will provide heat which would otherwise come from fossil fuels. In addition, the power supply from the ERF to the polymers plant will reduce our requirement for imported power and associated energy losses in power transmission and distribution.

Our Avonmouth facility has the capacity to supply even more heat and, in FY22 we announced a partnership with Vattenfall for heat networks. With Vattenfall now selected as a lead partner in the Bristol City Leap project, we are hopeful that additional heat from Avonmouth can be used to displace fossil energy heating and hot water in Bristol.



Looking after the environment

Climate action: Carbon performance

In FY22 Viridor’s corporate scope 1 operational emissions increased by 3% while scope 2 emissions decreased by 26%.

Our Avonmouth ERF completed commissioning during FY21 increasing EfW fleet emissions by 6% and was the main driver of the 3% increase in scope 1 emissions in FY22.

Viridor benefited from a continued reduction in the UK’s average electricity grid emissions conversion factor, which fell by 9% from 0.233 to 0.212 kgCO₂e/kWh over the reporting period. This, together with a 26% reduction in the overall electricity consumption, resulted in an overall decrease in scope 2 emissions.

The carbon intensity factor (gross Scope1+2/£100k revenue) improved from 258.6 to 245.7 tCO₂e (Table 1).

Table 1: GHG performance

| Corporate* | FY22 | FY21 |
|---|-----------|-----------|
| Scope 1 (tCO2e) | 1,914,397 | 1,853,346 |
| Scope 2 (tCO2e) | 7,598 | 10,315 |
| Total gross Scope 1 & Scope 2 emissions (tCO2e) | 1,921,995 | 1,863,661 |
| Carbon intensity measure: tCO2e (gross Scope 1+2/£100k revenue) | 245.7 | 258.6 |
| Scope 3 (tCO2e) | 11,258 | 12,632 |
| Total gross Scope 1, Scope 2 & Scope 3 emissions (tCO2e) | 1,933,253 | 1,876,293 |
| Biogenic emissions outside of scopes (tCO2e) | 1,983,867 | 1,759,697 |

*Data reflects business divestment activity that took place during FY22 in terms of emissions and revenue.

Our ten EfW operations represented 76% of the company’s total carbon Scope 1 and 2 emissions profile (1.45 MtCO₂e) with emissions per tonne of waste processed maintained at 0.45 in the reporting year (Table 2).

Table 2: EfW GHG performance

| EfW | FY22 | FY21 |
|---|-----------|-----------|
| Scope 1 (tCO2e) | 1,448,831 | 1,372,447 |
| Scope 2 (tCO2e) | 2,928 | 5,161 |
| Total gross Scope 1 & Scope 2 emissions (tCO2e) | 1,451,759 | 1,377,608 |
| Total waste processed (t) | 3,201,771 | 3,065,132 |
| Carbon intensity measure: tCO2e/t (gross Scope 1+2/tonnes of waste processed) | 0.45 | 0.45 |

Our current **scope 3** emissions inventory includes Business Travel, Rail Freight and **Well-to-tank** emissions (with fuel combustion being addressed under scope 1). Scope 3 emissions reduced by 11%, with diesel consumption seeing the biggest decrease (48%), primarily driven by changes arising from divestments.

We continue to follow the Greenhouse Gas Protocol Corporate standard¹⁰ methodology for purposes of reporting carbon emissions and consider all emissions sources deriving from the activities over which we have financial control. Emissions from joint venture operations are attributed to Viridor on a pro rata basis reflecting the percentage ownership.

Our carbon and energy data and reporting underwent independent external verification in accordance with ISO 14064-3. The data, assumptions, methods and procedures were tested for accuracy and consistency. The Streamlined Energy and Carbon Reporting verification statement is available [here](#).

At the time of publication, we are finalising our complete scope 3 emissions inventory, which will form part of our Science Based Targets submission in FY23 and will be published in our FY23 ESG report.

We are in a process of defining interim carbon reduction targets aligned with our SBTi net zero target and those will also be published and tracked in our FY23 ESG report.

The nature of our decarbonisation strategy and the required technology will not deliver a linear reduction in emissions. We envisage significant steps in emissions reductions such as when new carbon capture plants become operational followed by periods of broadly static emissions as new plant are being constructed. To give a representative picture of progress we will report annually on our trajectory and the status of implementation in the context of our Decarbonisation Roadmap.

We continue to strive for environmental excellence and have implemented several Key Performance Indicators (KPIs) to ensure that we continue to improve in all areas of environmental compliance.

Environmental compliance is a critical element of our ESG performance. We continued to deliver a high-level of environmental performance through a dynamic combination of pro-actively managing our activities, avoiding significant incidents, ensuring our *environmental monitoring requirements* are met, and delivering successfully on our regulatory reporting obligations.

This year saw marked improvements on key indicators, with reductions in schedule notifications and control level exceedances and improved sampling (Table 3).

Table 3: Schedule notifications and sampling performance

| | CY21* | CY21 target | CY20 |
|------------------------|-------|-------------|------|
| Schedule Notifications | 345 | 358 | 398 |
| Missed Samples | 4210 | 5418 | 6020 |

*Environmental compliance is reported on a calendar year basis

Disappointingly however, two Compliance Classification Scheme Category 2 incidents occurred at Runcorn for breach of noise limits resulting from the unloading of rail containers. Considerable work has since taken place on modifications to the system and further noise assessments have shown the modifications have led to a significant reduction in noise from this activity. All permitted sites are rated on an A-F scale with A being perfect performance. All but two sites achieved A-C status in FY22, indicating top tier performance. In FY23, we continue to target for all sites to achieve A-C status.

Table 4: Annual regulatory compliance

| | CY21* | CY21 target | CY20 |
|-----------------------------|-------|-------------|------|
| Category 1 or 2 Incidents | 2 | 0 | 0 |
| Sites in Band D (and below) | 2 | 0 | 2 |

*Environmental compliance is reported on a calendar year basis

Managing what others throw away: gas cannisters

One key challenge in the waste sector is the lack of control over the material that we receive. Recently a growing trend for recreational use of catering gas canisters for ‘legal highs’ has seen a marked uptick in their inappropriate disposal in general waste. Even when empty these cannisters are explosive when placed in the EfW incineration chamber whose high temperatures are a requirement to safely treat waste and deliver our primary sanitary function. When these cannisters explode they react to all the oxygen within the surrounding area causing a low

oxygen environment which leads to partial combustion and the creation of carbon monoxide (CO). This can lead to very small but reportable emissions breaches. The combination of the safety risk to colleagues, the emissions breaches and the wasteful use of resources (cannisters are refillable or recyclable metals) led us to engage with local MPs and the Compressed Gas Association to highlight the issue facing the waste sector and the need for a clearer labelling and processes to ensure that gas bottles do not appear in the waste stream.

Looking ahead

Looking ahead

FY22 marked a significant milestone for Viridor with the completion of the strategic review and setting the course for the future of the business.

It was also the year that we set and baselined our key ESG metrics setting out what we will track to demonstrate success. Rather like our people, upon whom we build our ESG strategy, FY22 was about getting our foundations right, and creating the conditions to grow our business and build our ESG delivery.

At the beginning of FY23 we published our full ESG strategy. Critically this strategy integrates what we do as a business and our ESG ambition into one unified structure. The strategy links our community activity, health and safety, people development, environmental ambition and governance structures into an interconnected whole; guided by an overarching purpose and underpinned by our values.

An ESG strategy is pointless unless it delivers positive change. That delivery depends on our people and our partners. Through a series of

internal roadshows, the HR, SHEQS and ESG teams will visit all the Viridor sites and talk to them and with them about the strategy, to engage and enthuse them to continue to deliver. The focus is on helping our people to fully understand what the strategy means for them and how they can play a key role in building a world where nothing goes to waste. It is also an opportunity to listen, so we better understand what concerns our people may have. We will only tackle these challenges by working together and that demands that we listen as well as share.

The next stage is material delivery. We have set ambitious targets in health and safety, people, communities and on decarbonisation and circularity. On health and safety, refreshing our



award winning HomeSafe brand and increasing our focus on leading indicators will be key in FY23. Our people and talent strategy is critical to retaining and continually developing the best people, and following a year of rapid change, our focus shifts to stabilising and growing the business. Building engagement and trust is key, and our ESG roadshows, increased Executive Team engagement on site, and our revitalised employee recognition programmes will support our people to feel part of a greater whole.

On decarbonisation, our focus is on driving plastic extraction from residual waste to deliver a material emissions reduction at a site and to demonstrate proof of concept. We will work to find the best outlet for these recovered materials to maximise circularity. Extracting plastics is a vital first step but finding a resource-preserving low carbon route is another.

Carbon capture and storage (CCS) is a recognised essential element to decarbonising both the waste sector and the wider economy. In 2022, the UK government is set to announce its first projects for negotiation of a CCS contract, and our Runcorn facility will be a key focus for delivering our first net negative emissions site through the capture of c.900kT of CO₂ a year.

Across all these activities, Viridor will not achieve success alone. We need to work with our strategic external partners – our customers, our communities, our investors and the Government. We will continue to engage with our key partners to identify how we can work together and move towards realising the objectives set out in our ESG strategy.

In the quest for sustainable development, the only thing more dangerous than the absence of progress is the illusion of it.

Ernst & Young

When we launched our ESG strategy, we started by reminding ourselves and our partners of a quote from a recent report by Ernst & Young: 'In the quest for sustainable development, the only thing more dangerous than the absence of progress is the illusion of it'¹¹. For Viridor, material delivery against the big challenges through effective partnership is how we will make our ESG strategy more than just words on a page. We invite you to return here next year to see how we've done, what progress we have made, and where we have struggled. It is only through open robust reporting and holding ourselves to account that we will achieve the purpose that drives us – to build a world where nothing goes to waste.

ESG metrics

ESG Metrics
ESG data FY22

| Category | Metric | Definition | Unit | FY22 | FY21 | Comments |
|--------------------------------|---|---|------|--|--|---|
| Business financial performance | Group EBITDA (from continuing Ops) | Earnings before interest, tax, depreciation and amortisation. | £m | FY22 222.0 (224.0 underlying) | FY21 170.8 (194.8 underlying) | Group defined as Consolidated Viridor Ltd group |
| Business financial performance | Energy EBITDA (from continuing Ops, Energy) | Earnings before interest, tax, depreciation and amortisation. Energy business | £m | 220.2 | 91.5 | Energy defined as Consolidated Viridor Energy (Investments One) Ltd. This is a new consolidation group in the current year, prior year figures include only part of prior year performance for some sites, and additionally include a non-underlying charge for Viridor's GRREC completion costs. |
| Business financial performance | Cashflow from Operations (Energy) | The amount of cash a company generates (or consumes) from carrying out its operating activities over a period of time. Energy business | £m | 188.6 | 112.5 | Energy defined as Consolidated Viridor Energy (Investments One) Ltd |
| Business financial performance | Gearing (Group) | Gearing shows the extent to which a firm's operations are funded by lenders versus shareholders—in other words, it measures a company's financial leverage. | % | 2.3 | 2.1 | Total debt over total equity. The Group refinanced in the year and increased its long term debt financing at a more beneficial interest rate. Group defined as Consolidated Viridor Ltd group |
| Governance | Boards and committees | Governing bodies Their focus and objectives | NA | ESG Board committee Refreshed and redefined goals for FY22: Environmental: Minimising Viridor's impact on the environment. Social: How Viridor supports positive social change, embedding and measuring our ESG impact, purpose, vision and values. Governance: Quality of processes – transparency, accountability, independence – for decision making, reporting and ethical behaviour | ESG Board committee (established in August 2020) Via the ESG materiality assessment health, safety and wellbeing, and climate change (decarbonisation and circular economy) have been identified as key areas for ESG focus at Viridor, as this is where we can have the greatest impact. The ESG Committee meets quarterly to oversee and drive an ambitious programme of risk mitigation and technological and process innovation in these two areas. The Committee has overseen and approved the development and delivery of our new ESG strategy. | |
| Governance | Independent Board Members | Non-executive Directors in place – their roles and objectives | NA | Paul Davies (ESG), ESG Board Sub-committee Chair Shaun Davis (H&S), ESG Board committee Non-executive Director | Karina Litvack (ESG), ESG Board committee Chair Shaun Davis (H&S), ESG Board committee Non-executive Director | Non-executive Directors attend the ESG Board committee |
| Governance | ESG strategy | Environmental, Social and Governance strategy of the business | Link | Decarbonisation Roadmap issued in May 2021: https://prod-cms.viridor.co.uk/media/hfucclum/decarbonisation-ambition.pdf Circular Economy Roadmap issued in December 2021: https://prod-cms.viridor.co.uk/media/oetefmsm/circularity-ambition.pdf | | ESG Strategy issued in July 2022 https://prod-cms.viridor.co.uk/media/fyxbwb4m/viridor-esg-strategy-document.pdf |

ESG Metrics
ESG data FY22

| Category | Metric | Definition | Unit | FY22 | FY21 | Comments |
|------------|---|--|------|---|--|---|
| Governance | Code of conduct | Set of rules outlining the norms, rules, and responsibilities or proper practices of the business. | Link | Code of Conduct https://prod-cms.viridor.co.uk/media/ij0eyn5g/code-of-conduct.pdf | Code of Conduct https://prod-cms.viridor.co.uk/media/ij0eyn5g/code-of-conduct.pdf | Viridor upholds the highest standards, and this is reflected within our Code of Conduct. Originally launched and communicated whilst part of the Pennon Group this essential document has been revised to reflect our evolving business and shared with the business. We have scheduled regular reminders and incorporated the document into induction. |
| Governance | Modern Slavery Statement | An annual statement setting out the steps taken to prevent modern slavery in the business and the supply chains. This is a requirement under section 54 (Transparency in Supply Chains) of the Modern Slavery Act 2015. | Link | No modern slavery breaches recorded. In FY22 we have introduced the Intervention Assessments. Modern Slavery Statement https://prod-cms.viridor.co.uk/media/wdcj11bl/modern-slavery-statement.pdf | No modern slavery breaches recorded. | Viridor is a member of Hope for Justice and Slave-Free Alliance, where we can gain and share industry knowledge and support via the Waste & Recycling Sector Working Group. For FY23 the plans are to set up and grow the internal working group, to carry out Intervention Assessments on all sites, to carry out a combined Assessment visit with Hope for Justice at one of our sites, and to contribute to the development of sector expertise via the SFA industry working group. |
| Governance | Anti-slavery and Human Trafficking Policy | Implementing and enforcing systems and controls to ensure modern slavery is not taking place anywhere within our own business or in any of our supply chain. | Link | Anti-slavery and Human Trafficking Policy https://prod-cms.viridor.co.uk/media/jm5jwsc5/anti-slavery-and-human-trafficking-policy.pdf | | The policies are managed within the Electronic Document Management System (EDMS), reviewed and updated annually by the owner using a collaboration site for peer-review, then signed off by the board and published. |
| Governance | Whistleblowing Policy | Encouraging employees and contractors to raise concerns about any suspected wrongdoing. | Link | Whistleblowing Policy https://prod-cms.viridor.co.uk/media/dasacshw/whistleblowing-policy-speak-up.pdf | | The policies are managed within the Electronic Document Management System (EDMS), reviewed and updated annually by the owner using a collaboration site for peer-review, then signed off by the board and published. |
| Governance | Energy policy | Focusing on continuous improvement in the energy efficiency of the business and to the implementation of our energy management system, complying fully with and where possible exceeding the requirements of ISO 50001. | Link | Energy policy https://prod-cms.viridor.co.uk/media/armhpaec/energy-policy.pdf | | The policies are managed within the Electronic Document Management System (EDMS), reviewed and updated annually by the owner using a collaboration site for peer-review, then signed off by the board and published. |
| Governance | Environmental policy | Our commitment to be a responsible and sustainable business, and to the implementation of our environmental management system, complying fully with and where possible exceeding, our regulatory requirements and the requirements of ISO 14001. | Link | Environmental policy https://prod-cms.viridor.co.uk/media/20tl4wyq/environmental-and-sustainability-policy.pdf | | The policies are managed within the Electronic Document Management System (EDMS), reviewed and updated annually by the owner using a collaboration site for peer-review, then signed off by the board and published. |
| Governance | Quality policy | Our commitment to satisfying and where possible exceeding our customers' requirements, and to implementing and continually improving the quality management system that complies with the standard ISO 9001, PAS 100 and PAS 110. | Link | Quality policy https://prod-cms.viridor.co.uk/media/i2jqaby/quality-policy.pdf | | The policies are managed within the Electronic Document Management System (EDMS), reviewed and updated annually by the owner using a collaboration site for peer-review, then signed off by the board and published. |

ESG Metrics
ESG data FY22

| Category | Metric | Definition | Unit | FY22 | FY21 | Comments |
|------------|---|---|------|--|--|---|
| Governance | Health, Safety and Wellbeing policy | Our commitment to provide industry-leading secure, safe and healthy working conditions for the prevention of work-related injury and ill health through our Occupational Health and Safety Management System complying with legal and ISO 45001 requirements. | Link | Health, Safety and Wellbeing policy https://prod-cms.viridor.co.uk/media/OiObsog1/health-safety-and-wellbeing-policy.pdf | | The policies are managed within the Electronic Document Management System (EDMS), reviewed and updated annually by the owner using a collaboration site for peer-review, then signed off by the board and published. |
| Governance | Competition policy | Compliance with competition law | Link | Compliance with competition law https://prod-cms.viridor.co.uk/media/4u1plj31/competition-policy.pdf | | The policies are managed within the Electronic Document Management System (EDMS), reviewed and updated annually by the owner using a collaboration site for peer-review, then signed off by the board and published. |
| Governance | Data Protection policy | Minimum standards relating to the collection and use of personal data throughout Viridor. | Link | Data Protection policy https://prod-cms.viridor.co.uk/media/n2l152di/data-protection-policy.pdf | | The policies are managed within the Electronic Document Management System (EDMS), reviewed and updated annually by the owner using a collaboration site for peer-review, then signed off by the board and published. |
| Governance | Anty-Bribery and Corruption policy | Commitment to promoting and maintaining the highest level of ethical standards in relation to how we do business. | Link | Anty-Bribery and Corruption policy https://prod-cms.viridor.co.uk/media/js4jpdrd/anti-bribery-and-corruption-policy.pdf | | The policies are managed within the Electronic Document Management System (EDMS), reviewed and updated annually by the owner using a collaboration site for peer-review, then signed off by the board and published. |
| Governance | Anti-Money Laundering statement | Commitment to implementing and enforcing effective systems to counter Money Laundering and dealing with the proceeds of crime. | Link | Anti-Money Laundering statement https://prod-cms.viridor.co.uk/media/5spl0bad/anti-money-laundering-statement.pdf | | The policies are managed within the Electronic Document Management System (EDMS), reviewed and updated annually by the owner using a collaboration site for peer-review, then signed off by the board and published. |
| Governance | ESG disclosures Walker's Guidelines | Compliance with Walker Guidelines requires enhanced disclosures in Annual reports from the statutory minimum for private equity (PE) companies, publishing of mid-year update reports, and submission of company reporting data to BVCA. | NA | Full Compliance with Walker guidelines | Compliance with Walker Guidelines First year data submission | The Walker Guidelines aim to provide a better understanding of how private equity operates and its contribution to UK economic performance in terms of employment, productivity, investment and growth including broader disclosures on Environment, Social and Governance factors. |
| Governance | Formal compliance and escalation process of ESG incidents | | NA | Viridor operates an Incident Management System whereby all SHEQS (Safety, health, environment, quality and security) based incidents are defined along with the required reporting, investigation and preventative and corrective action requirements. | Viridor operates an Incident Management System whereby all SHEQS (Safety, health, environment, quality and security) based incidents are defined along with the required reporting, investigation and preventative and corrective action requirements. | |
| Governance | ISO 9001:2015 | Quality Management System | NA | In June 2021 Viridor successfully recertified for ISO 9001:2015, extending the corporate accreditation to another 3 years. One minor-non-conformity has been identified and successfully closed. | | Viridor is accredited to the ISO 9001 since 2006. ISO 9001:2015 accreditation: https://prod-cms.viridor.co.uk/media/lqspg5/fs-98605-1.pdf |

ESG Metrics
ESG data FY22

| Category | Metric | Definition | Unit | FY22 | FY21 | Comments |
|------------|---------------------------------|--|------|--|--|--|
| Governance | ISO 14001:2015 | Environmental Management System | NA | In June 2021 Viridor successfully recertified for ISO 14001:2015, extending the corporate accreditation to another 3 years. One minor-non-conformity has been identified and successfully closed. | | Viridor is accredited to the ISO 14001 since 1997. ISO 14001: 2015 accreditation: https://prod-cms.viridor.co.uk/media/qjfcms2/iso-14001.pdf |
| Governance | ISO 45001:2018 | Health and Safety Management System | NA | In June 2021 Viridor successfully recertified for ISO 45001:2018, extending the corporate accreditation to another 3 years. One minor-non-conformity has been identified and successfully closed. | | Viridor is accredited to the ISO 45001 since 2019. ISO 45001:2018 accreditation: https://prod-cms.viridor.co.uk/media/322cigex/iso-45001.pdf |
| Governance | ISO 50001:2018 | Energy Management System | NA | In March 2022 Viridor successfully recertified for ISO 50001:2018, extending the corporate accreditation to another 3 years. One minor-non-conformity has been identified and successfully closed. | | Viridor is accredited to ISO 50001 since 2013 and was the first company in the waste sector to be certified. ISO 50001:2018 accreditation: https://prod-cms.viridor.co.uk/media/zolazdgi/50001_2018-enms-590073.pdf |
| Governance | Competence management EU skills | Business operates a Competence Management System which complies with the Energy and Utility Skills version 4 requirements. | NA | | In July 2020 Viridor successfully recertified for Competence Management EU skills V4 2015, extending the corporate accreditation to another 3 years. No non-conformities were identified. | Competence management EU skills accreditation: https://prod-cms.viridor.co.uk/media/rlpdkizu/cmss-608567-cms-certificate.pdf |
| Governance | Cyber security | Cyber security is the practice of defending computers, servers, mobile devices, electronic systems, networks, and data from malicious attacks. | NA | Viridor had no significant breaches during this period. All incidents were managed through to completion on its Incident Management System. During this year we have upgraded our M365 licences to E5 which provides higher security cover and introduced Microsoft MMD for desktop management. A new SDWAN design with Managed Security Services for our Private Microsoft connections and Internet firewalls. | Viridor had no significant breaches during this period. All incidents were managed through to completion on its Incident Management System. | We completed a number of audits in 2022 and are working through the findings. We are slowly replacing legacy toolsets with modern cloud enabled toolsets that allow better control and monitoring and are designed with security in Hybrid and Cloud strategies in mind. We will have completed our MMD rollout, and reviewed our AAD/AD deployment to match our new business and application landscape. We will have moved to managing mobile and client devices via Intune and be running fully supported products. Viridor has a number of initiatives in place to improve on its security posture. One of the core areas is to implement AIP [Azure Information Protection] for unstructured data as part of its MIP [Managed Information Protection] strategy. Other areas to drive are Zero Trust and FIDO. |

ESG Metrics
ESG data FY22

| Category | Metric | Definition | Unit | FY22 | FY21 | Comments |
|-------------|---|---|---------------------|---|---|--|
| Governance | EDMS | Electronic document management system | NA | All documents were uploaded for ERFs and Transfer Stations. This includes: Safe Operation Procedures, Risk Assessments, Toolbox Talks, Method Statements, Site Modification and Automation Improvements, and more for all sites. Over 12,000 documents. | All Process maps, policies, procedures, forms were transferred to new templates and uploaded onto the EDMS for the business excluding ERFs, IT and Transfer Stations. Over 1,500 documents. | Document control is required to ensure the safe and effective operation of all Viridor facilities. In order to do this and maintain accreditations to the ISO standards, documents are maintained within an Electronic Document Management System (EDMS). This is accessible to all relevant staff with controls on documentation updates and modifications. |
| Environment | Non-recyclable waste diverted from landfill | Total amount of waste processed in our EfW facilities and therefore diverted from landfill. | Tonnes | 3,201,771 | 3,065,132 | Waste processed by Viridor's EfW facilities increased in FY22 as Avonmouth ERF was fully commissioned and operational adding 160kt of waste processed to the portfolio total. |
| Environment | Waste processed (incoming) Hazardous | Total amount of waste processed by the business classified as hazardous. | Tonnes | 2,804 | 496 | A limited amount of hazardous waste was accepted during 2021 to support the safe management of COVID-19 waste streams. This was a time limited allowance to support the NHS, specifically within Scotland where capacity was already at a shortfall. 2021 increase in hazardous waste intake is related to pandemic emergency. |
| Environment | Environmental incidents | Environmental incidents are considered for this purpose to be events that are notifiable to a regulator; either the Environmental Regulator (EA/SEPA/NRW) or the water authority. | Number of incidents | 462 | 506 | |
| Environment | GHG emissions (*) | Total gross Scope 1, Scope 2 & Scope 3 emissions. Scope 3 included selected categories only (Business Travel, Rail Freight and Well-to-tank emissions). | TCO2e | 1,933,253 | 1,876,293 | Total GHG emissions increased by 3% in FY22 mainly due to a new fully commissioned and operational Avonmouth ERF, which caused a 6% increase in the EfWs Scope 1 emissions. |
| Environment | GHG emissions Scope 1 (*) | Total gross Scope 1 emissions | TCO2e | 1,914,397 | 1,853,346 | GHG emissions Scope 1 increased by 3% from FY21. New fully commissioned and operational Avonmouth ERF, caused an increase of 6% in the EfWs emissions and was the main reason of the overall Scope 1 increase in FY22. |
| Environment | GHG emissions Scope 2 (*) | Total gross Scope 2 emissions | TCO2e | 7,598 | 10,315 | GHG emissions Scope 2 decreased by 26% in FY22. Viridor benefited from a continued reduction in the UK's average electricity grid emissions conversion factor, which fell by 9% from 0.23314 to 0.21233 kgCO2e/kWh over the reporting period. This, together with a 26% reduction in the overall electricity consumption, resulted in a decrease in the overall Scope 2 emissions. |

ESG Metrics
ESG data FY22

| Category | Metric | Definition | Unit | FY22 | FY21 | Comments |
|-------------|---|--|------------------------|---|-----------|--|
| Environment | GHG emissions Scope 3 | Total gross Scope 3 emissions currently consider Business Travel, Rail Freight and Well-to-tank emissions | TCO2e | 11,258 | 12,632 | With respect to FY22 there has been a reduction of the Scope 3 emissions by 11%, where diesel saw the biggest decrease (48%), mainly due to business changes in relation to the divestments process. Viridor is currently committed to the Science Based Target Initiative. As part of this commitment the business will have to undertake a detailed analysis of the value chain activities by the end of FY23 in order to update the Scope 3 emissions with new categories and investigate opportunities to reduce emissions. |
| Environment | GHG biogenic | Total biogenic emissions (out of scope) | TCO2e | 1,983,867 | 1,759,697 | New fully commissioned and operational Avonmouth ERF, was the main reason of the overall GHG biogenic increase in FY22. |
| Environment | Carbon footprint Intensity metric (*) | Total Scope 1 and 2 emissions per £100,000 revenue | TCO2e/£100,000 revenue | 245.7 | 258.6 | |
| Environment | Carbon footprint (EfW) Intensity metric | Total Scope 1 (stack emissions) per tonne of waste processed | TCO2/tonne of waste | 0.45 | 0.45 | |
| Environment | Science based targets | Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement - limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C. | NA | The business committed to setting 1.5°C science-based emissions reduction targets and Net-zero science-based emissions reduction targets in May 2021. | NA | Science based targets to be submitted to the SBTi in FY24 |
| Governance | TCFD alignment | Task Force on Climate Related Financial Disclosures (TCFD). Disclosure of climate change related risks and opportunities alongside the financial metrics | NA | NA | NA | Viridor has a statutory requirement to comply with TCFD disclosures for the FY24 year. In the FY23 year, Viridor has a cross-functional team working to adopt some TCFD disclosures early as part of the journey to full compliance for FY24. |
| Environment | Energy usage (*) | Total energy used by the business | MWh | 457,851 | 514,645 | The overall energy use reduction in FY22 was partially caused by the portfolio energy efficiency improvements and the divestments that took place in FY22. More details under the individual performance analysis per energy source. |
| Environment | Energy usage Intensity metric (*) | Energy intensity measure defined as MWh per £100,000 of revenue | MWh/£100,000 revenue | 59.69 | 68.61 | The overall energy use reduction in FY22 was partially caused by the portfolio energy efficiency improvements and the divestments that took place in FY22. More details under the individual performance analysis per energy source. |
| Environment | Imported electricity usage (*) | Total electricity imported and used by the business | MWh | 35,783 | 44,243 | Overall steady electricity import reduction was recorded across majority of the portfolio with the largest decrease in Avonmouth ERF (-9,080 MWh), as Avonmouth ERF was fully commissioned and operational in FY22 relying on power self-supply. |

ESG Metrics
ESG data FY22

| Category | Metric | Definition | Unit | FY22 | FY21 | Comments |
|-------------|--|--|------|---|---|---|
| Environment | Self-supplied electricity usage | Total self supplied electricity (generated and consumed by the business) | MWh | 290,620 | 267,759 | Power generated by Viridor's facilities and supplied to drive Viridor's operation increased in FY22 as Avonmouth ERF was fully commissioned and operational adding 27GWh of self-supplied power to the portfolio total. |
| Environment | Self-supplied electricity usage (renewable) (**) | Total self-supplied electricity (generated and consumed by the business), classified as renewable | MWh | 160,835 | 144,543 | Power generated by Viridor's facilities and supplied to drive Viridor's operation increased in FY22 as Avonmouth ERF was fully commissioned and operational adding 27GWh of self-supplied power to the portfolio total. |
| Environment | Self-supplied electricity usage (fossil) | Total self supplied electricity (generated and consumed by the business) classified as fossil | MWh | 129,785 | 123,216 | Power generated by Viridor's facilities and supplied to drive Viridor's operation increased in FY22 as Avonmouth ERF was fully commissioned and operational adding 27GWh of self-supplied power to the portfolio total. |
| Environment | Natural gas usage (*) | Total natural gas used by the business | MWh | 34,326 | 42,665 | Overall steady natural gas import reduction was recorded across majority of the portfolio with the largest decrease in Runcorn ERF (-5,870 MWh), where natural gas is used as auxiliary fuel; and Skelmersdale plastics reprocessing plant (-857 MWh), where natural gas is used to produce heat. |
| Environment | Liquid fuels usage | Total liquid fuels used by the business (diesel, petrol) | MWh | 97,122 | 159,978 | Liquid fuels consumption has not been rebaselined to reflect the FY22 portfolio changes, therefore the consumption reduction is predominatly related to the divestment process and subsequent portfolio reduction. |
| Environment | Liquid fuels usage Stationary applications | Total liquid fuels used by the business for stationary applications | MWh | 74,721 | 83,684 | Liquid fuels consumption has not been rebaselined to reflect the FY22 portfolio changes, therefore the consumption reduction is predominatly related to the divestment process and subsequent portfolio reduction. |
| Environment | Liquid fuels usage Fleet | Total liquid fuels used by the business fleet | MWh | 22,401 | 76,294 | Liquid fuels consumption has not been rebaselined to reflect the FY22 portfolio changes, therefore the consumption reduction is predominatly related to the divestment process and subsequent portfolio reduction. |
| Environment | SECR | Streamline Energy and Carbon Reporting (SECR) SECR requires obligated companies to report on their energy consumption and associated greenhouse gas emissions within their financial reporting for Companies House. | Link | FY22 SECR verification statement https://prod-cms.viridor.co.uk/media/j3rk2c10/viridor-ltd-secr-2021-2022-verification-statement-final-2_issued-05092022.pdf | FY21 SECR verification statement https://prod-cms.viridor.co.uk/media/1cbia12c/viridor-secr-verification-statement-2020-2021-final-issued-08062021.pdf | Viridor's greenhouse gas and energy data is externally verified since FY20 in line with below verification criteria: ISO 14064-3:2006 Specification with guidance for the validation and verification of greenhouse gas assertions ISO 14065:2013 Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition. The Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance (dated March 2019). The Companies (Directors' Report) and Limited Liability Partnership (Energy and Carbon Report) Regulations 2018 |

ESG Metrics
ESG data FY22

| Category | Metric | Definition | Unit | FY22 | FY21 | Comments |
|-------------|-----------------------------|---|------|-------------|-------------|---|
| Environment | Water use | Total amount of water used by the business | m3 | 2,784,977 | 2,633,470 | At the moment our reporting covers the EFW fleet only. We are working closely with the Central teams to roll out the reporting process across the whole Viridor fleet during the FY23. Please note also that data for our Glasgow facility was only recorded for 2021. |
| Environment | Rain water harvested | Total amount of rain water harvested by the business | m3 | Unavailable | Unavailable | While water harvesting and re-use takes place at sites, no data specifically has been historically recorded of the volumes. This is an area where Viridor will progress to improve data for future years' reports. |
| Environment | Permitted capacity (EFW) | Total permitted capacity of the EFW portfolio at the beginning of the financial year | ktpa | 3,683 | 3,306 | Avonmouth ERF commissioned in 2020 increased the overall portfolio permitted capacity by 377kt per annum (ktpa) in FY22. |
| Environment | Gross capacity (EFW) | Gross power generation capacity of the EFW portfolio at the beginning of the financial year | MW | 274 | 240 | Avonmouth ERF commissioned in 2020 increased the overall portfolio permitted capacity by 34MW in FY22. |
| Environment | Facility availability (EFW) | Facility availability of the EFW fleet | % | 89.30% | 89.10% | Overall facility availability increased by 0.2% in the FY22, with seven out of eleven facilities reporting over 90% availability. |
| Environment | Turbine availability (EFW) | Turbine availability of the EFW fleet | % | 95.59% | 97.45% | The drop in turbine availability in FY22 was mainly caused by Lakeside ERF - 64% availability. Lakeside ERF had a major turbine outage in FY22 whereby the turbine rotor was removed for overhaul, and required repair and rebalance before being refitted. Six out of eleven ERFs achieve over 99% availability in FY22. The rest of the EFW portfolio apart from Lakeside ERF achieve over 95% availability. |
| Environment | Power generated | Total power generated by the business | MWh | 2,505,602 | 2,412,185 | Power generated by Viridor's facilities increased in FY22 as Avonmouth ERF was fully commissioned and operational adding 160GWh of power to the portfolio total. |
| Environment | Power generated (EFW) | Total power generated by the EFWs | MWh | 2,169,017 | 2,075,600 | Power generated by Viridor's facilities increased in FY22 as Avonmouth ERF was fully commissioned and operational adding 160GWh of power to the portfolio total. |
| Environment | Power generated (Landfill) | Total power generated by landfill (Powergen) | MWh | 336,585 | 336,585 | Landfill and Powergen business was divested on the 31st March 2022. Due to the business performance consistency same generation assumed for FY22 |
| Environment | Power exported | Total power exported by the business | MWh | 2,195,671 | 2,162,169 | Power exported by Viridor's facilities increased in FY22 as Avonmouth ERF was fully commissioned and operational adding 133GWh of exported power to the portfolio total. |
| Environment | Power exported (EFW) | Total power exported by the EFWs | MWh | 1,879,359 | 1,845,857 | Power exported by Viridor's EFW facilities increased in FY22 as Avonmouth ERF was fully commissioned and operational adding 133GWh of exported power to the portfolio total. |

ESG Metrics
ESG data FY22

| Category | Metric | Definition | Unit | FY22 | FY21 | Comments |
|-------------|--|--|---|-----------|-----------|---|
| Environment | Power exported (Landfill) | Total power exported by landfill (Powergen) | MWh | 316,312 | 316,312 | Landfill and Powergen business was divested on the 31st March 2022. Due to the business performance consistency same generation assumed for FY22 |
| Environment | Heat exported (Efw) | Total amount of heat exported to Clients | MWh | 601,887 | 527,128 | Runcorn ERF processed additional 67kt of waste in FY22 resulting in more energy generated and therefore more heat exported |
| Environment | Biogas generated (Anaerobic digestion) | Total amount of biogas generated from food waste separated from the black bag waste delivered to Glasgow RREC facility | m3 | 2,655,854 | 3,783,910 | The facility experienced a significant downtime on Digester 1 for five months period in the FY21 caused by a blockage in the recirculation line, which led to a lower gas production. |
| Environment | Renewable power generated | Total power generated through the combustion of biomass (biogenic waste) and power generated through the combustion of landfill gas and biogas | MWh | 1,464,474 | 1,353,629 | Biogenic content in the non-recyclable waste stream entering the Efw facilities increased from 49% in FY21 to 52% in FY22 driving the increase of renewable power generation. |
| Environment | Renewable power generated | % of renewable power generated from the total power generation | % | 58% | 56% | Biogenic content in the non-recyclable waste stream entering the Efw facilities increased from 49% in FY21 to 52% in FY22 driving the increase of renewable power generation. |
| Environment | Waste generated Hazardous | Total amount of waste generated by the business and classifies as hazardous (APCr) | Tonnes | 90,236 | 79,900 | The predominant hazardous waste generated within the business is Air Pollution Control Residue (APCr) which is a residue produced from the removal of pollutants from the flue gases of our Efw facilities. Relatively minor volumes of hazardous wastes will also arise from maintenance activities. |
| Environment | Waste generated Non-hazardous | Total amount of waste generated by the business and classifies as non-hazardous (IBA and metals) | Tonnes | 689,027 | 618,172 | The predominant non-hazardous waste generated within the business is Incinerator Bottom Ash (IBA) which is a residue produced by the waste combustion in our Efw facilities. The IBA also include metals. |
| Environment | APCr generated | Total amount of APCr generated by the business | Tonnes | 90,236 | 79,900 | |
| Environment | APCr generated Intensity metric | Total amount of APCr generated per one tonne of waste processed | Tonnes of APCr/tonne of waste processed | 0.0274 | 0.0286 | |
| Environment | APCr recycled/reprocessed | Total amount of APCr that is recycled/reprocessed by the off-takers (used as aggregate, etc) | Tonnes | 73,601 | 56,729 | 82% of APCr has been reprocessed into new materials. |
| Environment | IBA generated | Total amount of IBA generated by the business | Tonnes | 666,503 | 593,791 | |
| Environment | IBA generated Intensity metric | Total amount of IBA generated per one tonne of waste processed | Tonnes of IBA/tonne of waste processed | 0.1987 | 0.1937 | |

ESG Metrics
ESG data FY22

| Category | Metric | Definition | Unit | FY22 | FY21 | Comments |
|-------------|--|--|--------|---------|---------|---|
| Environment | IBA recycled/reprocessed | Total amount of IBA that is recycled/reprocessed by the offtakers (used as aggregate, etc) | Tonnes | 538,377 | 439,405 | 81% of IBA has been reprocessed into new materials. During 2021 Dunbar began to send their IBA for further metal segregation and for use within aggregate production |
| Environment | Metals recovered from IBA | Total amount of metals recovered from IBA and sent for reprocessing | Tonnes | 18,070 | 21,706 | Further reclamation of ferrous and non ferrous metals takes place by the IBA processors. |
| Environment | Plastic received at polymers reprocessing facilities | Total plastic input into our reprocessing facilities | Tonnes | 33,180 | 24,194 | Avonmouth P2 came online towards the end of FY22. |
| Environment | Plastic rejected during the polymers reprocessing | Total plastics waste from our reprocessing facilities | Tonnes | 10,387 | 6,887 | |
| Environment | Polymers output (product, non-food grade) | Total polymers output from reprocessing facilities (product) | Tonnes | 22,793 | 17,307 | |
| Environment | Plastic recovered from black bag waste | Total plastic recovered from municipal solid waste | Tonnes | 9,093 | 6.5 | Plastics are separated from black bag waste delivered to our facilities (Bargeddie and Walpole) and sent for reprocessing. In FY23 we will be commissioning a plastics extraction line at GRREC, with the aim to separate up to 20 tonnes of plastics from black bag waste each day. |
| Environment | Recycled plastic treated | Total plastic input to plastics recycling facilities (PRF) | Tonnes | 85,826 | 55,780 | In FY21 there was a major fire at our plastics recycling facility which caused the site to be offline for nearly 6 months. FY22 therefore shows a full year of operations. |
| Environment | Plastic rejected during the recycling process | Total plastics waste from plastics recycling facilities (PRF) | Tonnes | 30,682 | 18,358 | In FY21 there was a major fire at our plastics recycling facility which caused the site to be offline for nearly 6 months. FY22 therefore shows a full year of operations. |
| Environment | Plastic output | Total plastic output from plastics recycling facilities (PRF) | Tonnes | 55,144 | 37,690 | In FY21 there was a major fire at our plastics recycling facility which caused the site to be offline for nearly 6 months. FY22 therefore shows a full year of operations. |
| Environment | Ferrous metals extracted | Total ferrous metals are extracted from black bag waste treated before incineration and sent for recycling | Tonnes | 8,330 | 12,358 | Ferrous metals are separated from black bag waste delivered to our facilities in Scotland - GRREC and Bargeddie. |
| Environment | Non-ferrous metals extracted | Total non-ferrous metals are extracted from black bag waste treated before incineration and sent for recycling | Tonnes | 2,991 | 3,452 | Non-ferrous metals are separated from black bag waste delivered to our facilities in Scotland - GRREC and Bargeddie. |

ESG Metrics
ESG data FY22

| Category | Metric | Definition | Unit | FY22 | FY21 | Comments |
|-------------|---------------------------------|---|----------------|------------------------------------|------------------------------------|---|
| Environment | Fire and explosion | Fires and explosions reported via the Incident Management System | NA | 3 High Potential Fires reported | 5 High Potential Fires reported. | <p>Work is ongoing to refine our reporting criteria to ensure consistency of reporting across all of our operational sites and offices.</p> <p>We have an internal Fire Working Group that looks at our policies, procedures, future projects and insurance risks who will lead this review. Multiple projects are in development reviewing sources of our fires and how we mitigate these or remove the risk from our sites by removing sources of fires (e.g. gas canisters or lithium batteries) from the waste stream.</p> <p>Sites have amended their own procedures to manage risks in the short-term whilst wider projects are reviewed and developed.</p> |
| Social | Lost Time Injuries (LTI) | <p>Lost Time Injuries that have occurred in the workplace/during work related activities reported per 200,000 hours worked.</p> <p>Lost Time Injury: An injury which results from a work-related activity, and that results in a person being unfit for work on any day, including weekends or rest days, beyond the day of the incident. Includes Fatalities.</p> <p>Total number of LTIs per 200,000 hours worked</p> | LTI frequency | 0.68 (total number of 16 LTIs) | 0.60 (total number of 21 LTIs) | <p>Although a 14% increase in the rate of Lost Time Injuries, the absolute number of LTIs has reduced. This is due to decreased hours worked through FY22, in part driven by the sale of some of the business.</p> <p>Data includes all Viridor operations to the point of sale</p> |
| Social | High Potential Incidents (HiPo) | <p>High Potential Incidents that have occurred in the workplace reported per 200,000 hours worked.</p> <p>High Potential Incident: An incident or near miss where under different, plausible circumstances the most serious credible outcome would be classified within the red area of the Viridor Severity Matrix - e.g. a potential or actual fatality.</p> <p>Total number of HiPos per 200,000 hours worked</p> | HiPO frequency | 0.77 (total number of 18 HiPos) | 1.16 (total number of 41 HiPos) | <p>34% reduction in the rate (per 200,000) hours of Viridor High Potential Incidents.</p> <p>Data includes all Viridor operations to the point of sale</p> |
| Social | All Injuries (AI) | <p>Injuries that have occurred in the workplace/during work-related activities reported per 200,000 hours worked.</p> <p>All Injuries: Any injury which results from a work-related activity, requiring First Aid treatment or beyond.</p> <p>Total number of Injuries per 200,000 hours worked</p> | AI frequency | 4.34 | 6.24 | <p>30% reduction in All Injury frequency achieved.</p> <p>Data includes all Viridor operations up to the point of sale. Our FY23 target is to 3.49</p> |

ESG Metrics
ESG data FY22

| Category | Metric | Definition | Unit | FY22 | FY21 | Comments |
|----------|-------------------------------------|--|------------------|--|--|--|
| Social | Significant accidents (Contractors) | Significant accidents, not included in frequency rate. Data is reported for employees and agency workers only. Contractor High Potential Incidents are also recorded in our internal SHEQS reporting, but not included in this metric. | Data | 8 | 29 | |
| Social | Mental health strategy | Progress against the mental health strategy | NA | In FY22 we introduce Kaido (wellbeing app) and reviewed our Employee Assistance Program (EAP) provider, and continue to increase the number of Mental Health First Aiders in the business to offer support to our colleagues in the workplace. | In the FY21 we trained managers in mental health (MH) awareness, introduced Mental Health First Aiders (MHFAs), launched a manager process and tools to support our colleagues with MH in the workplace and we launched the V-Well Hub Page. | In FY23 the plan is to launch the new EAP service, continue with the Kaido events and to provide a range of mental health and wellbeing information via the V-Well Hub page which can be accessed 24/7. |
| Social | Gender Pay Gap report | Since 4 April 2018, employers in Great Britain with more than 250 employees have been required by law to publish Gender Pay Gap report annually on their own website and on a government website. | NA | Gender Pay Gap report for FY22 to be published in 2023 Q1, and available on our website | FY21 report published https://prod-cms.viridor.co.uk/media/hq2h2ja3/gender-pay-gap-2022.pdf | We measure gender balance from the top down and by function across Viridor. We are pushing through some big changes in our policies to help attract and retain our female talent. Our early careers programme has seen significant changes with more female talent joining us through our apprenticeship and graduates schemes. |
| Social | Gender balance | Number of employees across the business who identify as female and the number of employees who identify as male. | % | Gender Pay Gap report for FY22 to be published in 2023 Q1, and available on our website | Viridor Waste Management Ltd 76.7% male/23.3% female Viridor Energy Limited 89.6% male/10.4% female | |
| Social | Gender Pay Gap (mean) | The mean gender pay gap shows the difference in the average hourly rate of pay between men and women in a company. | % | Gender Pay Gap report for FY22 to be published in 2023 Q1, and available on our website | Viridor Waste Management Ltd 9.9% Viridor Energy Limited 17.2% | |
| Social | Gender Pay Gap (median) | If all company employees were lined up in a female line and a male line, in order of pay from highest to lowest, the median gender pay gap compares the pay of the female in the middle of their line and the pay of the middle man. | % | Gender Pay Gap report for FY22 to be published in 2023 Q1, and available on our website | Viridor Waste Management Ltd 3.6% Viridor Energy Limited 22.8% | |
| Social | Community engagement Performance | Total annual reach associated with community activities | Number of people | Total annual reach 19,843 people (excl social media) | Total annual reach 11,158 people (excl social media reach) | Our target for FY23 is to double the FY22 reach (40,000) |
| Social | Community benefit funds | Total amount assigned to community benefit funds in any given year | £ | 1,097,511 (across 42 grants) | £574,000 (across 43 grants) | |

ESG Metrics
ESG data FY22

| Category | Metric | Definition | Unit | FY22 | FY21 | Comments |
|----------|--|--|------------------|---|--|--|
| Social | Corporate charity support and engagement | Total amount assigned to charities in any given year | £ | £50,000 for Reuse Network Contribution to help fund the development of a nationally recognised program of training and qualifications to support in the creation of professional repairers. This will be in line with the UK government's new 'right to repair' regulations and the Reuse Network will collaborate with manufacturers, major retailers, and a number of colleges to establish this new scheme. | NA | In FY23 we have already contributed £1million in support of Ukraine. This was split between Save The Children's Ukraine Fund and UNHCR's Ukrainian Refugee Support |
| Social | Diversity & inclusion | Company diversity in numbers | % | 87.29% White 7.95% non specified 4.5% BAME | NA | No data held for FY21 due to the exit from Pennon Group systems. Only statutory reports held. |
| Social | Diversity at Board Level | Number of Board directors who identify as female. | Number of people | 1 | 1 | Directors who are legally responsible for the running of the company and making sure company accounts and reports are prepared. |
| Social | Diversity at Board Level | Number of Board directors who identify as male. | Number of people | 4 | 4 | Directors who are legally responsible for the running of the company and making sure company accounts and reports are prepared. |
| Social | Diversity at Board Level | Number of Board directors who identify as other. | Number of people | 0 | 0 | Directors who are legally responsible for the running of the company and making sure company accounts and reports are prepared. |
| Social | Diversity at Senior leadership level | Number of Senior leaders who identify as female. | Number of people | 2 | 2 | Senior leaders are members of our Executive Leadership Group and responsible for the companies overall strategy and direction, making key decisions to shape the future of the business. |
| Social | Diversity at Senior leadership level | Number of Senior leaders who identify as male. | Number of people | 9 | 9 | Senior leaders are members of our Executive Leadership Group and responsible for the companies overall strategy and direction, making key decisions to shape the future of the business. |
| Social | Diversity at Senior leadership level | Number of Senior leaders who identify as other. | Number of people | 0 | 0 | Senior leaders are members of our Executive Leadership Group and responsible for the companies overall strategy and direction, making key decisions to shape the future of the business. |
| Social | Mandatory training | All training courses that the employee needs to complete to be able to completely fulfill their role in the company safely. | % | 95.5% | 80% | For FY23 we are targeting 95% |
| Social | Graduates programme | A graduate scheme is a structured training programme offered mainly by large companies and organisations. Lasting around two years, they're exclusively for graduates straight out of university and designed to develop future leaders. | NA | No new graduates onboarded due to strategic review | No new graduates onboarded due to strategic review | 9 new graduates starting in September FY23 covering Engineering, Finance and IT; (45% female/55% male) |

ESG Metrics
ESG data FY22

| Category | Metric | Definition | Unit | FY22 | FY21 | Comments |
|----------|----------------------------------|--|------|--|--|--|
| Social | Apprentice programme | Apprenticeship is a system for training a new generation of practitioners of a trade or profession with on-the-job training and often some accompanying study. | NA | 25 apprentices recruited | | We are looking to more than double the FY22 number during FY23. Whilst the majority will be in Engineering, we have plans to increase the use of apprentices across the wider business e.g. Finance for CIMA qualifications |
| Social | Employee engagement | Employee engagement represents the levels of enthusiasm and connection employees have with their organisation. | % | Overall company score: Trust 51%; Engagement 55% | No engagement survey completed due to strategic review | Our ambition to be classed as a 'great place to work' by the end of FY24. |
| Social | Living wage rate | The Living Wage is an hourly rate, calculated according to cost of living in the UK by the Living Wage Foundation. | NA | During FY22 we have commenced the discussion on rolling out the Living wage across the business resulting in commitment set on the 1st of April 2022. | | As of the 1st April 2022 we have agreed to pay all our colleagues the Living Wage and we are in a process of getting the accreditation to underpin this. |
| Social | Employee benefits and pension | Employee benefits and benefits in kind include various types of non-wage compensation provided to employees in addition to their normal wages or salaries. | NA | Same as previous year, plus: 'Your Share' scheme has been established. This scheme provides a payout based on company outperformance. It has been paid out in summer 2022 for the FY22. We have also updated some of our People Policies to include 4 weeks full pay paternity leave, and increased maternity pay (6 months full pay and 3 months at 90%). | Viridor provides a company defined contribution pension scheme and matches our colleagues contributions up to 7% of their basic salary. Viridor Xtras provides a corporate discount scheme across a range of activities, shops and subscriptions. | Same as previous year plus; Introduction of a company wide profit share scheme which enables all colleagues to have a share of any company profits. We also reviewed a number of our family friendly policies that ensure colleagues can benefit from enhanced arrangements for family matters. |
| Social | Guaranteed health and care cover | Employee benefits and benefits in kind include various types of non-wage compensation provided to employees in addition to their normal wages or salaries. | NA | On offer to the top level of the structure | On offer to the top level of the structure | Health benefits are offered in various ways across the organisation. This includes employee assistance, cash health plans, access to occupational health and certain physiotherapy treatment. Regular health assessments and health insurance are also available to leadership. For FY23 it is our intention to offer all our colleagues access to an annual health check. |

(*) FY21 data sets have been rebaselined to reflect FY22 divestments of recycling and collection business to Biffa and N+P.

(**) Same self-supplied renewable power assumed for the Powergen business (landfill) based on the minimal portfolio changes and same amount of methane generated in FY22.

Appendix

Appendix

Glossary

A

Advance conversion facility

(ACF): Technology that treat waste through gasification and pyrolysis.

Air pollution control residues

(APCr): These are the solid outputs of the flue gas treatment equipment installed on the EfW plants. APCr can be processed and returned back to the economy in a form of aggregates.

All Injuries Frequency Rate

(AIFR) : Tracks any injury which results from a work-related activity, requiring First Aid treatment or beyond.

Anaerobic digestion facility:

This facility counts with a sequence of processes by which microorganisms break down biodegradable material in the absence of oxygen.

B

Biogenic emissions: Emissions associated with a combustion of an organic matter (part of natural carbon cycle).

Black bag (household) waste:

Waste that should only contain non-recyclable material.

C

Carbon capture and storage

(CCS): The trapping, transportation and permanent containment of carbon, e.g. in an underground storage cavity, such as an aquifer or depleted oil or gas field.

Carbon intensity factor:

A measure of the rate of emissions released relative to a specific activity, such as tonnes of waste processed or revenue.

Circular Economy:

An economic system aimed at the continuous use of resources and the elimination of waste.

Climate-positive:

Situation when more anthropogenic emissions are prevented from entering the atmosphere than generated (combination of anthropogenic and biogenic carbon emissions capture); also referred to as carbon-negative.

CO2e: Unit allowing other greenhouse gas emissions to be expressed in terms of CO2 based on their relative global warming potential (GWP). For example, CO2 has a GWP of 1, methane (CH4) has a GWP of approximately

25. In other words, for every 1 tonne of methane emitted, an equivalent of 25 tonnes of CO2 would be emitted.

E

EBITDA: Earnings before interest, taxes, depreciation and amortisation

Energy from waste (EfW) facility:

A facility that processes non-recyclable waste of a biogenic and anthropogenic (fossil) origin and makes use of its energy content to generate electricity and heat.

Energy recovery facility

(ERF): A facility that processes non-recyclable waste of a biogenic and anthropogenic (fossil) origin and makes use of its energy content to generate electricity and heat, meeting an energy efficiency threshold defined by the environmental regulator as 'RT' status, reflecting higher level of energy recovered compared to standard EfW facility.

ESG: Stands for Environmental, Social, Governance and refers to

a company's commitment to do more than making a profit, such as actively striving to contribute positively to the environment and social causes and to conduct themselves responsibly.

F

Fugitive emissions:

Greenhouse gas emissions that are unintentionally released into the atmosphere due to a failure to be caught by capture systems.

G

Gender pay gap: The gender pay gap is an equality measure that shows the difference in average earnings between women and men.

Greenhouse Gas (GHG)

emissions: The emission into the earth's atmosphere of any of various gases, esp carbon dioxide, that contribute to the greenhouse effect.

H

High-potential incidents

(HiPo): An event or near-miss event, were under different, plausible circumstances the

most serious credible outcome would be a potential or actual fatality (within the red area of the Viridor Severity Matrix).

I

Incinerator bottom ash (IBA):

Form of ash produced as a result of the combustion process in the EfW plants. IBA can be processed and returned back to the economy in a form of aggregates.

Incident frequency rate:

Incidents/Hours worked expressed as a frequency per 200,000 hours worked (employee and agency incidents/hours unless otherwise stated).

Industrial Cadets Silver Award:

Cadets graduating at the Silver level will follow a programme defined by the activities breakdown over a minimum of 30 hours. The programme components and skills and competency framework illustrate the employability skills and personal learning and thinking skills acquired by each individual Cadet at this level.

Industrial Cadets Bronze Award:

The Industrial Cadets

Bronze project is a 12-week project involving around 20 hours work from students in S2. It helps students to develop key skills for learning, life and work and to inform their subject choices and careers. It is aligned to the Curriculum for Excellence and the Career Education Standard to enhance the work students complete in their school education. The project gives students an insight into current topical themes including sustainability, digital, health and aerospace and aims to encourage pupils to choose STEM subjects.

ISO 50001:2018: Voluntary international standard for Energy Management Systems, created by the International Organisation for Standardisation (ISO). This standard enables

organisations to continuously improve their energy performance via the implementation of an energy management system (EnMS) and aims to help organisations to continuously reduce their energy use, and therefore their energy costs and their greenhouse gas emissions as well as providing a compliance

route for energy saving schemes such as the UK Energy Savings Opportunity Scheme (ESOS).

ISO audit: An audit performed under the standard created by the International Organisation for Standardisation (ISO).

L

Landfill gas: Also known as biogas, a mixture of carbon dioxide (CO₂) and methane (CH₄) that is released from the natural decomposition of biogenic waste in landfills.

Lost Time Injuries:

An injury that results from a work-related activity, and results in a person being unfit for work on any day, including weekends or rest days, beyond the day of the incident (includes fatalities).

M

Missed monitoring events:

Each site permit prescribes the required monitoring that will demonstrate our compliance. Each permit lists the number of physical locations to be sampled, on what frequency and for what parameters. Monitoring

events can be missed for a variety of reasons, missed events are tracked and the reasons investigated to ensure problems are addressed in a timely manner.

N

Net zero emissions: Refers to achieving an overall balance between anthropogenic greenhouse gas emissions released and anthropogenic greenhouse gas emissions taken out of the atmosphere.

Net negative emissions

(carbon-negative): Situation when more anthropogenic emissions are prevented to enter the atmosphere than generated (combination of anthropogenic and biogenic carbon emissions capture).

O

Outperformance: The fact of achieving better results than somebody/something. Viridor's outperformances when the EBITDA is higher than estimated.

Appendix

Glossary

P

Polyethylene (PE): Light, versatile synthetic resin made from the polymerization of ethylene. **Low-density polyethylene (LDPE):** A form of polyethylene having many side branches off the main carbon backbone and a less closely packed structure than that of high-density polyethylene. **High-density Polyethylene (HDPE):** linear version of polyethylene, a light versatile synthetic resin made from the polymerization of ethylene.

Polyethylene terephthalate (PET or PETE): A strong, stiff synthetic fibre and resin and a member of the polyester family of polymers.

Polymers: Compounds containing molecules bonded together in long, repeating chains. Their structure means that they have unique properties which can be tailored for different uses.

Polypropylene: A synthetic resin built up by the polymerization of propylene.

R

R1 Status: The efficiency with which we treat waste is important. Waste Processing Facilities are known as EfWs (Energy from Waste), with the most efficient of these categorised as Energy Recovery Facilities (ERF). ERFs meet an energy efficiency threshold defined by the environmental regulator as 'R1' status, reflecting the higher level of energy recovered from waste.

Refuse-derived fuel (RDF): Selected waste and by-products with recoverable calorific value can be used as fuels, replacing a portion of conventional fossil fuels.

Recyclate: Material that has been recycled and is ready to be used to create a new product.

Residual waste: Non-hazardous and solid waste that remains after initial recycling attempts.

RIDDOR: Stands for the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations. It ensures employers or self-employed individuals report certain accidents, occupational diseases and specified dangerous occurrences.

S

Science based targets: Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement - limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

Science based targets initiative (SBTi):

1: Defines and promotes best practices in emissions reductions and net-zero targets in line with climate science. **2:** Provides target setting methods and guidance to companies to set science-based targets in line with the latest climate science. **3:** Includes a team of experts to provide companies with independent assessment and validation of targets. **4:** Serves as the lead partner of the Business Ambition for 1.5°C campaign, an urgent call to action from a global coalition of UN agencies, business and industry leaders that mobilizes companies to set net-zero science-based targets in line with a 1.5 degrees C future.

Scope 1: Direct emissions that occur through the operation of assets that are owned and/or controlled by the company.

Scope 2: Indirect emissions that occur from the usage of purchased (i.e. externally-sourced) energy, such as electricity.

Scope 3: Indirect emissions within a company's value chain. Scope 3 emissions can be broadly grouped into two categories: Upstream emissions from activities involved in the creation of a company's services or goods. Downstream emissions from the distribution or use of a company's goods including the disposal of products.

SHEQS: Safety, Health, Environment, Quality and Security team

STEM: Science, technology, engineering, and mathematics

W

Well-to-tank emissions: Greenhouse gas emissions also known as upstream or indirect emissions, representing an average of all the greenhouse gas emissions released into the atmosphere from the production, processing and delivery of a fuel or energy.

Appendix

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