Putting secondary materials first

Renewi plc Annual Report and Accounts 2023

renewi
waste no more

We are Renewi

We are a waste-to-product company and a leader in sustainability, operating at the heart of the circular economy. As pure-play recyclers, our core purpose is to give new life to used materials.

Every day we help our customers progress towards their net-zero emission goals. We do this by creating secondary materials with a lower carbon footprint than the primary resources they replace. We help our customers help the planet.

What we do matters

The world has realised the transition to clean energy alone is not enough to meet the climate challenges we face. Circular economies, through resource preservation and reduced reliance on incineration and landfill, play a vital role in slowing climate change.

Building on a legacy of more than 100 years, the work we do at Renewi brings us one step closer to a cleaner, more sustainable world.

Secondary material
Commercial Waste NL, compost made from organic waste material, used to fertilize and enrich soil

CONTENTS

STRATEGIC REPORT

Secondary material
Maltha, Glass powder made from processed glass, used for a powder in the batch recipe for furnaces

Group overview

Renewi operates in the Netherlands, Belgium, United Kingdom, France and Portugal, across three business Divisions, as outlined below.

Our Divisions

COMMERCIAL WASTE

Comprises industrial and commercial waste collection, processing and secondary materials production across the Netherlands and Belgium. Key activities include the processing of mixed waste streams and monostreams into high-quality recyclates and organic waste into biogas.

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MINERALZ & WATER (M&W)

Comprises our Mineralz activities of processing and cleaning contaminated soil and tar and turning it into building products like gravel, sand and filler. It also includes cleaning of bottom ash and fly ash and cleaning of contaminated water and packed chemical waste processing activities.

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SPECIALITIES

Comprises three businesses: Maltha glass recycling, Coolrec – our specialist Waste Electrical and Electronic Equipment (WEEE) recycling business and UK Municipal public-private partnership (PPI) contracts. This Division operates in Belgium, the Netherlands, the UK, France and Portugal.

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Renewi in numbers

154
operating sites

6,714
employees at year-end

11mT
of waste handled each year

63.6%
recycling rate for FY23
new reporting methodology

€66.6m
of statutory profit

€132.9m
underlying EBIT

1988
listed on the London Stock Exchange, and Euronext Amsterdam in 2020

Financial Shared Services Centre
Lommel

Our purpose drives our strategy

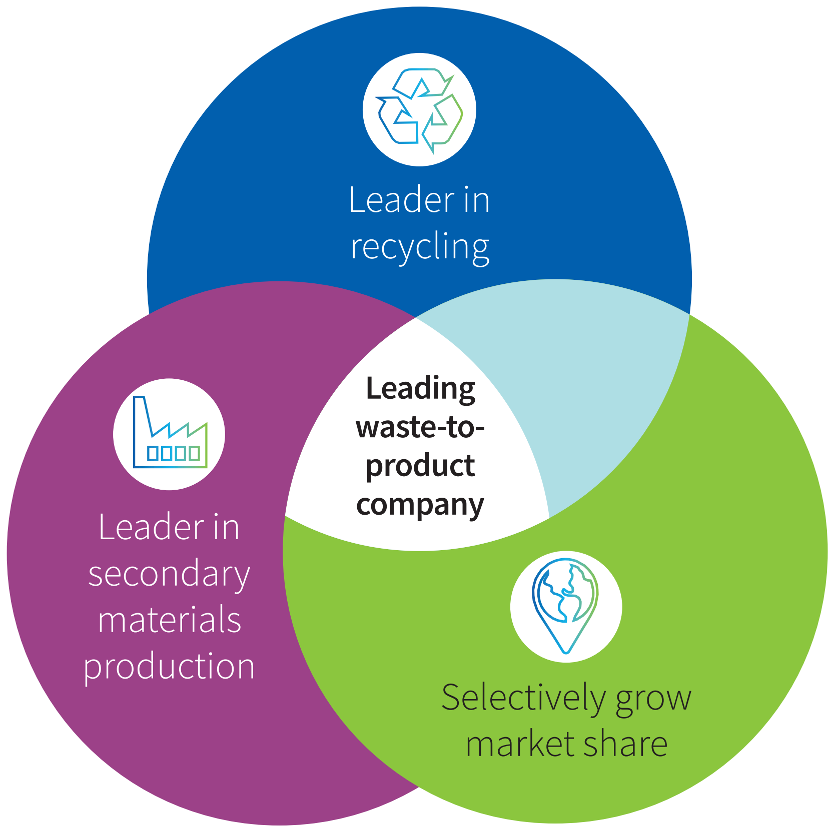
Our purpose

To protect the world by giving new life to used materials.

Our vision

To be the leading waste-to-product company in Europe's most advanced circular economies.

Our strategy



Alignment to UN SDGs

Our value drivers

Circular innovations
page 42

M&W recovery
page 48

Renewi 2.0
page 46

Sustainability themes

Enable the circular economy
page 50

Reduce our carbon emissions
page 54

Care for people
page 66

Our values

Who we are

Safe
Safety above all else

Sustainable
Make a daily difference to our planet

Innovative
Do it better every day

How we act

Accountable
Do what we say we'll do

Customer-focused
Add value for our customers

Together
Always open and respectful

Our progress this year

In FY23 Renewi has made notable progress on its objectives, supported by significant developments.

Coolrec (a part of our Specialities Division) and Playmobil partnered to deliver high-quality recycled plastic for the toy maker's award-winning recycled Wiltopia range.

Read more about this partnership on page 85

€30m

Deployed into our circular innovations pipeline.

We doubled the volume of mattresses we are helping to recycle, announcing a further 1.5m will be recycled in the UK in addition to the 1.5m in Belgium and the Netherlands, supported by our investment in Retourmatras.

€132.9m

Underlying EBIT decreased 1% to €132.9m

(FY22: € 133.6m), on revenue of €1.9bn (FY22: €1.9bn)

We appointed Katleen Vandeweyer as Non-Executive Director, Chair of the Audit Committee and member of the Nomination Committee.

page 119

In the Netherlands, we completed the acquisition of Renewi Westpoort from Paro, strengthening our position in the construction and demolition industry. We progressed the construction of our new plastics sorting line in Acht, with the aim to commission in FY24.

page 75

63.6%

Recycling rate increased to 63.6%

FY22: 61.8% - new restated baseline

We continued to progress our Renewi 2.0 programme, resulting in 100,000+ activated MyRenewi users and 295,000 orders placed through MyRenewi.

Belgium's largest wind turbine on land installed on our site in Ghent.

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8.4m km

Our shared bio-LNG facility with Nordsol, which operates using organic waste processed by Renewi, has enabled 8.4m km of sustainable journeys.

€5m+

Investment to increase volume and quality of glass recyclates in our Maltha business.

In Belgium, as part of our investment of over €60m to support customer compliance, we responded to VLAREMA 8 legislation by building and commissioning our advanced sorting line for residual waste in Ghent.

Measuring our performance

Below is a summary of our financial and non-financial performance. Progress has been made in FY23 and we will continue to build on this in FY24.

Financial

REVENUE (€M)

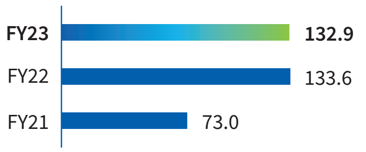
€1,892.3m

Overall revenues up 1% in the year as outbound revenues increase, reflecting the record high recyclate prices in the first half of the year and increased recyclate quality. Inbound revenues declined reflecting lower volumes offset by strong price discipline.

UNDERLYING EBIT (€M)

€132.9m

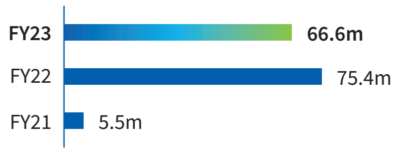
Underlying EBIT and margin in line with prior year despite lower inbound volumes, reflecting pricing discipline, ongoing cost control and Renewi 2.0 cost saving actions mitigating inflationary increases.



STATUTORY PROFIT (€M)

€66.6m

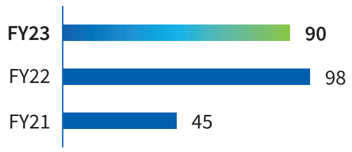
Statutory profit remains strong but has reduced year on year, mainly driven by an increase in the effective tax rate.



UNDERLYING EPS (CENTS)

90cents

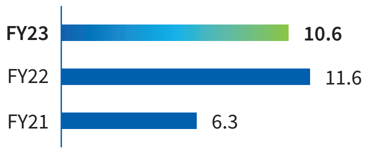
Underlying EPS fell year on year driven by the higher effective tax rate.



RETURN ON CAPITAL EMPLOYED (%)

10.6%

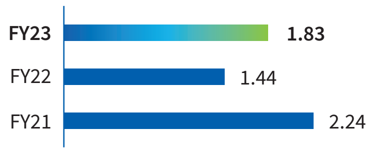
ROCE has fallen year on year, driven by the investment in our innovation growth portfolio which will deliver improved EBIT as the projects progress. Capital expenditure on growth projects will increase further in the coming year, while spend on replacement projects will remain under tight control.



LEVERAGE RATIO

1.83

Due to investment in our growth projects and the acquisition of Renewi Westpoort from Paro our core net debt increased in the year, while profits remained stable. Leverage ended well below the Board's target of 2.0x.



The definition and rationale for the use of non-International Financial Reporting Standards (IFRS) measures are shown in note 8.3 to the consolidated financial statements.

Non-Financial

RECYCLING RATE (%)

63.6%

After a comprehensive review of our methodologies and recycling rate reporting framework, our industry-leading recycling rate for FY22 was restated to 61.8%. In FY23, our recycling rate has increased to 63.6%.

CARBON AVOIDANCE (KG CO_2 PER TONNE)

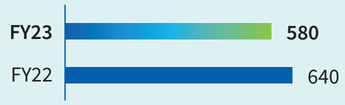
233

The update of our reporting framework also resulted in a restatement of our FY22 baseline of our total carbon avoidance. Our restated carbon avoidance per tonne of waste handled in FY22 was 225 kg of CO_2/T. In FY23 it has increased to 233.

ABSOLUTE CARBON FOOTPRINT SCOPE 1&2 (T)

580kT

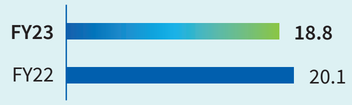
We have already delivered a 9% decrease in our scope 1&2 carbon emissions. Our goal is to reduce these by 50% by 2030.



CARBON INTENSITY FROM COLLECTION (KG CO_2 PER TONNE)

18.8

We are reducing our carbon footprint in the collection of waste by increasing route efficiency, fuel and driver efficiency and the electrification of our fleets.



CARBON INTENSITY FROM PROCESSING (KG CO_2 PER TONNE)

7.50

We are making progress in lowering our on-site carbon emissions KPI by reducing energy consumption, increasing our own production of renewable energy and by prioritising the purchase of renewable electricity.

LOST TIME INJURY RATE (LTIF)

(NUMBER OF LTI/ TOTAL NUMBER OF WORKING HOURS)X 1,000,000 HOURS)

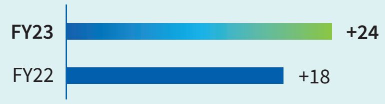
9.3

The number of LTIF increased slightly this year, from 8.9 to 9.3. Safety is our number one priority, and we are unconditionally committed to improving our safety culture, with a strong emphasis on safety leadership.

EMPLOYEE ENGAGEMENT (eNPS SCORE IN PULSE SURVEY)

+24

We are focused on positioning Renewi as a leading company to work for in the circular economy. We have conducted three Pulse surveys this year, and our eNPS score has increased from 18 to 24, with a target of 30 by 2025.



WOMEN IN LEADERSHIP (%)

24%

We are making good progress with our Diversity and Inclusion strategy and have seen a two-point increase of women in leadership positions this year, to 24%, moving closer to our 30% target.

A message from the Chairman

I am pleased to report that Renewi has had another successful year. Our purpose to turn used materials into products is more relevant than ever, illustrated by exciting new partnerships that strengthen our market-leading position. We have continued to deliver on our strategy while adapting for the future.

Renewi has performed very well in FY23, showing itself to be strong and resilient in the face of considerable macroeconomic challenges. Our unifying purpose is giving new life to used materials and this is what drives us. We have maintained a steadfast commitment to the circular economy, focusing on innovation in our services and products in order to increase recycling rates and further improve the quality of our products.

OUR PEOPLE DRIVE OUR SUCCESS

Our people have once again worked with passion and dedication. We have met our objectives, served our customers and worked tirelessly to keep each other safe. I would like to thank them all for their energy, skill, determination and togetherness. I would also like to thank our customers, suppliers, investors and other key stakeholders who make Renewi the leading waste-to-product company it is.

The safety of our people is our number one priority. We were devastated by the death of a colleague due to an accident at our Amsterdam Westpoort site in December 2022, one we had acquired a few months before. At Renewi, safety is our number one value and this accident further reinforced our unconditional commitment to bring safety to the highest levels and to do our utmost to prevent any future serious incidents. Improving our safety culture continued to be a key area of focus throughout the year, with a strong emphasis on safety leadership. We are in the process of implementing the International Sustainability Rating System (ISRS), which includes a comprehensive safety approach, across the entire company.

We can only achieve our purpose and values if we work together as a team, in a respectful and diverse environment. We value the benefits of diversity at both Board level and across the whole organisation. We are making good progress with our Diversity and Inclusion strategy, moving closer to our target of having 30% of our senior leadership positions held by women.

OUR CUSTOMERS ARE AT THE HEART OF OUR BUSINESS

Supply chain issues, widespread inflation and increased energy costs are just some of the current issues affecting businesses everywhere, in both the long and short term.

Our markets are evolving rapidly and we are attuned to the associated opportunities and challenges

Renewi provides an essential service, and this gives us resilience. We remain dedicated and committed to our customers and we are pleased to see strong customer loyalty, despite socio-economic challenges.

We have increased our focus on improving our customer experience with our Renewi 2.0 programme, enhancing our customer service and our efficiency through a programme of digitisation. We now offer customers 24/7 access to our systems via a user-friendly app where they can quickly place orders for our services. This has resulted in customer growth and an improved Net promoter score (NPS), from a baseline 3 to 18.

DELIVERING ON OUR STRATEGY

Leader in recycling

We have achieved significant milestones in executing the three pillars of our strategy. We have invested in further increasing our market-leading recycling rate and we are making good progress towards our 75% target, with 7mT of materials put back into re-use. This has been driven by a strong focus on innovation and better sorting, ensuring continuous improvement in our recycling processes across all divisions.

Leader in secondary material production

On the product side we have improved the quality of our output for various material streams, including glass, sand, wood and plastics. A particular highlight was achieved with plastics, where we demonstrated we are consistently producing a quality product from recycled fridges at the highest standards, culminating in the partnership with toymaker Playmobil.

Increase market share

Finally, our acquisition of Renewi Westpoort (formerly Paro) has laid a strong foundation for further growth in the construction and demolition market, one of our core market segments.

EPS AND DIVIDEND

Financial highlights included a revenue of €1.9bn and a statutory profit of €67m. Core debt increased to €371m (FY22: €303m) due to the acquisition of Renewi Westpoort. Recognising the Group's significant growth investment programme and the resultant cash flow profile in the short term, the Board is not recommending a dividend for FY23. However, given our positive outlook for our cash flow in the coming years, the Board intends to reinstate a progressive dividend for FY24 onwards.

CORPORATE GOVERNANCE

The Board continues to aim for the highest standards of corporate governance. Details of our policies and procedures, including those relating to the role and effectiveness of the Board and compliance with the UK Corporate Governance Code, are set out in the Governance section on pages 116 to 120. We were very pleased to meet again in person and to welcome Katleen Vandeweyer and Annemieke den Otter to the Board.

LOOKING AHEAD

Renewi has had another strong year with continued strategic progress in core markets, buoyed by favourable legislation and increasing demand for recycled materials. With the macroeconomic outlook becoming more certain, accompanied by strong customer loyalty, we look to the future with full confidence. We have successfully navigated a number of unique challenges, including high inflation and labour shortages, and have maintained revenues and margins in spite of a normalisation in recyclate prices.

Renewi remains well positioned to benefit from the adoption of circularity by European economies – the bedrock of our business model is the circular economy, and our end markets continue to grow, with corporate strategies supporting increased recycling and demand for high-quality secondary materials.

Ben Verwaayen

Ben Verwaayen
Chairman

The world we live in

Consumption levels are higher than ever, and we use more resources than our planet can sustain. Keeping it habitable requires decarbonisation which can only be achieved through circular economies and waste management. We are still at the beginning of this crucial journey, with both challenges and valuable opportunities ahead.

Short-term trends

Navigating an increasingly volatile environment

- Economic activity impacted by geopolitical tensions and monetary policy change
- Widespread inflation
- Higher competition for waste volumes
- Recyclate prices reverting closer to trend levels
- European Union pushes circular economy agenda
- Advanced waste sorting legislation in Flanders
- Latest IPCC report flagging once more the urgency to accelerate the process in reducing GHG emissions

70%
Global increase in solid waste generation by 2050

70%
Greenhouse gas emissions linked to material handling and use
Circularity Gap Report 2022

Inflation, cost of living, the war in Ukraine, the energy crisis and supply issues have had a global impact on companies and customers. Like many other businesses, we have experienced a shift in the price and availability of materials. Inflation has impacted living costs for our employees. The cost of energy used in our waste collection and processing activities has increased too. Despite this, Renewi remains confident and has an open dialogue with both customers and employees, which allows us to proactively address any challenges.

Renewi provides an essential service

There is nothing discretionary about the collection and processing of waste. The value we offer and our large customer base has helped reduce the impact of short-term issues. The requirements of customers for recycled products are becoming more stringent as their sustainability goals evolve, alongside more progressive legislation.

We have solid mitigating actions

We are passing on costs to our customers, and we are frugal as a company, watching our outlays so we can continue to invest in growth opportunities. We balance our portfolio so our success does not fluctuate with economic activity.

While the environment has been turbulent, fundamentally, wider society is becoming increasingly mindful of the importance of reusing materials, and this awareness has risen despite adverse macroeconomic events. Renewi's business model is fit for the future. By increasing the availability of secondary materials, we help companies have a better grip on materials sourcing. In addition, our purpose helps us navigate the labour shortage: people are joining Renewi because of our positive impact on the planet and society.

Recycled wood used for biomass and as a secondary material for panel manufacturing

Optical sorting line, Maltha, Lommel

Long-term trends

Long-term trends remain favourable

- Recycling is stimulated by European Union and Benelux regulation
- Demand for recycled materials is growing
- Alternatives like incineration face increasing taxation and prohibitions
- Recycling enables European Union to be more self sufficient
- A growing focus on carbon emissions accounting (from both regulation and customer requests)

European Union and national government policies

Regulation to eliminate landfill and reduce incineration is gathering pace, while new rules aim to increase recycling and re-use. Furthermore, they demand secondary materials and cleaner cities, foster responsible production and encourage circularity throughout the economy.

Corporates

There is a growing focus on environmental, social and governance (ESG) criteria throughout advanced economies, and businesses are increasingly committing to more responsible production of materials. This frequently involves the inclusion of secondary materials in their processes to help meet their ESG targets. At the same time the international corporate regulatory frameworks are becoming stricter on GHG accounting, making full carbon footprint scope 1, 2 and 3 disclosure and overview of carbon reduction roadmaps mandatory.

Governments

A shift by governments towards a sustainable future is evidenced by various new targets. For example, those agreed at the UN's COP27 gathering in November 2022 and also, the ambitious 2050 European Union circular action agenda.

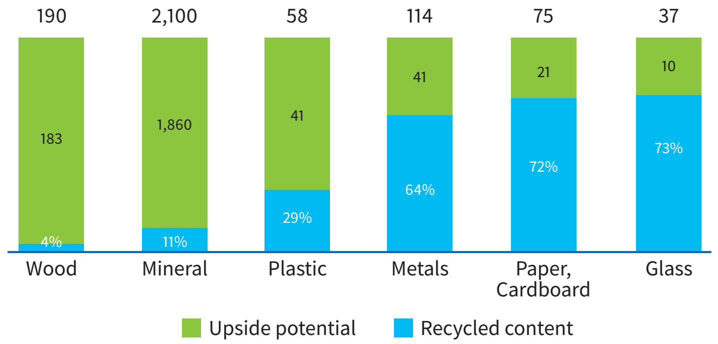
Consumer awareness

Increasingly consumers want to engage with businesses that conduct themselves sustainably and are demanding responsible production from the businesses they use.

Growing markets for recyclates

The demand for recyclates is increasing alongside opportunities to produce high-value secondary materials that can compete with virgin materials on price and quality.

Material use in the European Union (in mT)



Sources: European Union list of critical materials, EC Plastics Strategy Factsheet, Eurostat, JRC Science for Policy Reports, cepi.org

The world we live in CONTINUED

Financial Shared Services Centre; Lommel

Quality testing polystyrene from recycled fridges at our Coolrec laboratory in Waalwijk, used in new fridges and Playmobil's Wiltopia range

50%

Reduction in material footprint from 2015 to 2030

ambition for European Union Taxonomy on a Circular Economy

60%

Increase in municipal waste re-use and recycling by 2030

Waste Framework Directive

25%

Share of recycled content needs to shift from 48% to 60% from 2020 to 2030

European Union Taxonomy on a Circular Economy

70%

Packaging should be made from 70% recycled materials by 2030

Packaging Directive

THE WORLD IS EVOLVING

Operating in the world's most advanced circular economies

The Netherlands and Belgium are two of the world's most advanced circular economies, leading the way in climate change mitigation.

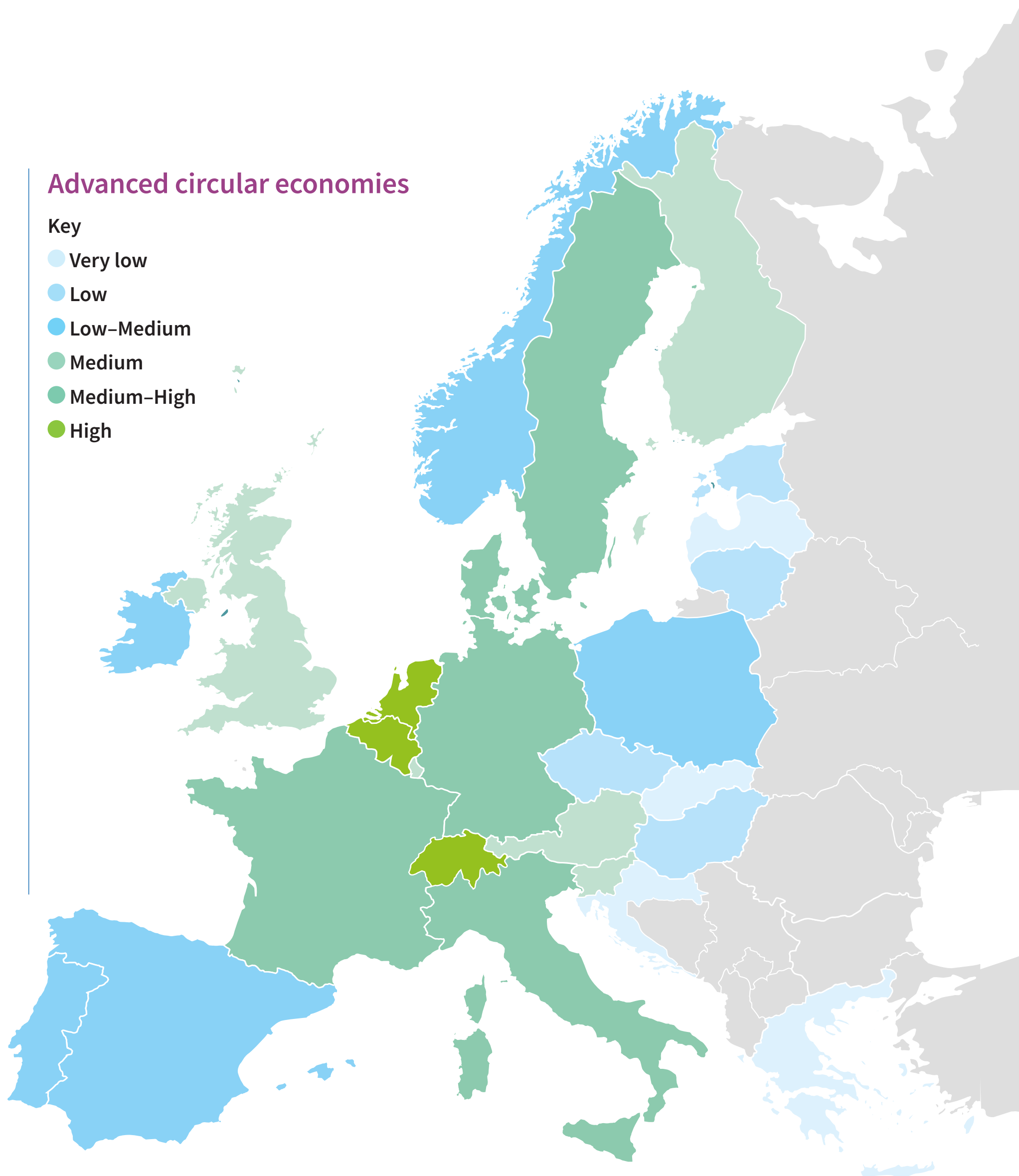
As many countries, particularly in Europe, look to adopt the same technologies and solutions against a backdrop of mounting political pressure and increasing consumer demand, this gives Renewi the opportunity to scale solutions beyond the countries in which we currently operate.

100%

The Netherlands will be 100% circular by 2050

The Netherlands government

Advanced circular economies



A desire for change

With the shift in understanding of the importance of circularity and achieving net-zero, we have noticed some wider societal changes.

- A shift from virgin materials to used materials with a correlating swing from high to low emissions, as more companies commit to the use of recycled materials and target net-zero emissions
- An accelerating transition from incineration and landfill towards recycling
- A persistent legislative push by governments stimulating circular behaviour through new policies, directives, decrees, bans, incentives and taxation
- Increasing environmental standards which require more advanced recycling technology and processes

However, there are constraints in place which are hindering our transition to a global circular economy. To tackle these, we need to:

- redesign value chains;
- align circularity with business interests;
- step up the promotion of circular behaviour; and
- design effective policies and accelerate certification and permitting processes.

European Union member states are already addressing bottlenecks, such as Belgium's implementation of VLAREMA 8, which bans the incineration of unsorted residual waste. We need to see progressive legislation like this in more countries.

Each step and each push towards circularity – big or small – offers Renewi an opportunity to progress on its mission and capture additional growth.

Read more about how our new sorting lines are helping customers comply with VLAREMA 8 on page 77

Why Renewi is well positioned

With people, companies and governments placing greater emphasis on tackling climate change, Renewi's position and the role we play in the circular economy has become increasingly important.

OUR UNIQUE WASTE-TO-PRODUCT STRATEGY

At Renewi, we focus on secondary material production through innovation, technology and partnerships. This focus is leading to the creation of higher-quality secondary materials, which are becoming increasingly appealing for businesses who want to reduce their impact on the planet. We offer innovative processes for recycling a diverse range of products and materials, from plastics and mattresses to asbestos-contaminated steel and orange peels. We deliver higher-value solutions too, for example bio-LNG and biogas to grid rather than electricity generation.

We do not own incinerators and benefit financially from diverting waste to avoid incineration costs. Importantly, the environment benefits too. At 63.6%, we believe our recycling rates are leading internationally, and we aim to further increase this position. This year, we have sharpened our recycling rate reporting methodology framework and baseline to ensure compliance with latest international standards and guidelines. Our ambition to achieve a 75% recycling rate and beyond – Mission75 – still remains. The target year for reaching 75% will be confirmed during next year. Our activities avoid 2.5mT CO_2 each year by putting 7mT of materials back into re-use, tangibly contributing to the circular economy.

For years, Renewi has worked with a network of innovative customers and partners to provide closed-loop circular solutions. We also work with universities, entrepreneurs and other corporates, across multiple models, including direct investment, co-investment in joint ventures and logistics support.

OUR MARKET POSITION

We have the number-one position in our markets, handling: 11mT of waste, a fleet of circa 2,000 trucks and around 0.5 million bins and containers across 154 sites, and we own the waste.

Our major processing sites are well-known hubs for converting waste into secondary materials. This makes us the partner of choice for large companies to source secondary materials, including global companies and large businesses from most European industrial sectors.

OUR ROLE IN THE CIRCULAR ECONOMY

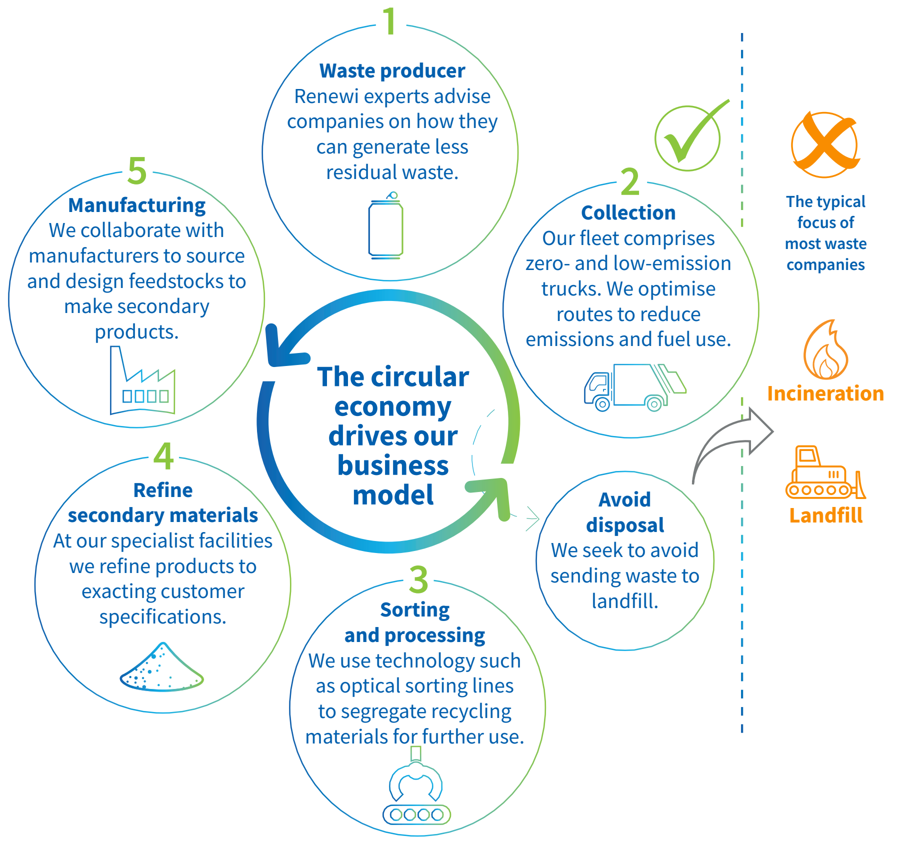
We believe businesses have both the power and responsibility to help manage our planet's resources. At Renewi, we operate at the heart of the circular economy and are uniquely positioned to drive environmental leadership, address challenges and turn them into business opportunities. By doing so, we aim to deliver a purpose-led positive impact for people and the planet.

Our aim is to recycle more and better, so that one day we can replace virgin materials.

We are building a company that is:

- serious about sustainable, long-term growth;
- caring and concerned for our people's safety and wellbeing;
- geared to deliver attractive returns; and
- best-in-class for ESG performance.

Waste and the circular economy



Secondary material
M&W, Gravel mix. Polluted soil and tar is processed into gravel, sand and filler for the concrete industry

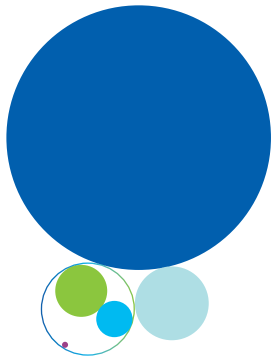
What we do: converting waste to product

As a pure-play recycling company, we generate revenue by converting the waste we collect into secondary materials, which we sell to our customers. Unlike many of our competitors, who typically draw revenue from the incineration of waste, our activities generate revenue while contributing to a circular economy.

We process a broad range of materials, with the aim of giving them a second life wherever possible. We aim to achieve a recycling rate of 75% – we call this Mission75. Today, our recycling rate is 63.6%.

We have outlined the vast majority of the waste we process and the new materials we create.

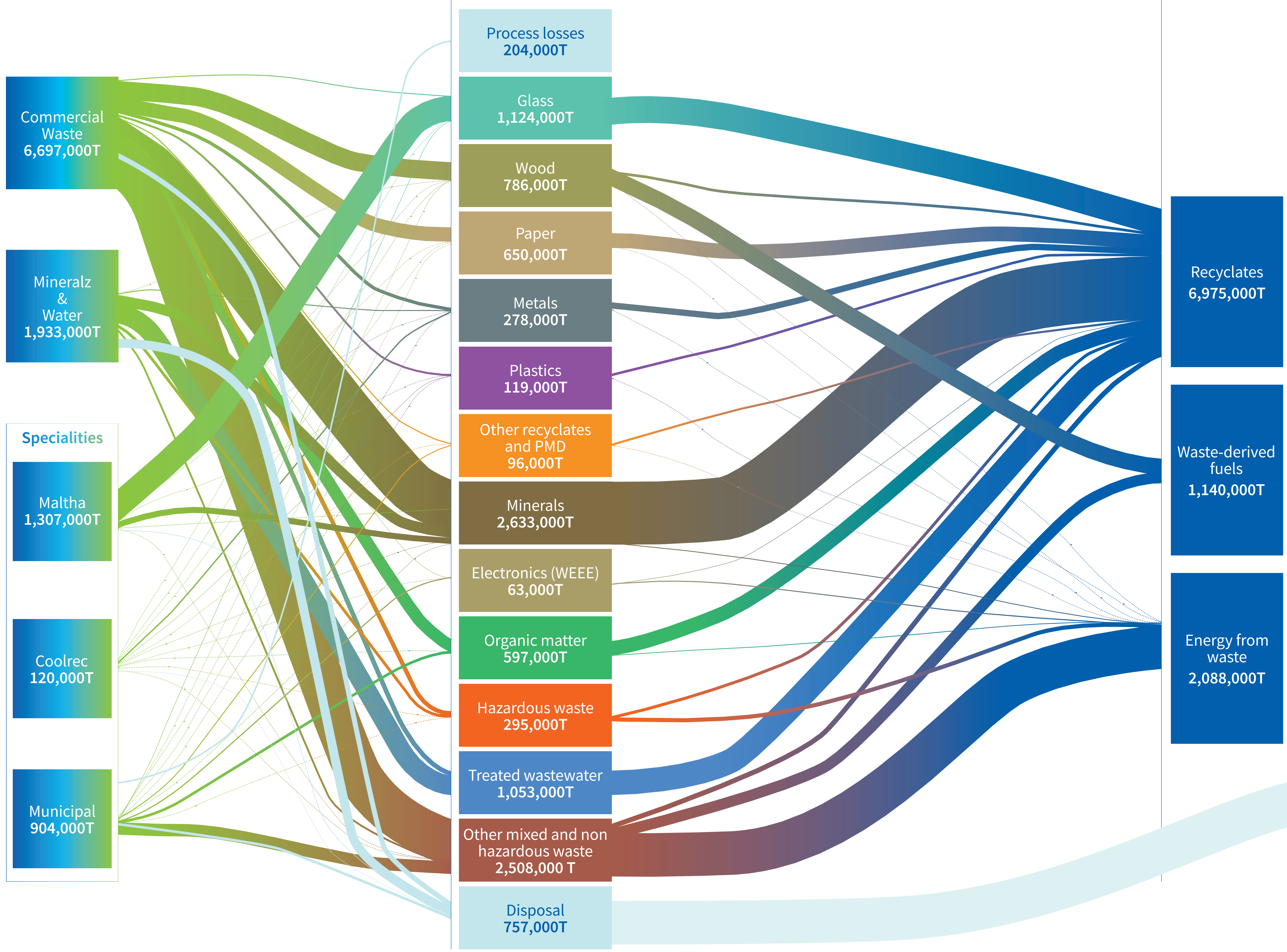
RENEWI ACTIVITIES BY SCALE



- Commercial Waste
- Mineralz & Water
- **Specialities**
- Maltha
- Coolrec
- Municipal

Based on FY23 full year output volume data

RENEWI ACTIVITIES | MATERIALS TYPE | DESTINATION | SECOND LIFE OF MATERIALS



New life of materials

We distinguish two types of recyclates: materials that have reached end-of-waste status and can go back into the production process, and our recyclates that we hand to other parties for further processing before they go back into production processes.

Recovery of energy

Only when legislation or technology advancements stop us from turning waste into secondary materials do we turn waste into energy. This way we still make the most of the value in this waste.

Disposal

We aim to recover and process as much of our inputs to the highest quality we can. This is why we treat disposal – landfilling and combustion without energy recovery – as a loss in process and only resort to this when absolutely necessary.

Who we do it for: our customers

Our 150,000+ customers underpin our success and understand the value of waste management in the creation of a circular economy.

Medical waste, Commercial Waste BE, Seraing

Innovation is the glue that holds us together. Every day, we work with our customers to create new solutions to support their sustainability goals, while responding to demands for continually higher quality secondary materials for use in increasingly demanding applications. This might be through the management and collection of waste or the creation of new technologies, processes and materials. Sustainability runs through our core, so we can facilitate the reduction of carbon emissions for both our customers and their value chains.

Technology plays an important role in improving our interactions with our customers. The development of our Renewi 2.0 programme, which includes the optimisation of Renewi's customer journey, resulted in improved customer satisfaction. (Read more about Renewi 2.0 on page 46). On the site floors, we have also invested in state-of-the-art sorting technology to improve yield (recovery rate) and purity. For example, we have upgraded the plastics at Coolrec and our Ghent and Acht facilities, and improved the wood sorting at our Nieuwegein facility.

We place our diverse and robust portfolio of customers into two groups, waste-producing and product customers. (Read more about how and why we engage with our customers on page 122.)

WASTE-PRODUCING CUSTOMERS

We have dedicated focus teams for our customer groups across healthcare, industry, construction and other services. Our diverse client base comprises SMEs, multinationals and local and national governments.

Our customers receive tailor-made solutions to support their waste management requirements, with input from our Material Support Officers and Sales Engineers. In the construction and demolition segment, for example, we are developing our circular construction site offering that includes improvements to help sort waste at the source, enabling customers to increase recycling rates.

Most importantly, our expertise means we can process any waste stream, thereby acting as a one-stop-shop for customers nationwide.

PRODUCT CUSTOMERS

Providing our customers with innovative solutions and high-quality secondary raw materials entails creativity and selectivity, particularly in light of increasing regulation and certification, such as the International Sustainability & Carbon Certification covering the supply chain.

The scale of our business means we can provide our customers with security of supply, and our market-leading knowledge and expertise surrounding waste materials and their processing enables us to easily adapt to their specific needs and expectations.

This year our customer portfolio has expanded. Typical examples of customers within these groups include paper mills, cardboard and corrugated carton producers, steel mills and blast furnaces, plastic compounders and moulders, chipboard and fibreboard producers, and concrete and construction producers. A notable highlight is our pioneering partnership with Playmobil. This collaboration saw Coolrec provide recycled plastic for the creation of Playmobil's Toy of the Year-winning Wiltopia range, which is composed of more than 80% sustainable materials.

Long-term partnerships

Renewi operates many long-term engagements with customers and partners. Johannes Naumann, BioLNG Business Development Lead at Shell, on the value of our relationship: "Supporting the reduction of greenhouse gases in our products and services is a key part of our strategy, which Renewi helps support through its supply of biogas to Nordsol, producers of bio-LNG. Through this collaboration, since February 2022 we have been able to deliver a CO_2-equivalent reduction of roughly 30% to all customers who fuel up with Shell BioLNG blend in the Dutch Shell LNG network. In turn, this helps our customers reach their own ambitions set for 2030 with regards to emission reductions."

Customer segments based on revenue – Commercial Waste

SME	25%
Large Accounts	23%
Domestic	22%
Output Revenue	14%
Other	16%

For information on our waste streams, see our waste-flow diagram on page 22

Helping the Belgian Federal Government towards net-zero healthcare by 2050

The healthcare sector is a significant part of our customer base, and we are helping the Belgian Federal Government meet its COP26 commitment to having a net-zero healthcare system by 2050. We are part of a voluntary programme for the recycling of non-risk medical PVC consumables (such as tubing, masks and IV sets) into healthcare products with a longer lifespan, such as floor and wall coverings and rehab products. This cross-value-chain collaboration brings together Renewi, our partner Raff Plastics and VinylPlus®, the European PVC industry's commitment to sustainable development. Co-ordinated by VinylPlus, Raff Plastics processes the PVC materials and turns them into high-quality and regulatory-compliant recyclates. Renewi provides logistical support for the collection and transport of waste.

Business model: creating value for our stakeholders

We consider our stakeholders in every decision we make. Our purpose and vision lead our strategy. Our ultimate aim is to benefit our stakeholders and wider society.

Creating value at the heart of the circular economy

Led by

OUR PURPOSE

To protect the world by giving new life to used materials

OUR VISION

To be the leading waste-to-product company in Europe's most advanced circular economies

Taking into account

WHAT WE DO MATTERS

Climate change is the key issue of our times; the circular economy is a vital part of the solution

Page 20

OUR DIVISIONS

Our people, investments, innovation and technology are all essential to our business

Page 6

ENGAGING WITH OUR STAKEHOLDERS

We encourage feedback from all our stakeholders, so we can evolve, strengthen and grow our business

Page 121

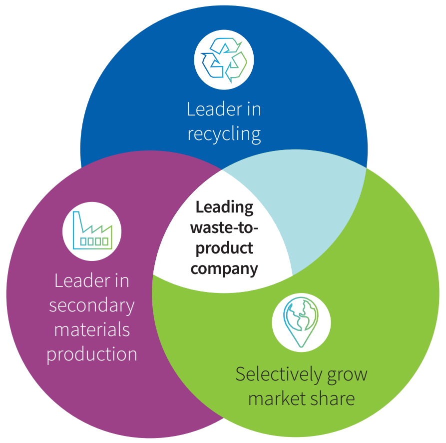
What we do

We generate revenue from collecting, sorting and treating waste and by selling the recyclates and secondary materials we produce. Our focus is downstream of the value chain in line with market value – from collection to recycling and other processing treatments. We plan to deliver more and higher-quality secondary raw materials and biofuels. This focus on creating products from waste differentiates us from many large competitors, who typically draw revenues from incineration activities.

Page 22

Driven by

OUR STRATEGY



VALUE DRIVERS

- Circular innovations
- M&W recovery
- Renewi 2.0

Page 42

OUR SUSTAINABILITY THEMES

- Enable the circular economy
- Reduce our carbon emissions
- Care for people

Page 50

For all stakeholders

We regularly engage with our stakeholders and remain responsive to their feedback so that we can continually address key issues, add value and resolve any problems, these include:

- Waste-producing customers
- Product customers
- Suppliers
- Innovation partners
- Government
- Regulators
- Employees
- Global communities
- Lenders
- Shareholders
- Local communities

Pages 121 to 128

63.6%
Recycling rate

2.5mT
Total carbon avoidance

24eNPS
Employee engagement score

Aligned to the UN SDGs

A solid investment in the circular economy

Circularity is at the heart of everything we do, and as the progressive economies recognise its value, our expertise and innovation are perfectly placed for a low-carbon future.

1 FAVOURABLE LEGISLATION

Climate mitigation and circularity have been key elements of our strategy from the start. As a pure-play recycler, we seek to avoid incineration and landfill, converting waste that can be turned into new, low-emission materials. Increasingly, legislation is promoting circular behaviour and tailwinds.

Read more about our strategy on page 20

2 A MARKET LEADER

Renewi holds market leading positions. It is not just the volume of waste we handle – when this is combined with our carbon avoidance and leading recycling rate, our market position means we make a tangible, positive impact on our environment.

Find more detail on our market position on page 20

3 CUSTOMER COLLABORATION

We work hard to form lasting relationships with our 150,000+ customers; relationships which benefit us all through the use and promotion of secondary materials. Our collaborations develop new, innovative solutions that enable customers and partners to meet their waste management requirements and sustainability targets.

Read more about our partnership with Playmobil on page 85

4 INVESTING IN INNOVATION

Our progress is underpinned by our investment in technology and innovation, meaning we can continue to offer our customers the solutions they need. We are focused on optimising the quality of our recyclates to increase their use in favour of virgin materials. To date, we have invested €60m, with another €30m in FY24.

Read more about where our capital is deployed on page 42

5 A SKILLED AND DEDICATED WORKFORCE

We have over 6,500 employees, each taking pride in their role at Renewi and the shared drive to make our world cleaner and greener. The ethos of our skilled and dedicated engineers, mechanics, truck drivers and everyone else at Renewi keeps our customers cared for and our business strong.

Read more about our workforce on page 66

Secondary material
Coolrec, Coolstar Fridge granulates, recycled into new fridges and children's toys

6 STRONG ESG PERFORMANCE

This is reflected in our strong ESG scores and accreditations. We work hard to maintain the highest ESG ratings and in the latest Standard & Poor Global Ratings (S&P) received a best-in-class score of 83. We participate in a range of initiatives, including the UN Global Compact.

Read more about our sustainability strategy on page 50

Our ESG performance

83/100 — S&P Global Ratings	Part of the LSE Green Economy Mark	Score C — Climate Change Questionnaire — CDP
Advanced level — United Nations Global Compact	Remaining part of the FTSE4Good for the last 11 years — FTSE4Good	Level 4 — For our Dutch Commercial Waste division, Mineralz & Water, Coolrec and Maltha — CO₂-Prestatieladder

CEO's strategic review

I am pleased to report that Renewi has performed very well in the past year, in terms of a robust financial performance, alongside the further development of its long-term strategy for accelerated growth.

Summary

- Revenue of €1,892m and underlying EBIT of €132.9m similar to prior year
- Effectively mitigated normalisation of recyclate prices, lower volumes and high inflation through cost control and customer price increases
- Good progress made on our key strategic initiatives to deliver €40m of additional EBIT by FY26, with the first €20m delivered to date
- Customer NPS increased from 3 to 18
- Recycling rate (rebased) increased to 63.6%, 7mT of secondary materials put back into re-use
- Scope 1, 2 and 3 emissions methodology externally validated, application for SBTi under way
- For more information on our innovation portfolio, visit renewi.com

Our key strategic initiatives aimed at delivering sustained growth for Renewi are continuing to deliver according to plan

OVERVIEW

Renewi delivered a strong performance in FY23, and our business coped well in a macroeconomic environment that saw cost inflation across our operations as well as volatility in recyclate prices. As anticipated, revenues were stable year on year, with an underlying decline in input volumes. The normalisation in recyclate prices during the year from all-time highs was balanced by a disciplined pricing strategy with our customers. In this environment we were pleased to see strong loyalty from customers, and our ability to pass our input costs on to them demonstrates both the quality and essential nature of our services. Our activities are driven by an increasingly favourable legislative environment in our core markets, and we expect governments will continue to legislate to mandate higher levels of recycling in the future.

We delivered consistent EBIT margins as we took action to eliminate loss-making volumes, particularly in our Belgium commercial business, and maintained tight cost controls across the company. In a competitive marketplace we have been able to achieve low customer churn and win a number of important new commercial contracts. Our customer Net Promoter Score has further improved from 3 to 18, against a long-term target of 23 – confirming we are on the right track to further improve our customer services. This is primarily as a result of the significant investment in this key area including the digitisation aspects of Renewi 2.0.

Our key strategic initiatives aimed at delivering sustained growth for Renewi are continuing to deliver according to plan. We will begin to see the benefits of significant capital investment in our advanced sorting facilities in Belgium, and the building of the new rigid plastics recycling facility in Acht remains on schedule.

We are strengthening our positions in certain sectors of our core markets, including construction, healthcare and retail. During the year, we acquired Renewi Westpoort from Paro to further strengthen our leading position in the construction and demolition market in the Netherlands, and to give us nationwide coverage for the large building companies. At the same time we continue to explore new uses for our secondary materials with a landmark deal signed with Playmobil during the year to produce a range of toys containing >80% recycled plastics provided by our Coolrec business. In addition, we recently received an award for a fully closed loop solution with Electrolux, where inner liners for new fridges are to be made of >70% recycled fridge plastics from Coolrec.

In a year where the effects of climate change have continued to drive news headlines, with significant adverse weather events and record temperatures, the imperative to achieve carbon reduction goals as set by governments has become even more obvious. The actions of legislators are encouraging corporates to pursue net-zero strategies including the procurement of low carbon secondary materials, as well as zero-waste strategies. By giving new life to used materials and delivering high-quality recyclates that have a much lower carbon footprint than similar materials derived from virgin materials, we can make a significant contribution to reducing carbon emissions.

We are proud to be a major operator in the Netherlands and Belgium, where the adoption of the circular economy is one of the highest within Europe. This position has been driven to some extent by the positive legislation that has been put in place by national governments that recognise the imperative to increase recycling rates and change customer and consumer behaviours. Although we acknowledge that there is still much that needs to be done, we recognise that we have significant embedded expertise that can be brought into other territories that will inevitably legislate to bring circularity into their own economies.

Total revenues were up 1% to €1,892.3m and underlying EBIT was down 1% to €132.9m. Profit before tax decreased by €2.6m to €93.1m. Earnings per share fell to 79 cents (FY22: 93 cents) driven by an increase in the effective tax rate.

Outbound revenue from the sale of recycled materials increased to €391.4m (FY22: €372.6m) principally driven by a €23.5m increase in Specialities from Maltha and Coolrec and robust recyclate revenue in Commercial.

The Commercial Division, representing over 73% of Group revenues, increased revenue by 3%. Underlying EBIT fell by 5% driven by cost inflation, higher utility costs, wage inflation, lower volumes and normalisation of recyclate prices with a more pronounced impact in the Netherlands.

The Mineralz & Water Division saw revenues decline by 2%, and underlying earnings declined by €5.3m to €0.5m due to increased TGG cost accruals and landfill provisions. Performance at the waterside was strong, despite an operational issue that required unplanned maintenance. These issues have now been resolved. On the soil side we made good progress in the development of producing building products on specification, with sand and filler quality working towards the requirements of the concrete industry. This will allow us to start increasing our throughput of contaminated soil in the second half of FY24. We also have increased visibility on legacy offtake and have several contracts signed and in negotiation. To facilitate offtake we anticipate higher prices, which has impacted underlying EBIT by an increase in disposal cost accruals.

CEO's strategic review CONTINUED

The Specialities Division saw flat revenues year-on-year with a decline in Municipal offset by strong revenue growth at Coolrec and Maltha. Underlying EBIT increased by €13.0m to €17.1m principally driven by Maltha, along with the previously announced €5m benefit from the IAS 37 accounting changes for Municipal.

Group central services costs have increased by €2.0m in the year as a result of increased investments in digitisation.

Renewi delivered adjusted free cash flow of €72.9m (FY22: €91.3m as adjusted for the prior year restatement as referred to in note 1) reflecting an increase in replacement capital expenditure and tax payments. As shown in the funds flow performance, there was a total cash outflow of €64.9m (FY22: inflow of €29.4m) driven by the initial net debt impact of €66m to acquire the Renewi Westpoort business from Paro, taking core net debt to €371m (FY22: €303m). Accordingly, core net debt to EBITDA increased to 1.8x at 31 March 2023, FY22: 1.4x). Leverage is still comfortably within the Board's long-term target of 2.0x. Liquidity headroom including core cash and undrawn facilities was also strong at €323m.

We are continuing to prioritise the allocation of our capital towards the maintenance and enhancement of our existing assets, investment in new growth projects and participating in the consolidation of our industry through selective acquisitions. As exceptional expenditure on the Renewi 2.0 programme is coming to an end, and legacy items of expenditure including repayment of Covid taxes and placement of TGG are expected to be completed in the next 24 months, the Board intends to reinstate a progressive dividend at the end of the coming financial year.

SUSTAINABILITY MEANS A NEED FOR CIRCULARITY

Our purpose has always been to give new life to used materials, and our vision is to be the leading waste-to-product company in Europe's most advanced circular economies. We have made significant progress during the year to build on our position as a leader in the circular economies in which we operate.

Despite a period of economic uncertainty, the drive from governments and industry towards decarbonisation has continued to gain momentum, driven by tangible evidence of the effects of global warming that have become increasingly evident during the year. This has manifested itself in an increasing demand for secondary materials from manufacturers and more legislation aimed at increasing recycling rates both from domestic consumers and corporate entities.

Sustainability remains at the heart of everything we do. Our purpose, our vision and our business strategy have sustainability at their core. In keeping with our purpose, our business and sustainability strategies are inextricably linked and mutually supportive. In practical terms this means we focus on three key objectives: Enable the circular economy, Reduce our carbon emissions and Care for people.

Restating our recycling rate to updated international reporting standards

During FY23 a comprehensive external review of our sustainability calculation methodologies to ensure adherence to the latest European Union guidance and Greenhouse Gas (GHG) protocol has been completed. This resulted in an updated codification of the approach, and we have updated our baseline and targets for scope 1, 2 and 3 carbon emissions and scope 4 carbon avoidance, as well as the recycling rate. Changes in methodology reduced the reported waste volumes processed, waste volumes recycled, and scope 4 carbon avoidance, and increased the scope 1&2 emissions. Scope 3 is reported for the first time. The revised baseline FY22 values are shown in the table below.

Following the work in FY23, we have committed to set near-term targets to the Science Based Targets Initiative (SBTi). Our application process has started and we are planning on submitting our targets for validation by SBTi over the coming months. Our carbon reduction ambition by FY31, from a FY22 baseline as well as our restated figures, are laid out in the table below.

The recycling rate increased in FY23 relative to FY22 following the investments in new sorting and processing installations, as well as the acquisition of Renewi Westpoort (Paro), and notwithstanding portfolio changes in M&W where some high recycling rate low margin activities were stopped or sold. Our ambition remains to achieve 75% recycling, our Mission75 programme, despite the fact that due to the tighter definition our baseline has been reduced by 6 percentage points.

Sustainability performance during the year

During the last year we have made good progress with our strategy, including the following highlights:

Enable the circular economy
- Recycling rate increased by 1.8% points to 63.6%
- Scope 4 carbon avoidance of 2.5mT generated by producing low carbon recyclates that replace higher carbon virgin materials
- Our new state-of-the-art advanced sorting facility in Ghent was opened, achieving a >50% recycling rate on a 125kT residual waste stream which was previously incinerated

Group summary

	REVENUE			UNDERLYING EBIT		
	FY23 €m	FY22 €m	Variance %	FY23 €m	FY22 €m	Variance %
Commercial Waste	1,397.3	1,360.5	3%	129.3	135.7	-5%
Mineralz & Water	190.9	193.9	-2%	0.5	5.8	-91%
Specialities	348.6	350.1	0%	17.1	4.1	>100%
Group central services	–	–	–	(14.0)	(12.0)	-17%
Inter-segment revenue	(44.5)	(35.3)	–	–	–	–
Total	1,892.3	1,869.2	1%	132.9	133.6	-1%

The underlying figures above are reconciled to statutory measures in notes 2 and 8.3 in the consolidated financial statements.

Coolrec, Dordrecht

- We decontaminated 1mT of wastewater, an achievement we are particularly proud of in light of current droughts throughout Europe

Reduce our carbon emissions
- Scope 1&2 reduced footprint by 60kT (-9%)
- Scope 3 carbon footprint is now mapped at 1.2mT for the FY22 baseline year and will report on this going forward
- We have committed to set near-term science-based targets to SBTi
- Belgium's tallest wind turbine, located on our Ghent facility, has started generating power

Care for people
- Our employee Net Promoter Score has further increased to 24 (FY22: 18) and our diversity target based on women in management has further improved to 24% (FY22: 22%)
- The total number of complaints received by our sites has remained low for a second year in a row, dropping further from 156 in FY22 to 133 in FY23, driven by continuous investments in technology, staff awareness training and active communication with the community
- Major environmental incidents and fires have decreased significantly from 19 in FY22 to 3 in FY23

Progress against each of our specific targets will be detailed in full in our forthcoming Sustainability Review

OUR STRATEGY FOR THE LONG TERM

We have a clear and consistent business strategy to deliver long-term growth in both margins and volumes. To date, our strategy has been focused on margin expansion through increased recycling rates and the production of higher-quality materials. In addition, we are seeking to expand our market share both in our core territories and internationally.

Our strategy is based on three pillars:
1. **Be a leader in recycling.** Our ambitious goal, launched as Mission75, is to increase our recycling rate to 75% from the current 64%, which we believe is already the highest in Europe. We continue to focus on diverting waste away from incineration as a key driver to achieving this mission
2. **Be a leader in secondary material production.** For production companies currently using primary materials, the easiest way to improve their circularity is by using high-quality, low carbon secondary materials that they can drop into their existing production processes. To help them do this, we are continuing to invest in increased valorisation through advanced processing facilities to deliver materials of the required quality
3. **Grow market share.** Our aim is to achieve this through delivering organic growth and by taking advantage of the consolidation opportunities in our sector both within our core markets and

Carbon reduction ambition

Metric	FY22 (baseline)	FY23 (actual)	Target
Volume of waste handled / recycled (mT)	11.5/7.1	11.0/7.0	Not applicable
Recycling rate	61.8%	63.6%	75%
Scope 1&2 CO_2 emissions (mT CO_2 equivalent)	640	580	50% reduction by 2030 (FY31)
Scope 3 CO_2 emissions (mT CO_2 equivalent)	1.2	N/A	25% reduction by 2030 (FY31)
Scope 4 CO_2 carbon avoidance (mT CO_2 equivalent)	2.6	2.5	Increase with recycling rate
Metrics using previous methodology, reported for historical comparability			
Recycling rate	67.2%	69.4%	
Scope 4 CO_2 carbon avoidance (mT CO_2 equivalent)	3.1	No longer calculated	

CEO's strategic review CONTINUED

potentially in new territories that are suited to our waste-to-product model. In this endeavour we have three areas of focus:

- Organic investment opportunities. Offering attractive returns profiles of greater than 16% pre-tax returns. These include more than €100m of investments already committed in our innovation pipeline and further opportunities that are currently being assessed
- M&A within the Netherlands and Belgium. These investment opportunities have the potential to consolidate and enhance our market position in attractive sectors
- M&A outside of the Netherlands and Belgium. We have the potential to take our expertise and waste-to-product model into other European jurisdictions with more advanced circular economies. In the immediate term there are opportunities to expand in niche waste segments where collection is not a requirement of the business model: glass, white goods and mattresses being good examples. Longer term, we believe our waste collection model can be replicated in other territories, where the development of the circular economy will be driven by European Union legislation

Collectively across these three focus areas, we have committed over €175m over the last two years, including more than €100m of investment in our innovation pipeline and €66m for the acquisition of assets from Paro. These investments are being funded by the Group's cash flow and borrowing capacity.

Update on the Group's value drivers

We have three specific areas of activity to grow underlying profitability in the period to FY26. These are our ongoing investments in circular innovations, the recovery of our Mineralz & Water business and the Renewi 2.0 efficiency programme. Together these drivers will deliver €60m in total by FY26 and we are on track to achieve this, although the Mineralz & Water recovery is taking longer than expected. Each of these three value drivers is discussed in more detail below.

1. Our investments in circular innovations: innovation pipeline

We are investing in innovative solutions to increase recycling rates and the quality of the recyclates we produce, the first two pillars of our strategy to deliver an additional EBIT of €20m by FY26. Our programme to deploy over €100m of investments across multiple areas is progressing well, with €60m currently deployed. Each project will exceed our threshold for pre-tax return on operating assets of 16% once the facilities are fully up and running. We also have a pipeline of potential innovation projects for future investments. Full detail is shown below.

2. The recovery of our Mineralz & Water business

We are witnessing an emerging demand from the construction sector who are keen to improve the circularity of their operations by incorporating secondary materials into their building products. The secondary products also provide a financially attractive alternative to the scarce primary materials. At ATM we produce three building products from contaminated soil: gravel, which is selling well, and sand and filler which we
are selling in restricted volumes while we work on getting the quality of sand and filler in line with the requirements of the concrete industry.

To meet the necessary quality we have invested in further treatment equipment, which will come on stream over the summer. This will allow us to increase our TGG throughput in the second half of FY24. This is an important and final step in the recovery of M&W, as we will increase both input and output volumes accordingly.

3. Renewi 2.0

Our three-year Renewi 2.0 programme is largely complete and the targeted €20m underlying EBIT run rate will be achieved in FY24 and we are in the process of handing over the remaining activities to the Divisions. The programme has delivered MyRenewi, a portal used by over 100,000 of our customers, to place and modify orders, to add services, to review their carbon footprint related to waste produced and their invoices among other things. Another part was the delivery of a new web shop for new customers and a portal for suppliers. In addition to the gained efficiency, our customer NPS score improved from 3 to 18 and employee NPS improved from 18 to 24. The Renewi 2.0 programme will be delivered with an expected programme expenditure €12m less than our original €40m expectations.

We will continue to work on our efficiency and digitisation to further improve customer satisfaction and employee engagement and to reduce our cost base further.

GROUP OUTLOOK AND DIVIDEND

Although the macroeconomic environment remains unpredictable, Renewi has proven that it is able to operate successfully in the recent years of high volatility, adapting our cost structure to reduced volumes and protecting our margins by passing on cost increases to customers. Our dynamic pricing policy, where we link the price for our waste collection to the index price of the recyclates we produce from waste, has proven successful, especially in times where some recyclate prices fluctuate. We expect recyclate prices to remain more stable at normalised levels in the coming year. Volumes in the year are expected to develop in line with economic activity.

With the Renewi 2.0 programme benefiting the business, the recovery of Mineralz & Water progressing and the investment in new lines coming on stream, we are confident in Renewi's ability to grow in the future.

Our investment programme is ongoing, and the business continues to identify investment opportunities that are expected to yield strong returns. In addition, Renewi anticipates a consistently improving cash position going forwards due to efficiencies across the business and an end to deferred Covid tax payments. We now expect to be in a position to pay a dividend for FY24.

Renewi is now well positioned to focus on growing both the top line and profitability of its core businesses for the longer term. Over the next five years, our aim is to accelerate revenue growth targeting €3bn at high single digit margins as a minimum. We will achieve growth through market share gains, by extracting more value from waste by deploying advanced recycling and by targeted acquisitions. EBIT improvement is expected to grow even faster, driven by growth and cost reduction through digitisation.

Circular innovation investments

PROJECT	STATUS
Advanced residual waste sorting Flanders	Three lines approved. Two out of three progressing in line with expectations: • Ghent: production started January 2023 and operating as expected • Puurs: civil works started, on track, and new baling area ready and in production • Limburg site: new site acquisition delayed due to permitting process
Organics: expanded depackaging capacity	Installation completed and operating as expected
Organics: bio-gas to bio-LNG	Installation completed and operating as expected
Plastic recycling	Ghent and Waalwijk investments complete Acht progress on track: civil works completed and construction of technical equipment progressing well. Commissioning beginning Q2 as planned
Mattress recycling	Investment of chemical recycling of PUR foam facility in Lelystad. First international expansion completed with the integration of TFR Group in the UK
Polyurethane recycling	Technical and commercial feasibility studies ongoing
Wood flake for low-carbon steel	Project stopped for commercial reasons

Collaboration drives our progress

Sucessful collaboration between the CEO and CFO is helping Renewi deliver on its strategic objectives.

When Annemieke den Otter joined Renewi as CFO in 2022, both Annemieke and Otto de Bont, the CEO, made a commitment to build a collaborative working relationship. They knew that by working well together, they would help Renewi deliver on the company strategy.

From day one, the two booked a weekly time slot, allowing them to discuss existing and upcoming investments and strategic progress, as well as anything else that requires their attention. They also make sure that for at least one day a week they work from the same location, to avoid the chance of not seeing each other for weeks at a time which, in Annemieke's words, "just doesn't work". In fact, Annemieke and Otto are planning to increase the number of days worked in the same location to at least two per week.

The time around financial results is an intense one for the CEO and CFO, and the two ensure they travel together to maximise on time together. And, as added benefit, they have a lot of laughs.

A key element of the CEO and CFO's successful collaboration is the way they challenge each other and how they distribute the topics that need attention. When it comes to strategic growth opportunities, both the CEO and CFO will meet the stakeholders involved and form a joint decision on the way forward. "We've been consciously picking and choosing what we dive into together," adds Annemieke. "Our close collaboration is critical to drive the success of the business," adds Otto.

Each day, lines of communication between the CEO and CFO are always open, which means collaboration is ongoing and good strategic progress is being made. As Annemieke says. "It makes things so much easier if you work together."

It makes things so much easier if you work together

Annemieke den Otter, CFO

Our close collaboration is critical to drive the success of the business

Otto de Bont, CEO

CFO's financial review

Renewi delivered a strong performance in FY23 despite the difficult macroeconomic environment of high inflation and volatility. We have made significant progress during the year to build on our position as a leader in the circular economies in which we operate.

Summary

- Basic EPS reduced from 93 cents to 79 cents
- Group underlying EBIT margin of 7.0% with Commercial, Maltha and Coolrec all operating close to 10% EBIT margin
- Statutory profit of €66.6m
- Cash generation expected to improve consistently over time

Renewi delivered a strong performance in FY23 despite the difficult macroeconomic environment of high inflation and volatility. Revenues were stable year on year. Underlying EBIT was slightly lower than the prior year despite the €24.8m impact of lower volumes from a decline in input volumes and recyclate pricing. Cost inflation was largely mitigated by pricing discipline and ongoing cost initiatives. Favourable one-off items in the current year of €16.5m (FY22: €9.0m adverse impact from one-off items) resulted from settlements with incinerators, property disposals, IAS 37 amendment implementation as referred to below and other items.

Underlying EBITDA decreased by 3%, whereas underlying EBIT was 1% lower with a number of impairments in the prior year not repeated in FY23 and a higher profit from disposal of property, plant and equipment this year. Interest charges and share of results from associates and joint ventures were marginally adverse to last year. The level of exceptional and non-trading items in the current year was slightly higher than last year at €10.6m as described below, resulting in a statutory profit for the year of €66.6m compared to €75.4m last year.

As previously announced the amendment to IAS 37 Onerous Contracts – Costs of Fulfilling a Contract, effective from 1 April 2022, clarifies that the costs of fulfilling a contract should include an allocation of other costs that relate directly to fulfilling the contract in addition to the incremental costs. The Group assessed the impact of this amendment which resulted in an increase to the onerous contract provisions of €53.2m. The cumulative effect of initially applying the amendment has been recognised as an adjustment to the opening balance of retained earnings as at 1 April 2022. The impact has resulted in annual costs of €5m now being utilised against the provision rather than recorded as part of underlying EBIT with no impact on cash. As permitted by the amendment, the Group has not restated the comparative information.

Financial performance

	FY23 €m	FY22 €m	Variance %
Revenue	**1,892.3**	1,869.2	1%
Underlying EBITDA	**255.6**	262.6	-3%
Underlying EBIT	**132.9**	133.6	-1%
Operating profit	**121.4**	124.0	-2%
Underlying profit before tax	**103.7**	105.2	-1%
Non-trading and exceptional items	**(10.6)**	(9.5)	
Profit before tax	**93.1**	95.7	
Total tax charge for the year	**(26.5)**	(20.3)	
Profit for the year	**66.6**	75.4	

The underlying figures above are reconciled to statutory measures in notes 2 and 8.3 in the consolidated financial statements.

Thanks to the great efforts of our employees and the loyalty of our customers we have been able to cope with some extraordinary circumstances

Further to a more in-depth analysis of the UK Municipal contract with East London Waste Authority (ELWA) and receipt of legal advice, it has been determined that the original lease accounting as recorded on the transition to IFRS 16 in April 2019 was treated incorrectly. We have therefore presented this as a prior year adjustment, with the March 2022 balance sheet showing a reduction in lease liabilities of €9.5m, an increase in onerous contract provisions of €5.8m, an impact of €3.6m on retained earnings and €0.1m on the exchange reserve. The Income Statement impact for the year ended 31 March 2022 was not material and therefore has not been restated. Further details are given in note 1.

As reported with the FY22 results, we revised our accounting policy with regard to the treatment of costs associated with the configuration and customisation incurred in cloud computing or Software as a Service arrangements. Any such costs in the current year are recorded as part of regular underlying EBIT.

Non-trading and exceptional items excluded from underlying profits

To enable a better understanding of underlying performance, certain items are excluded from underlying EBIT and underlying profit before tax due to their size, nature or incidence. Total non-trading and exceptional items excluding tax were a charge of €10.6m (FY22: €9.5m).

As previously reported, we have accounted for the cost of the Renewi 2.0 programme as exceptional due to its size and nature. The programme of activity is largely complete and will deliver €20m cost benefits in FY24. The cost of the programme is now expected to be around €28m, significantly below original expectations of €40m due to lower settlement costs, with a remaining €3m cash outflow expected in FY24. Annual net benefit of €12m for the year with cash spend of €4m which was lower than expected.

The UK Municipal provision for onerous contracts has been increased by a further €27.1m in the year. This has arisen due to revised assumptions on both lifecycle spend and cost inflation, combined with lower volumes at the ELWA contract partially offset by the indexation of customer pricing. In line with our policy, this item is recorded as non-trading and exceptional due to size and nature.

Following the conclusion of the European Commission's formal investigation in the alleged Belgium State Aid matter and the determination that the Belgian Walloon region did not provide State Aid to the Group, the provision of €15.1m has been released. This has been reported a non-trading and exceptional credit as the original set up of the provision was classified as such.

Further details on all non-trading and exceptional items are provided in note 3.3 to the consolidated financial statements.

Operating profit, after taking account of all non-trading and exceptional items, was €121.4m (FY22: €124.0m).

Net finance costs

Net finance costs, excluding exceptional items, increased by €0.3m to €29.2m (FY22: €28.9m) due to increased costs for lease liabilities and discount unwind net of savings in other areas. Further details are provided in note 5.4 to the consolidated financial statements.

CFO's financial review CONTINUED

Renewi 2.0: expected costs and benefits

	FY21 €m	FY22 €m	FY23 €m	FY24 €m
Annual net benefit	2	5	12	20
Exceptional costs	(7)	(7)	(4)	(3)
Capital spend	(5)	(2)	–	–
Net cash flow	(10)	(4)	8	17

Funds flow performance

	FY23 €m	FY22 €m
EBITDA	**255.6**	262.6
Working capital movement	**(5.8)**	(38.0)
Movement in provisions and other	**(0.2)**	4.5
Net replacement capital expenditure	**(87.3)**	(68.2)
Repayments of obligations under lease liabilities	**(47.5)**	(43.5)
Interest and loan fees	**(20.7)**	(18.5)
Tax	**(21.2)**	(7.6)
Adjusted free cash flow	**72.9**	91.3
Deferred Covid-19 taxes	**(19.7)**	(10.6)
Offtake of ATM soil	**(1.2)**	(10.3)
UK Municipal contracts	**(12.2)**	(9.9)
Free cash flow	**39.8**	60.5
Growth capital expenditure	**(30.8)**	(13.1)
Renewi 2.0 and other exceptional spend	**(4.1)**	(11.0)
Acquisitions net of disposals	**(59.4)**	–
Other	**(10.4)**	(7.0)
Total cash flow	**(64.9)**	29.4
Free cash flow conversion	**30%**	45%

Free cash flow conversion is free cash flow as a percentage of underlying EBIT. The non-IFRS measures above are reconciled to statutory measures in note 8.3 in the consolidated financial statements. FY22 values for repayments of obligation under lease liabilities and UK Municipal contracts have each been adjusted by €0.7m to reflect the prior year adjustment as referred to in note 1.

Profit before tax

Profit before tax on a statutory basis, including the impact of non-trading and exceptional items, was €93.1m (FY22: €95.7m).

Taxation

Total taxation for the year was a charge of €26.5m (FY22: €20.3m). The effective tax rate on underlying profits was 27.1% at €28.1m, an increase from 25.0% in the prior year, as anticipated given recent changes in rates in the Netherlands and the UK. A tax credit of €1.6m is attributable to the non-trading and exceptional items of €10.6m as a number of items are not subject to tax.

Looking forward, we anticipate the underlying tax rate to remain around 27%. Due to items disallowed for tax in both the Netherlands and Belgium, our effective tax rate is higher than the nominal rates in the countries where we operate.

The Group statutory profit after tax, including all non-trading and exceptional items, was €66.6m (FY22: €75.4m).

Earnings per share (EPS)

Underlying EPS excluding non-trading and exceptional items was 90 cents per share, a decrease of 8 cents impacted by the higher effective tax rate. Basic EPS was 79 cents per share compared to 93 cents per share in the prior year.

CASH FLOW PERFORMANCE

The funds flow performance table is derived from the statutory cash flow statement and reconciliations are included in note 8.3 in the consolidated financial statements. The table shows the cash flows from an adjusted free cash flow to total cash flow. The adjusted free cash flow focuses on the cash generation excluding the impact of Covid-19 tax deferrals, settlement of ATM soil liabilities and spend relating to the UK PPP onerous contracts.

Adjusted free cash flow was lower at €72.9m (FY22: €91.3m) impacted by increased replacement capex and taxation payments principally, partially offset by a smaller movement in working capital. Days sales outstanding have increased slightly since March 2022 and still remain l argely unimpacted by the current high inflationary environment.

Replacement capital spend at €87.3m was ahead of last year reflecting some catch up from the prior two years which were more constrained during Covid. In addition, €57.4m of new leases or modifications have been entered into which are reported as right-of-use assets with a corresponding lease liability. These leases include the continuation of the truck replacement programme, property lease renewals or extensions and other assets.

Construction and demolition waste sorting line, Commercial Waste NL, Wateringen

Growth capital spend of €30.8m includes further spend on the VLAREMA 8 advanced sorting investments in Belgium, plastics sorting in the Netherlands and some projects in other divisions.

Tax payments were €13.6m higher than last year as some payments moved from FY22 to FY23.

Looking at the three components that are shown below adjusted free cash flow, there has been a further €19.7m repayment on Dutch Covid-19 tax deferrals as expected. The remaining balance of €30m will be settled over the next 18 months. Cash cost of placement of TGG soil stocks was limited in the year at €1.2m (FY22: €10.3m). The cost accrual for the remaining disposals of historical TGG anticipated over the next 24 months has been increased by €1m to €16m. As noted earlier, the application of the amendment to IAS 37, Onerous Contracts – Costs of Fulfilling a Contract has resulted in annual costs of €5m now being utilised against the provision rather than recorded as part of underlying EBIT. Taking this into account, the cash outflow on UK PPP contracts at €12.2m was lower than expected due to phasing.

The acquisitions net of disposals outflow is principally €60.5m for the Renewi Westpoort acquisition from Paro representing the cash paid of €53.5m and the repayment of loans acquired. Further details are provided in note 6.1 to the consolidated financial statements.

Other cash flows include funding of €3.5m for the closed UK defined benefit scheme, funding of €5.3m to the Renewi Employee Share trust and an additional injection of €1.5m into the investment in RetourMatras in relation to their UK acquisition.

Net cash inflow from operating activities increased from €179.7m in the prior year, as adjusted for the prior year restatement referenced in note 1, to €188.4m in the current year. A reconciliation to the underlying cash flow performance as referred to above is included in note 8.3 in the consolidated financial statements.

INVESTMENT PROJECTS

Expenditure in FY24

The Group's long-term expectations for replacement capital expenditure remain around 80% of depreciation. FY24 replacement capital spend is expected to be around €75m. In addition, c.€20m of IFRS 16 lease investments are anticipated, as the final deliveries of the latest replacement truck programme is completed.

Expenditure on the circular innovation pipeline of €25m is expected in FY24 as the Puurs site in Belgium and the Acht rigid plastic processing plant in the Netherlands are completed. Total growth capital spend in FY24 is expected to be around €50m including projects in the other divisions.

Return on assets

The Group return on operating assets, excluding debt, tax and goodwill, fell slightly from 42.6% at 31 March 2022 to 36.9% at 31 March 2023 due to increased asset values as a result of capital expenditure levels and the acquisition of Renewi Westpoort from Paro. The Group post-tax return on capital employed was 10.6% (FY22: 11.6%).

CFO's financial review CONTINUED

TREASURY AND CASH MANAGEMENT

Core net debt and leverage ratios

Core net debt excludes IFRS 16 lease liabilities and the net debt relating to the UK PPP contracts which is non-recourse to the Group and secured over the assets of the special purpose vehicles. Core net debt was in line with management expectations at €370.6m (FY22: €303.0m), which resulted in a net debt to EBITDA ratio of 1.8x, an increase from last March due to the Westport acquisition and growth capital spend. Liquidity headroom including cash and undrawn facilities remained strong at €323m.

Debt structure and strategy

Borrowings, excluding PPP non-recourse borrowings, are mainly long-term. All our core borrowings of bonds and loans are green financed. As at 31 March 2023, 85% of our net debt excluding UK PPP non-recourse net debt was on a fixed rate.

In November and December 2022, the Group signed new fixed rate green facilities of €95m in addition to the €200m of outstanding fixed rate bonds. The new borrowings include a €45m 7-year European Private Placement at 4.676%, a facility of €40m with the European Investment Bank with the first tranche of €25m drawn at a fixed rate of 3.572% repayable in seven equal annual instalments commencing on 15 December 2025 and a €10m 5-year bilateral loan at 4.22%. The weighted average rate of our €305m fixed rate borrowings is 3.3%.

The Group's €400m green revolving credit facility has most commitments maturing in May 2025. We anticipate extending the term of the RCF facility during FY24.

The introduction of IFRS 16 in 2019 brought additional lease liabilities onto the balance sheet with an associated increase in assets. Covenants on our main bank facilities remain on a frozen GAAP basis and exclude IFRS 16 leases. The Group has complied with its banking covenants during the year. The Group operates a committed invoice discounting programme. The cash received for invoices sold at 31 March 2023 was €84.7m (FY22: €80.5m).

Debt borrowed in the special purpose vehicles (SPVs) for the financing of UK PPP programmes is separate from the Group core debt and is secured over the assets of the SPVs with no recourse to the Group as a whole. Interest rates on PPP borrowings were fixed by means of interest rate swaps at contract inception. As at 31 March 2023 this net debt amounted to €69.3m (FY22: €79.1m).

Financial Shared Services Centre, Lommel

Debt structure

	FY23 €m	FY22 €m	Variance €m
Belgian Green retail bonds	**(200.0)**	(300.0)	**100.0**
Green RCF	**(102.5)**	(15.0)	**(87.5)**
Other Green loans	**(105.0)**	(25.0)	**(80.0)**
Gross borrowings before lease liabilities	**(407.5)**	(340.0)	**(67.5)**
IAS 17 lease liabilities and other	**(9.1)**	(8.7)	**(0.4)**
Loan fees	**2.3**	3.2	**(0.9)**
Core cash	**43.7**	42.5	**1.2**
Core net debt (as per covenant definitions)	**(370.6)**	(303.0)	**(67.6)**
IFRS 16 lease liabilities	**(245.8)**	(212.4)	**(33.4)**
Net debt excluding UK PPP net debt	**(616.4)**	(515.4)	**(101.0)**
UK PPP restricted cash balances	**19.0**	21.1	**(2.1)**
UK PPP non-recourse debt	**(88.3)**	(100.2)	**11.9**
Total net debt	**(685.7)**	(594.5)	**(91.2)**

The FY22 values for IFRS 16 leases liabilities, net debt excluding UK PPP net debt and total net debt have been reduced by €9.5m as a result of the prior year adjustment referred to in note 1.

PROVISIONS AND CONTINGENT LIABILITIES

Around 87% of the Group's provisions are long-term in nature, with the onerous contract provisions against the PPP contracts being utilised over the remaining term of up to 17 years and landfill provisions for many decades longer. As noted previously, the application of the amendment to IAS 37, Onerous Contracts – Costs of Fulfilling a Contract has resulted in an increase of €53m to the onerous contract provisions on 1 April 2022 and there has been an additional €27.1m charge in the year as detailed above. In addition, as referred to in note 1, a prior year restatement increased the opening balance of provisions by c.€6m.

The provisions balance classified as due within one year amounts to €44m, including €3m for restructuring, €19m for onerous contracts, €11m for landfill related spend and €11m for environmental, legal and others.

The position on the alleged Belgian State Aid claim has now been closed resulting in the release of the €15m provision booked in an earlier period.

Retirement benefits

The Group has a closed UK defined benefit pension scheme and at 31 March 2023, the scheme had an accounting deficit of €4.3m (FY22: €8.6m surplus). The change in the year was due to lower returns on pension scheme assets which were only partly offset by an increase in the discount rate assumption on scheme liabilities. The latest triennial actuarial valuation of the scheme was completed at 5 April 2021 and the future funding plan has been maintained at the current level of €3.5m per annum until December 2024.

There are also several defined benefit pension schemes for employees in the Netherlands and Belgium which had a retirement benefit deficit of €5.0m at 31 March 2023, a €1.3m decrease from 31 March 2022.

GOING CONCERN

The Directors have adopted the going concern basis in preparing these consolidated financial statements after assessing the Group's principal risks. Further details of the modelling and scenarios prepared are set out in note 1 of the financial statements. Having considered all the elements of the financial projections and applying appropriate sensitivities, the Directors confirm they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and to meet its covenants.

For more information on our financial performance go to renewi.com

Commercial Waste NL, Amsterdam

VALUE DRIVERS

Circular innovations

Circular innovations, Renewi 2.0 and M&W recovery make up our value drivers. These have been identified as the key strategic components that bring additional value to the business in the intermediate term.

CIRCULAR INNOVATIONS

We are investing in pioneering solutions to increase our recycling rate to 75% and improve our product quality. Together, these two factors will be key to the successful execution of our strategy and will help improve our performance by delivering an additional EBIT of €20m by FY26.

Last financial year, we announced over €100m of investments across four innovation areas: plastics recycling, deriving value from organic waste, production of building materials and advanced sorting of residual waste in Flanders. These investments are being implemented over three years, with €60m already deployed. Each project will exceed our threshold for a pre-tax return on operating assets of 16% as the facilities are commissioned.

KEY PROGRESS

At the forefront of recycled plastics

We hold a leading position in Belgium and the Netherlands for high-quality recycled plastics, collecting and processing up to 100kT of rigid plastics annually. By investing in the enhancement of sorting and treatment, we are creating higher-quality materials which allow our customers to use recycled materials and reach their sustainability goals.

- Investments in advanced sorting and recycling techniques in Ghent and Waalwijk completed
- Playmobil partnership confirms the high quality of our secondary plastics from fridges. Read more about this partnership on page 85
- Investment in new rigid plastics recycling line in Acht is ongoing: civil works began in August 2022, construction of technical equipment started in January 2023 and first commissioning is expected in summer 2023

Addressing the food waste challenge

We process kitchen waste (swill), out-of-date food waste and green waste, also named organic waste, into a wide range of unique and environmentally friendly fuels (e.g., bio-LNG and green gas) and fertilisers through biological processes like anaerobic digestion and composting.

- State-of-the art depackaging facility collects and depackages out-of-date food waste from largest retail business in the Netherlands, running at over 100,000 tonnes per year, confirming our market-leading position
- In 2022 processed 59kT with continually expanding volumes, and recently commissioned first of four Renewi loading docks at a distribution centre to improve facilitation, with the other three to follow in the coming year
- Bio-LNG facility going from strength to strength with 2.1 million kg produced
- Gas-to-grid project under way, with detailed engineering complete and construction started in January 2023, and commissioning planned for Q3 2023

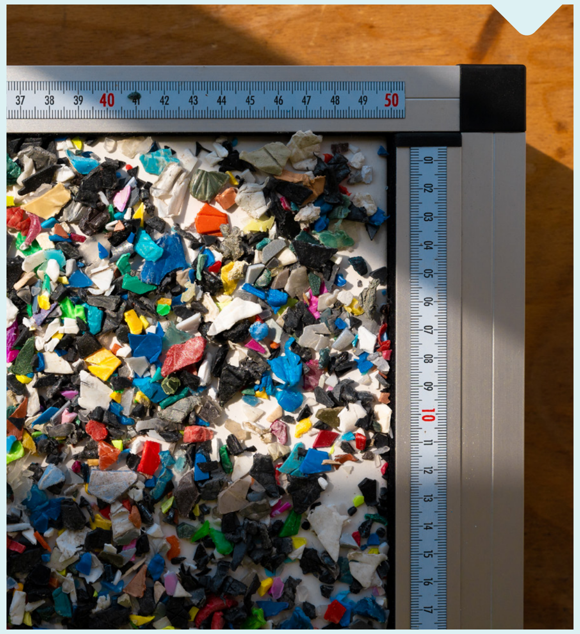
Circular infrastructure for a circular economy

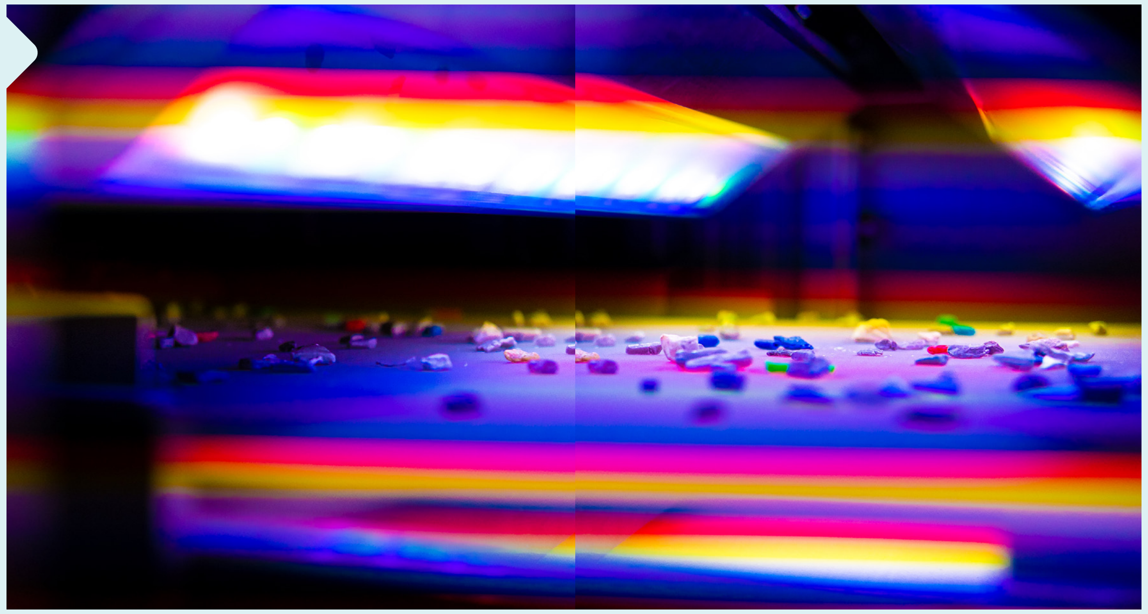
We convert contaminated soil and asphalt into sand, gravel and filler that are secondary raw materials suitable for the production of concrete and asphalt for infrastructure works. These replace primary raw materials used in the production of kerbstones and paving stones, among others.

2.1m kg
of bio-LNG produced

€100m+
of investments over three years across four innovation areas

Coolrec, Waalwijk


Quality control laboratory, Commercial Waste BE. These plastics are used for new electronic products


Laboratory, Coolrec, Waalwijk

Circular Innovations CONTINUED

Focus has shifted to cement/concrete market in light of movement away from thermally-treated soil

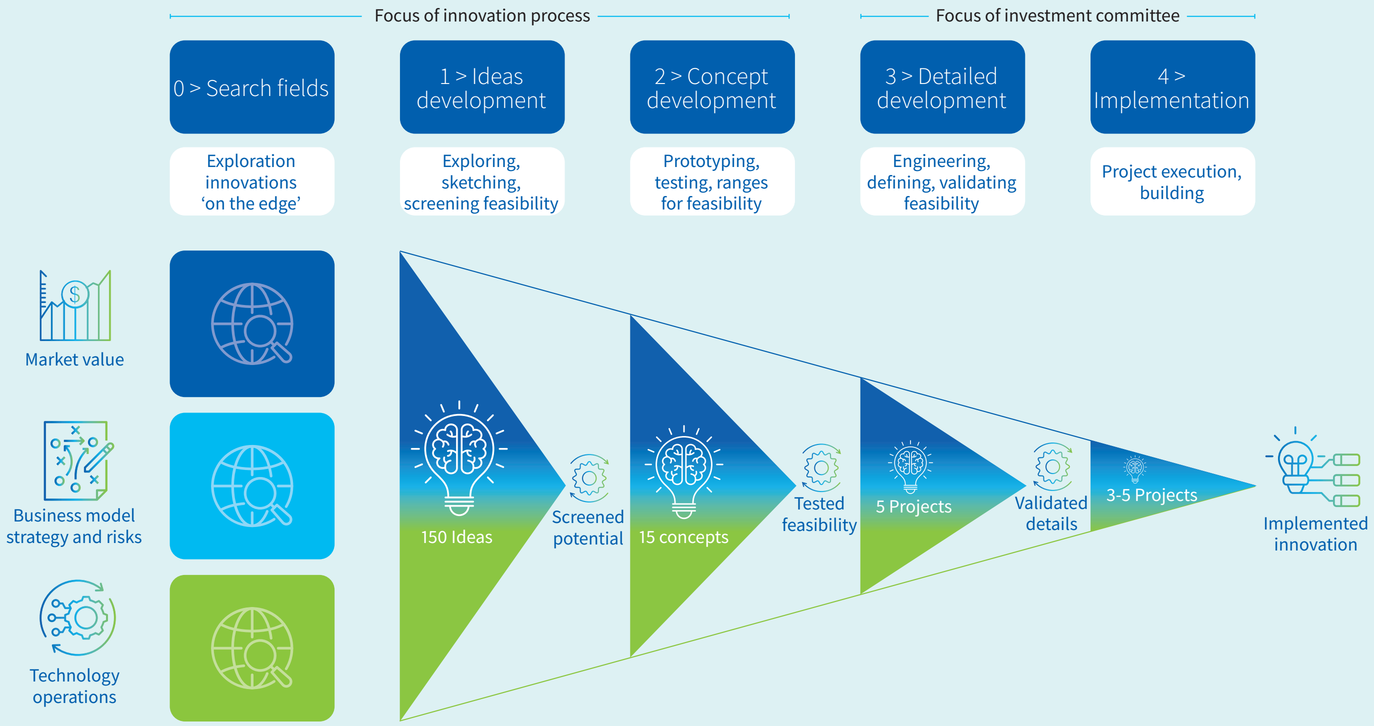
- Installing a windshifter to improve sand grain size distribution, which improves the quality of our sand by creating a more narrow specification for concrete manufacturers
- Additional equipment will be installed to meet the clients' specifications for sand and filler
- There is a growing demand for secondary building products, with new sand and filler contracts signed with manufacturers in the concrete industry.

Advanced sorting of residual waste
Renewi is investing over €60m in advanced sorting of residual waste in Belgium, allowing our customers to comply with VLAREMA 8 legislation, which bans recyclable materials from being incinerated. The three new lines listed below have a capacity of almost 375kT and a recyclate recovery rate of more than 50%, meaning less incineration and CO_2 emissions.

- Ghent: Renewi's first advanced sorting line has been built, commissioned and operating with a yield of ~50% on a total volume ~125tT per year, which means 50% less incineration than before

Quality-assured plastics recyclate

Our innovation process explained



- Puurs: Development has begun, and site infrastructure and civil works started in December 2022 and on track to finish in Summer 2023
- New baling press being built and production will begin in May 2023, and first sorting line expected Q1 2024
- Limburg: Permit in preparation and being negotiated with authorities
- Read more about our alignment with VLAREMA 8 on page 77

WHAT INNOVATION AT RENEWI LOOKS LIKE

At Renewi, we consider innovation an essential and ongoing process, so we are generating new circular innovation ideas for future investments, and always have a pipeline of potential innovation projects.

Why we innovate
We innovate to continuously improve our business and deliver on our strategy to make high-quality and high-value products from waste. Innovation pushes our own sustainability performance and that of our customers, with our circular material products helping reduce their scope 3 emissions.

How we innovate
Our innovation focuses on six themes and uses a combination of a lean-start-up based innovation approach and a stage-gate funnel (see diagram opposite). At all stages we work with a highly motivated internal start-up founders' team and clearly defined internal investors. Right from the start we test our assumptions on the market, the value proposition, the business model strategy and risks, the technology and operations side.

Across Renewi, our aim is to develop at least 150 ideas and implement between three and five innovations each year. At each juncture, we select only the most impactful, highest-potential innovations to receive internal investments for the next stage.

Co-innovating
Co-innovation is important as it allows us to work alongside the best-in-class in our partners' fields to deliver best-in-class results. We are experienced in three main strands of co-innovating. Our customers or partners can join existing innovation developments, start new innovation actions or develop new business alongside Renewi for market-wide streams, or start new innovation actions for unique streams.

Innovation in action

We are proud of every innovation we have brought to market, and below we have listed some of our best examples.

PeelPioneers
We collect discarded citrus peels and transport them to the PeelPioneers site, which is the first business worldwide to recycle citrus peels in a 100% circular solution. Renewi helps PeelPioneers recycle 10 million kg of citrus peels per year, turning them into essential oils and citrus pulp.

10 million kg
of citrus peels collected per year and transported to PeelPioneers

BioPlastics
Building on our know-how of microbial digestion processes, we work alongside high-tech partners like TripleW, Paques Biomaterials, Pentair, Colasit, and Waste Treatment Technologies to turn organic waste into the next generation of bio-based and biodegradable plastics.

ViuMore
This innovation incorporates artificial intelligence (AI) into our sorting systems. Through our partnership with ViuMore, we improve the safety of our colleagues and the source separation rates of our customers, by employing cameras and image-recognition software powered by AI.

SQAPE geopolymers
In a joint venture between our M&W Division and our partners Cementbouw, we create concrete made without cement, which creates 80% less CO_2, with 100% recycled content.

VALUE DRIVERS

Renewi 2.0

We are using a digital platform to improve the Renewi experience for our customers and keep our business fit for the future.

RENEWI 2.0

The Renewi 2.0 programme is designed to streamline the business, make Renewi more customer-focused, efficient and an even more enjoyable place to work. After three years, most of the programme building blocks are complete or are nearing completion. By summer 2023, the foundations will be in place, and the focus will shift entirely to reaping the benefits.

The satisfaction of our customers and our employees is key to ensuring Renewi is fit for the future.

The Renewi 2.0 programme has three overarching goals:

- Improve EBIT by €20m
- Achieve the target NPS score of 23
- Improve employee NPS from 14 points to 29

By the end of FY23 we reached €17m EBIT improvement, a customer NPS of 18 and an employee NPS of 24.

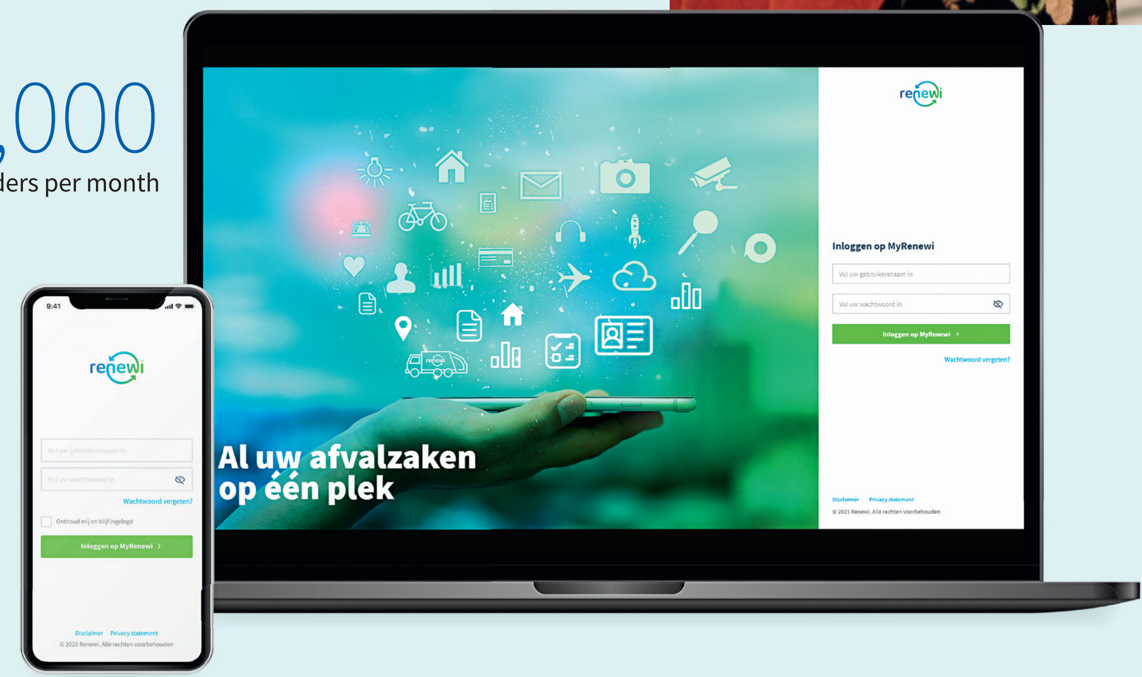
Renewi 2.0 is built upon core themes. The progress of each is outlined on the opposite page.

Customer Care department, Amersfoort

100,000+
activated users of MyRenewi

295,000
orders placed through MyRenewi

16,000
orders per month



MyRenewi landing page

1 Optimise digital customer experience

We saw continued growth in the use of MyRenewi, our customer self-service platform for Commercial Waste. In both Belgium and the Netherlands, approximately 80% of our customers have been activated and use the platform, contributing to our omni-channel service model strategy. Customers continued to place on average 16,000 orders each month through the platform.

2 Digitise internal sales processes

To improve speed, remove manual work and reduce errors, we have constructed an interface between our customer relationship management and operational systems which is nearing completion. More than 80% of newly created customer accounts flow through the interface. With e-signing and an automated quality check, the sales team can improve 'first time right' service delivery to our customers.

3 Strengthen commercial capabilities

One of the most valuable benefits of the Renewi 2.0 programme is the close cooperation that has developed between the Belgian and Dutch Commercial Waste Division, particularly in harmonising and digitising their sales processes in a programme we call Digital Sales Flows (DSF). DSF launches in 2023 and offers both customers and members of our sales teams a guided digital process to configure the right set of services for a given customer segment, generate the right price and produce a quote the customer can digitally accept in one go.

4 Simplify processes and reduce complexity

Renewi 2.0 continued to focus on business process improvement and enhancing data quality, both important ingredients for better service delivery to our customers. Our data analysts conduct more sophisticated analyses as more data is being unlocked through the use of the tools Azure Data Lake and Python.

VALUE DRIVERS

M&W recovery

Within our Mineralz & Water Division (M&W), ATM is one of our largest and most sophisticated sites, and has been in operation for more than 40 years. Located in Moerdijk, on the Hollands Diep river, the site provides great access for international deliveries of soil and wastewater by barges.

In the past year, the recovery of ATM was delayed, as ATM has focused on the transition from the production of thermally cleaned soil for infrastructure projects to the creation of valuable secondary construction materials for concrete applications.

At ATM, soil is cleaned and separated into three secondary building materials – gravel, sand and filler. We see the value of these materials increasing alongside product quality, and the offtake market becoming larger. The offtake of these materials has already been approved by regulatory bodies, and our first partner contracts are now in place.

ATM invested in quality improvements to meet the stringent demands of the concrete market with respect to particle size distribution and other key parameters. ATM is still in the process of extensively testing the consistency and quality of its products to meet these demands, which is why substantial offtake is expected to happen well into FY24.

ATM continues its activities in the decontamination of large volumes of wastewater contaminated by industrial cleaning, as well as wastewater from the ship-cleaning services that we provide at the site's jetty.

New legislation is creating additional complexity around the application of thermally cleaned soil in infrastructure projects. Our work to sell historic productions of this material has progressed slower than expected. We continue to ensure full compliance with regulations at ATM.

Laboratory, M&W, ATM Moerdijk

35,000
samples of soil and water are tested for contamination levels every year

ATM Moerdijk covers an area of
180,000m²

Capable of processing over
2mT
of waste a year across water, soil and packed chemical waste

Gravel, sorting line, ATM Moerdijk

Gravel, sorting line, ATM Moerdijk

For more information on our gravel, sand and filler products, please see our Forz case study on page 81.

Secondary material
Commercial Waste NL, paper used by paper mills for new paper and cardboard products

SUSTAINABILITY STRATEGY FOCUS

Enable the circular economy

A commitment to the circular economy is critical to turn the tide on macroeconomic crises and influence the change our planet needs.

OBJECTIVE	METRIC	PROGRESS TO DATE FY22	FY23	TARGET
To turn our customers' waste into new products	**Recycling rate** (% of total waste handled)	61.8%*	**63.6%**	75.0%
	Volume of materials recycled (mT)	7.1*	**7.0**	
	Volume of waste handled (mT)	11.5*	**11.0**	
	Carbon avoidance (kg CO_2 per tonne of waste handled)	225*	**233**	
	Innovative secondary materials produced (tonnes)	282,400	**325,990**	1m
	Wastewater cleaning activities[1] (total output in tonnes)	1,017,400	**1,053,400**	
	Production of renewable electricity[1] (MWh)	108,762	**69,458**	
	Low carbon footprint biogas[1] (m3)	1,776,700	**4,787,000**	

* FY22 metrics have been restated following a review of our methodologies.
1. New reported KPIs.

SDG alignment

13 Climate action; 12 Responsible consumption and production; 6 Clean water and sanitation; 7 Affordable and clean energy

Progress summary

Restatement of our recycling rate and carbon avoidance baseline for FY22; making good progress toward our 75% target with an increased recycling rate of 63.6% for FY23

Report on business activities now include wastewater treatment and production of renewable electricity and low carbon footprint biogas

Over €60m advanced sorting investment to adhere to VLAREMA 8 legislation

Increasing transparency and first-time disclosures

RESTATING OUR RECYCLING RATE TO ENSURE FULL COMPLIANCE WITH EVOLVING INTERNATIONAL REPORTING STANDARDS

We believe robust data and reporting methodologies are critical and we are committed to continued compliance to all international standards on sustainability reporting. For this reason, a cross-functional internal team has completed a comprehensive review of our methodologies and reporting framework supported by external experts. This has resulted in the restatement of our FY22 recycling rate, carbon avoidance and carbon footprint baselines.

Key changes made on recycling rate include harmonising methodologies across our divisions and aligning labelling on solid materials with international standards (European Union and Country specific regulations as well as the GHG protocol).

This has resulted in a restatement of our FY22 recycling rate, our new baseline, from 67.2% to 61.8%. Volumes from wastewater treatment activities are now all reported within our recycling rate with a similar approach to that of solids, and are also reported separately for full transparency.

Additionally, we have set out on a journey towards external assurance of our sustainability data. We have started with limited assurance for our scope 1&2 carbon footprint, and will continue to increase the scope of external assurance going forward.

To ensure historical comparability for metrics included in our long term incentive plan we will continue to report our recycling rate using our old methodology as we transition to the new one.

THE CIRCULAR ECONOMY

Globally, the past eight years have been the

Sustainability strategy focus CONTINUED

warmest on record, according to the World Meteorological Organization. Earth Overshoot Day, which takes place on the date when humanity's demand for ecological resources and services exceeds what Earth can regenerate in that year, keeps getting earlier. In 2022 it fell on 28 July – a day earlier than in 2021. Much progress needs to be made, which is why in FY23 we have made ourselves even more accountable, and for the first time are disclosing KPIs for wastewater treatment and production of renewable electricity and low carbon footprint biogas.

With 70% of the world's greenhouse gas emissions relating to the handling and use of materials (*The Circularity Gap Report 2022*, published by *Circle Economy*), Renewi can really make a difference.

HOW CIRCULARITY HELPS TACKLE CLIMATE CHANGE

Circularity is one of the solutions that will limit further temperature increases. Driving the circular economy means using fewer virgin materials, which means fewer greenhouse gases and less residual waste. The end goal of a circular economy is to eliminate all waste by finding continual uses for recycled materials. Outlined below is the role Renewi plays in contributing to a circular economy and our progress in FY23.

RECYCLING RATE

Through a comprehensive review of our methodologies and recycling rate reporting framework, our industry-leading recycling rate for FY22 was restated to 61,8%. Out of 11.5 mT of waste handed in FY22, 7.1 mT was recycled through our sorting and recycling activities. In FY23, our recycling rate has increased to 63.6%. This increase of 1.8 percentage points was mainly driven by the acquisition of Renewi Westpoort in Commercial Waste Netherlands, a business with a high recycling rate in construction and demolition, and through a strong focus on innovation, better sorting and continuous improvement in our recycling processes across all divisions.

Renewi's ambition is to increase its recycling rate to 75%, through its Mission75 programme. After recently restating the recycling rate and changing the baseline from FY20 to FY22, Renewi is now underpinning its plans to deliver Mission75 and beyond. The target year will be confirmed over the course of FY24. Renewi has steadily increased its recycling rate year on year, giving us the confidence our Mission75 is achievable.

Read more about our innovation projects on page 45.

CARBON AVOIDANCE

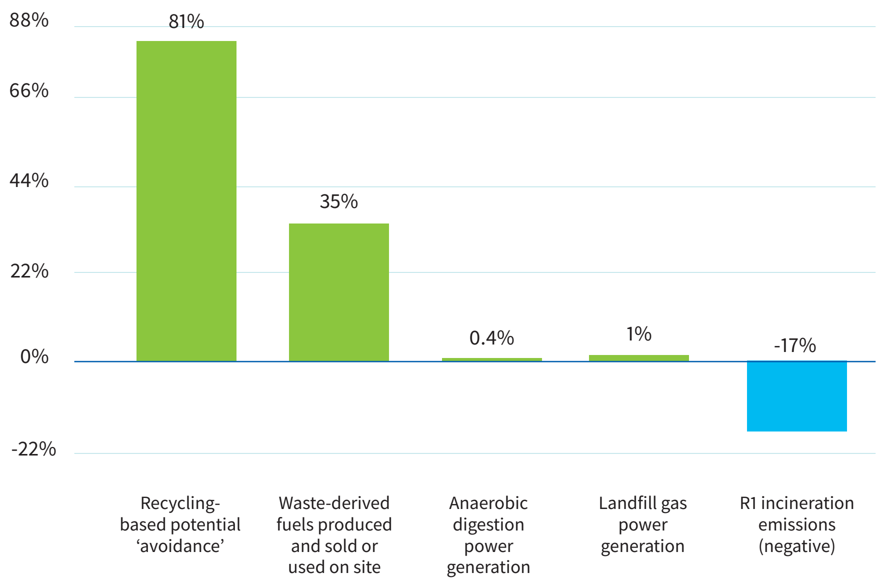
When manufacturers choose to use secondary instead of primary raw materials, substantial carbon savings are generated in the value chain. This year Renewi contributed to the avoidance of 2.5mT of CO_2 emissions that would have been otherwise emitted by raw materials producers through their extraction, transportation and production of virgin raw materials and fuels. This equates to 233 kg CO_2 per tonne of waste handled, compared with 225 kg CO_2 per tonne the previous year (restated figure – as our total recycling rate has been restated).

Metal detection and separation at waste wood sorting line. The recycled wood is used in panel manufacturing, Commercial Waste NL, Nieuwegein

We deploy a range of strategies to maximise our total carbon avoidance. Firstly, we focus our efforts on increasing our recycling rate as this ensures we increase the volume of valuable raw materials that are given a second life. Secondly, the waste derived fuels we produce replace fuels typically derived from primary resources and resources with a higher fossil content. We do so either by selling to customers those waste derived fuels (refuse-derived or solid recovered fuel, Renewi's ICOPOWER® pellets, wood chips) or using it ourselves within our own operation instead of purchasing fossil fuels, or by producing renewable electricity and low carbon footprint biogas (see more details on page 53).

Through our sorting and recycling activities, several residual waste streams still need to be sent to incineration with energy recovery. Depending on the nature of the waste stream being incinerated, overall this does not enable the generation of carbon avoidance: it does emit more CO_2 than it should have saved (as per the graph on page 53), this counterbalances our total carbon avoidance generation and we thrive to reduce the total tonnage sent to incineration year on year.

Breakdown of our 2.5 mT of carbon avoidance by major category



Recycling performance

Volumes (mT)	FY22[4]	FY23
Total waste handled at sites	11.5	**11.0**
Materials recycled[1,2]	7.1	**7.0**
Materials recovered for energy production from waste[3]	3.6	**3.2**
Others	0.7	**0.7**
Recycling rate (% of total waste handled)	61.8%	**63.6%**

1. Recycling is material given a 'second life' for reprocessing into new goods/materials.
2. Includes tonnages of treated wastewater.
3. Recovery is waste used for energy production, such as production of waste-derived fuels, biomass and similar.
4. FY22 figures are restated.

Carbon avoidance in the supply chain as a result of our activities

Volumes ('000 tonnes)	FY22	FY23
Materials separated for re-use/recycling	2,099	**2,061**
Waste-derived fuels produced and sold	767	**714**
Landfill gas/anaerobic digestion electricity production	41	**24**
Waste-derived fuel used at ATM	200	**186**
R1 Incineration emissions (negative)	(506)	**(436)**
Total avoided emissions	2,602	**2,548**

INNOVATIVE SECONDARY MATERIALS

We define innovative secondary materials as tonnages of materials for which recycling was possible thanks to innovation by Renewi and/or our partners, in either/or:
- products (new materials);
- services (collection methods, business models); and
- processes (sorting and separation).

We do this through close collaboration across the value chain and our technology partners, as well as working with knowledge institutions and universities, ensuring circular resources are closely aligned to make the biggest impact.

In FY23, we produced 326 kT of innovative secondary materials.

WASTEWATER CLEANING ACTIVITIES

We are not limited to the handling of solid waste. It is humans who contaminate the world's water, and it is humans who should be accountable for its decontamination for re-use. Highly contaminated wastewater often cannot be discharged into local wastewater treatment plants (from local municipalities) as they are not equipped to decontaminate such high levels of pollutants. We also provide shipcleaning, where we extract traces of fuel which is made available for re-use on our sites, and decontaminate the water. Around 9% of our tonnage of waste handled is attributed to the decontamination of more than 1mT of wastewater, which is then safely put back into the local wastewater sewage system. For example, this takes place at our ATM site – read more on page 78.

RENEWABLE ELECTRICITY AND LOW CARBON FOOTPRINT BIOGAS

Humanity's increasing reliance on energy is one of the biggest challenges to creating a circular economy. At Renewi, while creating energy isn't our main focus, we understand its value. We look for ways to contribute to the energy transition in any way we can, because displacing fossil fuels leads to lower carbon emissions. We capture biogas from landfill and anaerobic digestion. Biogas from landfills is combusted and converted into electricity.

When not transformed into electricity, the biogas coming from anaerobic digestion of organic waste is then used for the production of bio-LNG. This offers a clean alternative to fossil fuels. It has almost zero particulate matter emissions and is believed to generate 80% fewer greenhouse gases compared to conventional diesel. In May 2022, our plant in the Netherlands achieved a production milestone of 1 million kg, enabling approximately 4 million km of sustainable transport for heavy-duty trucks.

Year on year we continue to increase the surface area of our premises where solar panels are installed, and any electricity not directly used is sold back to the grid. In Belgium, our partnership with energy supplier Engie resulted in the country's biggest wind turbine on land installed on our Ghent site, which we expect to create 75% of the site's electricity.

OUTLOOK

Our innovations and processes in FY23 make us confident we will continue to make progress and remain on track to keep increasing our recycling rate. The target year by when our Mission75 is achievable will be confirmed over the course of FY24.

In parallel, we will continue to increase measurement and transparency on our sustainability related KPIs, enabling better insight into our contribution to the circular economy.

SUSTAINABILITY STRATEGY FOCUS:

Reduce our carbon emissions

Each year we recycle millions of tonnes of materials and give them a second life. However, directly or indirectly, our activities generate CO_2 emissions, and we continuously search for solutions and innovations to reduce our carbon footprint.

OBJECTIVE	METRIC	PROGRESS TO DATE FY22	FY23	2025 TARGET	2030 TARGET
Reduce our carbon footprint	**Absolute carbon footprint scope 1&2** (kT of CO_2 e)	640*	**580**	544 (-15%)	320 (-50%)
	Absolute carbon footprint scope 3 (mT of CO_2 e)	1.2	**		0.9 (-25%)
Be a leader in clean and green waste collection	**Carbon intensity collection** (kg CO_2 per tonne of waste collected)	20.1*	**18.8**		
	Share of Euro 6 trucks (% of total fleet)	67%	**76%**	100%	100%
	Zero-emission trucks (number)	2	**4**		65
Reduce the carbon impact of our operations	**Carbon intensity of our sites** (kg CO_2 per tonne of waste handled)	7.56*	**7.50**		
	Share of renewable energy used on site (% of renewable electricity out of total electricity use)	32.7%	**42.9%**	50%	100%
	Hybrid or electric lease cars (% (PH)EV vehicles out of total fleet)	39%*	**38%**	40%	50%

* FY22 metrics have been restated following a review of our methodologies. ** To be reported through our 2023 CDP disclosure (Climate Change questionnaire).

SDG alignment

13 Climate action; 11 Sustainable cities and communities; 7 Affordable and clean energy

Key performance indicators

Commited to set near-term science based targets to SBTi;

Ambition to half our carbon emissions scope 1&2 by FY31

First time carbon emission reduction ambition on scope 3

Progress summary

A 9% decrease of our scope 1&2 and an increase of our share of renewable electricity between FY22 and FY23

RESTATING OUR BASELINE TO ENSURE FULL COMPLIANCE WITH EVOLVING INTERNATIONAL STANDARDS, BEFORE BUILDING AN AMBITIOUS DECARBONISATION ROADMAP

As stated on page 51, we believe robust data and reporting methodologies are critical and we are committed to continued compliance to all international standards on sustainability reporting. For this reason a cross-functional internal team has completed a comprehensive review of our methodologies and reporting framework, supported by external experts. This has resulted in a restatement of our FY22 baseline of our recycling rate, carbon avoidance and our carbon footprint.

Additionally, we have set out on a journey towards external assurance of our sustainability data. We have started with limited assurance for our scope 1&2 carbon footprint, and will continue to increase the scope of external assurance going forward.

Our collaboration with an external agency focused on validating our scopes 1&2 GHG emissions and calculating, for the first time, our indirect use phase emissions (scope 3). This exercise mapped and quantified all GHG emissions generated across the whole value chain of Renewi's activities.

As a result, our FY22 carbon footprint scope 1&2 was restated to align with the GHG protocol. As a result, other metrics and targets have been either created or updated in line with our new carbon reduction commitment with the Science Based Targets initiative (SBTi).

Commercial Waste NL
Amsterdam

Sustainability strategy focus CONTINUED

We are strengthening our sustainability strategy and will start building our net-zero carbon emissions roadmap this year

Otto de Bont, CEO

We have also, for the first time, mapped and quantified our scope 3 carbon emissions. Renewi's carbon footprint scope 3 for FY22 accounted for a total of 1.2 mT of CO_2e, which represents 65% of Renewi's total GHG emissions (more details on the table on page 57).

OUR GOALS AND METRICS

In 2023, Renewi has committed to set near-term science based targets. Our targets will be submitted for validation to SBTi over the coming months. Our near-term carbon reduction target comprises a commitment to reduce our absolute scope 1&2 GHG emissions by 50% by end 2030 (FY31) from our newly restated FY22 baseline. It also includes a commitment to reduce our scope 3 emissions by 25% by 2030.

For FY22, our restated carbon footprint scope 1&2 baseline is a total of 640kT of CO_2e. Our strategy to reach our new carbon reduction goals by 2030 includes an absolute carbon reduction ambition and internal KPIs such as carbon intensity ratios to drive the reduction internally. As shown on the table on page 57, Renewi's first source of scope 1&2 GHG comes from its on-site industrial processes (scope 1). Our second source of GHG emissions originates from our logistics and fleet (scope 1&2). Our third source of carbon emissions comes from our energy usage on site (scope 1&2).

Electric truck, Commercial Waste NL, Amsterdam

Our two carbon intensity KPIs address the carbon emissions from the last two biggest sources of GHG emissions. Our carbon intensity of collection KPI looks at the carbon emissions from the consumption of fuels and electricity within our logistic per tonne of waste transported. The carbon intensity of our sites KPI looks at the carbon emissions from the usage of diverse on-site energy sources per tonne of waste handled. These two KPIs are tracked in all divisions and are a measure of our efficiency and performance in using energy while moving or transforming waste.

FY23 PERFORMANCE

We have already delivered a decrease by 9% or 60kT on our scope 1&2. Half of this decrease can be attributed to a small decrease of handled volumes, thus lower process emissions (both on the biogenic and anthropogenic types of emissions). For example, we processed fewer volumes in Mineralz & Water and fewer composting activities took place in our two commercial waste divisions. The second enabler of this decrease comes from a combination of transformation activities in our divisions. Less fuel has been consumed: in the fleet of our two commercial waste divisions or from on-site fuel usage due to lower processed volumes. Our share of renewable electricity has increased from 32.7% to 42.9% through maintaining our green certificates, consuming our own renewable electricity and purchasing more solar energy in some of our divisions.

We will spend time in the coming months to finalise the accounting of our total indirect scope 3 emissions. Renewi will be reporting on its FY23 scope 3 through its annual CDP 2023 disclosure (Climate Change Questionnaire).

REDUCING OUR CARBON FOOTPRINT IN THE COLLECTION OF WASTE

To collect the waste we process and turn into secondary raw materials, we manage a fleet of trucks with regular collections. We acknowledge this activity creates off-site carbon emissions – about 15% of the total Renewi footprint – so we track these in order to continually minimise emissions. This involves reducing the total fuel consumption on route and revising the trucks' sources of energy, to move towards lower emissions per km driven.

We are achieving this through:

- **route efficiency** – where routes are optimised to make them shorter;
- **fuel efficiency** – using Euro 6 trucks and training staff to drive economically; and
- **electrification of fleets** – growing the number of green vehicles.

Within our Commercial Waste and Specialities Divisions, we have made good progress over the past year. The carbon intensity of our waste collection activities was 20.1kg CO_2 per tonne of waste collected in FY22 and decreased to 18.8 in FY23. This was enabled through the continuous replacement of old trucks by Euro 6 trucks: we increased from 67% in FY22 to 76% in FY23 and through the addition of zero emission vehicles within our Dutch Commercial Waste division. Five zero emission vehicles were ordered in FY23, two of which have already been delivered and put to work.

REDUCING OUR CARBON FOOTPRINT ON SITE

On-site carbon emissions are those created from our numerous on-site industrial processes, from the on-site consumptions of fuels for stationary sources, for example, and from our electricity consumption.

Renewi operates multiple physical processes to transform waste, including anaerobic digestion, composting or mechanical biological treatment, landfill, incineration of waste (special types of waste handled at ATM) and a remaining group of emissions linked to standard or waste specific activities. Many of these processes are carbon intensive by nature. The amount by which we can reduce them is limited by the physical properties of our processes. Despite this, good management and increasing efficiency remains within our control. We continue to carefully monitor uncontrolled digestion of compost, thereby avoiding spikes of methane. We also capture the majority of landfill gas generated, which is transformed into energy. We focus on minimising any losses in these processes. Regarding our carbon reduction ambition, solutions like carbon capture may become a strategic lever in our overall decarbonisation strategy.

In the last year, our process emissions did decrease through lower handled volumes in Mineralz & Water due to portfolio changes and lower composted volumes in our two commercial waste divisions for example. In FY22, our restated on-site carbon intensity KPI was of 7.56kg of CO_2e per tonne of waste handled. For FY23 it dropped slightly to 7.5kg of CO_2e per tonne of waste handled. While we have been working on energy optimisation programmes (less fuel or gas consumed) and increasing our own production of renewable energy and prioritising the purchase of renewable electricity (42.9% total renewable electricity used out of the total electricity usage in FY23), our total volumes of waste handled has decreased by 0.5mT. Overall our absolute carbon footprint has decreased and through the definition of our roadmaps, we are making the right steps toward our 2030 target.

GOALS AND ROADMAPS

Our divisions are currently building roadmaps to bring confidence in the reduction of our carbon footprint and to meet our 2030 carbon reduction goals.

Commercial Waste

- We aim to roll out the production of renewable energy (wind/solar) in more

Absolute carbon footprint scope 1, 2 and 3

		Renewi Group TOTAL (incl. UK) FY22	UK Only[2] FY22	Renewi Group TOTAL (incl. UK) FY23	UK Only[2] FY23
Scope 1	Process emissions (kT CO_2 e)	249	20	**237**	**16**
	Fuel Combustion (kT CO_2 e)	125	4	**124**	**4**
	Breakdown 1: Fuel consumption on sites only (Fuel: Diesel, Gas, other)	38	3	**42**	**3**
	Breakdown 2: Fuel consumption in the logistic (Fuel: Diesel, Bio-LNG, other)	90	1	**77**	**1**
	Biogenic emissions from processes and combustion (kT CO_2)	217	70	**177**	**66**
Total scope 1		591	94	**539**	**86**
Scope 2	Emissions from Purchased electricity[1] (Market based) (kT CO_2 e)	49	11	**41**	**11**
	Emissions from Purchased electricity[1] (Location based) (kT CO_2 e)	52	7	**46**	**6**
Total scope 1&2	(considering market-based emissions from Purchased electricity) (kT CO_2 e)	640	105	**580**	**97**
Total scope 3	mT CO_2 e[3]	1.2	0.04	**to be published in 2023 CDP disclosure**	

1. Renewi does not currently procure any other form of energy than electricity. Heat and Steam are generated on premises where applicable therefore accounted for in scope 1.
2. As per SECR Regulation.
3. Including categories 1, 2, 3, 5, 6, 7 and 15.

Energy use[1]

Megawatt hours	FY22 ex UK	FY22 UK	FY22 Total	FY23 ex UK	FY23 UK	FY23 Total
Fuel use transport (scope 1)	389,250	4,490	393,740	**331,130**	**4,022**	**335,152**
Fuel use sites (scope 1)	61,554	9,333	70,887	**94,525**	**9,054**	**103,579**
Gas use sites (scope 1)	99,153	5,330	104,483	**88,498**	**5,139**	**93,637**
Electricity use (scope 2)	138,576	33,961	172,537	**145,113**	**32,708**	**177,821**
Total energy use from significant sources	688,533*	53,114*	741,647*	**659,267**	**50,923**	**710,190**

1. This table is presented in accordance with the Streamlined Energy and Carbon Reporting (SECR) disclosure requirements.
* FY22 metrics have been restated following a review of our methodologies.

Sustainability strategy focus CONTINUED

Commercial Waste NL, Amsterdam

locations. Today eight sites in our Dutch Commercial Waste Division have solar panels and further discussions with our energy supplier aim to extend this.
- We are looking at the electrification of various generator-driven processes and machines on site.
- We are looking at technical solutions to reduce the process emissions from our on-site waste transformation activities. External experts are involved to get a large scope of technical options.
- We are investigating the impact of increasing the energy efficiency of our buildings.

Mineralz & Water
- At our ATM facility, we are working on new ways to capture emissions arising from the pyrolysis process for decontaminating soil. ATM has been taking part in the DIMMER (Decarbonising the Industry in Moerdijk by Managing Emissions Regionally) project. The aim of this long-term project is to explore collaboration between companies at Moerdijk to create an emission collection network to lower carbon capture costs and maximise capture rates.

Specialities
- **Coolrec** – we aim to replace electrostatic separation equipment to reduce natural gas consumption on site. We will also be installing solar photovoltaics at our Dordrecht site, which will provide around 25% of the site's energy.
- **Maltha** – we aim to keep increasing the consumption of renewable electricity.
- **Municipal** – we have a continuous improvement plan to reduce idling time. This has already resulted in reduced fuel consumption overall.

Building a scope 3 reduction roadmap
Renewi is currently starting to build an action plan to reduce by 25% its indirect scope 3 emissions. A strategy with key group of suppliers, customers and players from our upstream and downstream activities will follow. Open communication and transparency within our value chain will be necessary to design collaborative pathways to lower overall scope 3 carbon emissions.

OUTLOOK BY FY31
Following the work in FY23, we have committed to set near-term science based targets to the Science Based Targets Initiative (SBTi). Our application process has started and we are planning on submitting our targets for validation by SBTi over the coming months.

In parallel, finalising and consolidating carbon reduction roadmaps from each divisions, building the overall pathway for Renewi and looking for synergies internally and externally remain high on the agenda.

Climate-related Financial Disclosures (TCFD)

This is our second disclosure and we will continue developing our internal climate-related processes and associated disclosures in the coming years.

Climate change and sustainability are at the core of Renewi's purpose to protect the world by giving new life to used materials. As a waste-to-product company, we enable the circular economy and contribute to climate change mitigation by providing recycled, lower-carbon secondary raw materials. As such, our strategy is driven by supporting the effort of keeping global warming to 1.5°C and capitalising on opportunities provided by the transition to a low-carbon economy.

Historically, we have considered and assessed the Group to actively support other companies' contribution to keep global warming to 1.5°C by enabling carbon avoidance outside our Group's own value chain. From a transition perspective, this is due to our position as a leading waste-to-product company. We have not yet been significantly impacted by physical climate change. However, we are continuing the integration of the Task Force on Climate-related Financial Disclosures (TCFD) framework into our processes. Accordingly, we are now considering climate-related risks and opportunities in a systematic, comprehensive, and consistent way. This will continue to evolve over time to meet the increasing needs of these risks as well as the disclosure needs of all stakeholders related to them.

STATEMENT OF COMPLIANCE
Renewi first reported in line with the TCFD recommendations in our FY22 Annual Report. This is our second consecutive year of TCFD reporting. We have complied with the requirements of the Financial Conduct Authority, in particular LR 9.8.6R, by including climate-related financial disclosures consistent with the recommendations of the TCFD across its four pillars. Areas in which we have made progress this year and in which we continue to develop our climate-related disclosures are described throughout this section, such that we explain our alignment to the eleven TCFD recommendations. Below is a summary of TCFD recommendations which we have not fully adopted yet, along with our plans to improve in the upcoming years:
- Strategy – S(c): while we have performed a qualitative risk and opportunities assessment, we have yet to quantify the identified risks and opportunities. We have done a first pilot for two risk and opportunities, and are planning to expand this towards the full set of risks and opportunities over the coming years.
- Metrics & Targets – M(b): we have quantified our Scope 3 carbon footprint for the first time, covering our FY22 baseline only. We are in the process of doing the same for our FY23 scope 3 emissions and plan to complete this exercise in the upcoming months.
- Metrics & Targets – M(c): we are determined to follow the SBTi guidance towards a net-zero decarbonisation plan. We have committed to set near-term targets and will focus the upcoming year to build a decarbonisation roadmap towards this target. In following years we will extend this plan towards net-zero.

GOVERNANCE G	STRATEGY S	RISK MANAGEMENT R	METRICS & TARGETS M
a) Describe the board's oversight of climate-related risks and opportunities.	**a)** Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	**a)** Describe the organisation's processes for identifying and assessing climate-related risks.	**a)** Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	**b)** Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	**b)** Describe the organisation's processes for managing climate-related risks.	**b)** Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	**c)** Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	**c)** Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Sustainability strategy focus CONTINUED

GOVERNANCE

Climate-related matters are considered at every management level of the organisation whenever key decisions are made, with the ultimate responsibility residing with the Board. Over the past year, we have taken active steps to improve our climate-related governance. This included a workshop focused on climate governance attended by the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and several senior management positions across functions, such as Strategy, Finance, Risk and Sustainability. This workshop served as an upskilling exercise, aligning processes and priorities related to climate governance. It allowed us to come together to discuss the way forward for Renewi and we have taken away tangible steps to improve our governance, which are described below.

G(a) Board oversight

The Board considers climate change issues when reviewing and guiding strategy and investment decisions. The Board also has ultimate responsibility for ESG, sustainability and climate-related risks and opportunities. For example, the Board requires each organic investment as well as every M&A or divestment proposal to cover its impact on the company's carbon footprint and recycling rate. It also sets ESG related performance objectives for management. Finally, this also includes approving Renewi's climate-related risks and opportunities included in the risk register and setting climate-related targets. Climate change is discussed at least every six months through updates from the Executive Committee, during which progress against set targets is discussed.

To clarify responsibilities between the Board and Audit Committee, the Audit Committee has updated its terms of reference to explicitly include its climate-related tasks, which are to review climate-related assessments and associated methodologies, ensure compliance with all relevant standards and regulations, and track progress towards targets.

Given the high importance of climate change to the purpose and values of Renewi, many Board members have good knowledge of climate change in a commercial context. For more information on their experience, please see pages 106 to 107.

In recognition of the importance of climate-related disclosures to a broad range of stakeholders, the Board regularly discusses climate-related issues with the intention to enhance review, assessment, modelling and reporting on these risks with increasing detail.

G(b) Management's role

Within the Executive Committee, the CEO has responsibility for communicating climate-related issues to the Board. The CFO is responsible for guiding climate risk management, and the Strategy and Business Development Director is accountable for driving climate-related strategies. The Executive Committee reviews investment decisions, including for climate-related risks and opportunities, on an ongoing basis. It is responsible for overseeing strategy and targets, reviewing progress, and managing roadmaps and specific projects to meet targets. Climate change is a standing agenda item at quarterly Executive Committee meetings, following which updates are communicated to the Board at least every six months.

The TCFD Steering Committee is responsible for our TCFD reporting strategy and to continue embedding climate-related risk management into our existing enterprise risk management framework. The Committee includes experts from all divisions, Strategy, Central Finance, Procurement, Risk and Sustainability. The Committee meets regularly throughout the year.

Our Sustainability function is responsible for day-to-day management of climate-related matters at the management level and for reporting progress against our climate, ESG and sustainability targets. The Sustainability Manager collects climate-related information from the Divisions and updates the Executive Committee on progress. This year, the Sustainability Manager has put in place Sustainability Leads across all divisions and key functions who will be responsible for strategy implementation and data collection at the division and function level.

We are actively managing the company's knowledge base on climate change and sustainability and its importance to our purpose and values. To this end, we are working to include education on climate change and sustainability in our onboarding sessions and in our online training materials accessible for all employees.

At 242m, this is the tallest wind turbine on the Belgian mainland, supplying green power to our Ghent site

To view our corporate governance framework, see page 115.

STRATEGY

S(a) Our identified climate-related risks and opportunities

We have worked alongside a leading global sustainability consultancy, ERM, to identify relevant climate-related risks and opportunities and assess the materiality of these issues aligned with our Enterprise Risk Management framework. In our risk identification process we have considered the categories of risks and opportunities outlined by the TCFD and across time horizons of short-term to 2025, medium-term 2025 to 2030, and long-term 2030 to 2050. More information on our risk assessment process is provided on pages 98 and 99 in the Risk management section of this disclosure. For transition risks and opportunities, we are in the early stages of assessing current mitigation measures, in light of the scenario analysis findings, to understand whether they are sufficient or not. Therefore, only planned mitigation approaches are listed. For physical climate risks, our risk management process already considers some mitigation measures and these are therefore listed as current mitigation approaches.

The two tables on pages 64 and 65 provide details on the key risks and opportunities that we consider most material to us.

S(b) The impact of climate-related risks and opportunities on our strategy

Our business and strategy are inherently centred on goals and ambitions relating to climate change and sustainability. We run an annual strategic planning process as an input to the annual financial planning process during which each Division analyses their specific market context covering sustainability and climate related developments. This is then the basis for developing a set of goals. These goals and ambitions range from GHG emissions avoidance by recycling and supporting the circular economy, to investing in the commercialisation of innovative recycling techniques to reduce waste and increase the quantity and quality of secondary materials. We are also investing in decarbonising our operations, to help us better align with the global effort to limit global warming to 1.5°C (see chapter Reduce our carbon emissions). In addition, Renewi is entirely green-financed for its core debt. These instruments are issued under the Renewi Green Finance Framework aligned with the Green Bond and Loan taxonomy and principles.

We have identified three sustainability themes in our sustainability strategy of which two are directly linked to and impacted by climate change and the opportunities and risks assessed in our scenario analysis: Enable the circular economy and Reduce our carbon emissions. These are outlined in detail on pages 50 and 54.

At its core, Renewi is focused on creating products from waste by recycling to help avoid unnecessary raw material manufacture and associated resource depletion where possible, avoiding millions of tonnes GHG emissions in value chains every year through the re-use of materials. This trend reflects the growing demand for recycled products and the rising importance of scope 3 emissions, which increases demand for our services from companies looking to reduce supply chain emissions. Our role in the circular economy allows us to avoid significant GHG emissions as well as preserving scarce natural resources by recirculating materials. This is reflected in our transition opportunities describing

Sustainability strategy focus CONTINUED

Transition scenarios selected for Renewi's scenario analysis:

	NET-ZERO BY 2050	STATED POLICIES
Source	International Energy Agency (IEA) [2]	
Description	A pathway that limits global warming to 1.5°C through stringent climate policies and innovation. This reaches net-zero CO_2 emissions by 2050	A scenario considering currently stated policies, without additional policy implementation. It takes granular, sector-by-sector data, looking at existing policies and measures as well as those under development. It roughly aligns with a 3°C temperature outcome in 2100.

Physical scenarios selected for Renewi's scenario analysis:

	REPRESENTATIVE CONCENTRATION PATHWAY (RCP) 4.5	REPRESENTATIVE CONCENTRATION PATHWAY (RCP) 8.5
Source	Intergovernmental Panel on Climate Change (IPCC)	
Description	This represents a scenario that assumes implementation of emissions management and mitigation policies, closest aligned to the current commitments under the Paris Agreement	This is a 'business as usual' scenario that assumes, through limited co-ordinated action, the world continues emitting significant amounts of GHGs through the century, with warming continuing to 2100. It is the closest aligned scenario to current emissions trends and the current rate of warming.

2 IEA data was supplemented by market- or technology-specific trends from other equivalent sources.

different trends that ultimately will benefit Renewi by allowing us to grow our revenue and product offering. The core metrics we use to assess our progress against these opportunities are our recycling rate and avoided emissions. These metrics are reported in the chapter Enable the circular economy.

However, some recycling activities, and particularly the increased valorisation of those materials to high-quality secondary materials, require energy to sort and treat through successive processes. Increasingly, these more sophisticated techniques increase energy consumption and hence our own GHG emissions for a greater benefit in the full value chain. This is reflected in our transition risk 'Increasing pricing of GHG emissions'. Acknowledging this increasing intensity, we continue to decarbonise our operations. For more information on our decarbonisation efforts and our GHG footprint, please see the chapter Reduce our carbon emissions.

In response to increased impacts from extreme heat, we are continually investing to avoid and mitigate the impact of fires as one of the greatest operational risks in the waste industry. These investments are in processes and systems of fire prevention, detection, and suppression. Smart technology such as cameras supported by artificial intelligence plays an important role and is being deployed on sites.

S(c) Our view on strategic resilience

We consider our current business model and strategy to be resilient to the transition to a lower carbon economy. This is because, on balance, this transition presents more opportunities for Renewi than risks considering our position in the circular economy. This conclusion is based on the assessment of our material risks and opportunities under different future scenarios. Next to the transition risks and opportunities, physical climate change poses risks to our operations and supply chain. However, mitigation measures are either already in place, or are in the process of being further developed.

Last year, we completed an initial, qualitative scenario analysis to better understand the potential timing and future materiality of key climate-related risks and opportunities. We used globally recognised datasets that give insight into the possible risk and/or opportunity trends associated with low- and high-carbon futures. This supports better planning and preparation for alternative outcomes. The scenarios used in the assessment are shown in the tables above. The outcomes of the scenario analysis were reviewed by the TCFD Steering Committee and findings were presented to the Executive Committee and subsequently to the Board to validate the most significant risks and opportunities for our business.

The IPCC has recently published updated scenarios, referred to as Shared Socioeconomic Pathways. Next year, we are planning to update our physical scenario analysis using these new scenarios.

To further substantiate our resilience we will start to quantify the risks and opportunities of climate change. Although we have started this process, we are not yet ready to share outcomes as we have only piloted two of our highest physical and transition risks ('Increasing pricing of GHG emissions' and 'Water stress and drought'). From this pilot, we have made great progress in our understanding of these risks, the data needs associated, and the awareness across the Group. The models have also started internal conversations on how we may use the outputs to aid in strategic decision-making. Going forward, we will continue to further improve the models using better data and applying them to other risks and opportunities as well as other financial impact metrics.

RISK MANAGEMENT

R(a) Our process for identifying and assessing climate-related risks

Last year, we conducted our first climate-related risk identification exercise. In assessing climate-related risks and opportunities, we have followed the categories outlined by the TCFD. We identified a long list of relevant physical and transition risks and opportunities that the business is potentially exposed to. In developing the longlist we have considered changing regulatory requirements with respect to climate change as a key potential source of risks. This exercise prioritised the risk analysis on our top 40 sites, across all technologies and territories.

We then qualitatively assessed the time-frame, likelihood, and impact of identified risks and opportunities through stakeholder workshops including the TCFD Steering Committee and business division representatives to develop an inherent risk/opportunity profile. Time-frame is separated from likelihood due to the long-term nature of some climate issues, which goes beyond the typical time-frame for enterprise risk management. Likelihood and impact were scored on a scale of 1–5, from highly unlikely/insignificant to almost certain/severe, matching the existing Renewi ERM categories. Scenario analysis was applied to the most material risks and opportunities. Risks were assessed on an inherent basis to understand the baseline risk exposure. This means any mitigation efforts already in place have not yet been fully considered, which would result in a current risk profile. Risks are assessed in this way so that existing mitigation measures can be compared to the perceived change in baseline conditions to determine whether they would still be sufficient to manage the risk. Our scenario analysis approach is described in the Strategy section of this disclosure.

This year, we have not updated our scenario analysis as we still consider the results relevant. In future, we are planning to update the assessment every two years. Instead this year, we have focused on incorporating climate risks into our wider risk management framework (see R(c)) and starting to quantitatively assess our highest risks (see S(c)).

R(b) Our processes for managing climate-related risks and opportunities

We have taken stock of existing mitigation efforts for key risks and have outlined our strategy for capitalising on identified opportunities in our risk and opportunity tables on pages 64 and 65. Mitigating actions for key identified risks are included in the risk chapter on pages 98 to 99. As a next step, we plan to assess whether these measures are sufficient considering the results of our next scenario analysis exercise.

R(c) Integration of climate-related risk factors into risk management

In the assessment process, climate-related risks have been considered up to 2050. This differs from our enterprise risk management framework that we use to conduct risk

Electric vehicle at our BDR waste management contract in the UK

Sustainability strategy focus CONTINUED

Transition opportunities

CATEGORY	KEY OPPORTUNITY	COMMENTARY	TIME HORIZON	POTENTIAL FINANCIAL IMPACT AREA	SCENARIO TREND SIGNIFICANCE	PLANNED MITIGATION APPROACHES
Products & Services	Increasing pricing of GHG emissions	If the Group can monetise the realised carbon avoidance its services provide this could provide a growing revenue stream.	To 2025	Revenues	Higher opportunity	We aim to get broader recognition for the carbon avoidance we generate by recycling as an offset for our customers' emissions amongst legislators and standard setting bodies.
Products & Services	Development of waste stream recycling activities that support the low carbon transition	Producing valuable and highly sought-after transition materials from waste benefits the Group by increasing demand for their services and products.	2025 to 2030	Revenues	Higher opportunity	We monitor the market for opportunities to recycle additional waste streams and advancements in processing technologies to create the highest possible product quality.
Products & Services	Enhanced climate change regulation & reporting	Continuing development of climate change regulation could increase competitiveness because the Group is well prepared and lobbying for positive change.	2025 to 2030	Revenues	Moderate opportunity	We aim to be a leader in sustainability, and push what is necessary in order to be recognised as such by the (international) rating agencies.
Markets	Increasing cost of materials	Higher revenue, due to prices of recycled materials becoming more competitive as cost of raw materials rise.	2025 to 2030	Revenues	Moderate opportunity	In order to replace virgin materials as much as possible, we invest in recycling technologies that come as close as possible to the virgin alternative in terms of specification and price.
Markets	Circular economy principles	Being a circular economy specialist allows for expansion of our offerings.	To 2025	Revenues	Lower opportunity	We aim to maintain a leadership position by continuously investing in advanced recycling technologies and acquiring new technologies and capabilities.
Products & Services	Increasing importance of scope 3 emissions	Increase in customers who may need to reduce emissions, leads to higher revenue and product/service opportunities.	To 2025	Revenues	Lower opportunity	Investment in MyRenewi portal will create advanced customer dashboards that provide insight for customers to show recycling outcomes and associated emissions.

Transition and physical risks

	CATEGORY	KEY RISK	KEY IMPACTED GEOGRAPHIES	TIME HORIZON	POTENTIAL FINANCIAL IMPACT AREA	SCENARIO TREND SIGNIFICANCE
Transition risks	Policy & Legal	GHG pricing – increased regulatory changes	Across all	To 2025	• Operating costs • Capital investment	Higher risk
	Policy & Legal	Supply chain transparency leading to decrease in volumes	Across all	2025 to 2030	• Revenues	Lower risk
	Policy & Legal	Lack of developing climate policies	Across all	2025 to 2030	• Revenues	Lower risk
	Markets	Changes in waste volume and composition due to reduce and re-use principles	Across all	2025 to 2030	• Revenues	Lower risk
Physical risks	Acute & Chronic	Extreme heat	Across all	To 2025	• Operating costs • Capital expenditure • Revenues	Higher Risk
	Chronic	Water stress & drought	Netherlands	2025 to 2030	• Operating costs • Capital expenditure • Revenues	Moderate – Higher Risk
	Acute	Flooding	Netherlands, Belgium, UK	2025 to 2050	• Operating costs • Capital expenditure • Revenues	Moderate – Higher Risk
	Acute	Storms & wind	UK	2025 to 2030	• Operating costs • Capital expenditure • Revenues	Moderate Risk

Risk considered in our pilot financial quantification exercise

Information on potential impacts and current and planned mitigation measures are provided in Risk management on page 86.

assessments for the wider business, where time-frames are aligned to our five-year strategic planning exercise. This year, we have integrated climate risk into our enterprise risk management framework through the implementation of a new risk management tool. This gives visibility to climate-related risks across functions and divisions and incorporates them into regular risk management processes at division and site level. The climate-related risks have also been included in the risk radar. Risks relevant within the next five years are included within the regular time-frame, climate risks outside this time horizon are included outside the regular time-frame.

For our enterprise risk management framework and risk radar, please see pages 87 and 90.

METRICS AND TARGETS

M(a) M(b) **Our climate-related metrics**

Renewi has an existing set of metrics to manage and assess climate-related risks and opportunities. The metrics are reported in our sustainability strategy chapters Enable the circular economy and Reduce our carbon emissions. The base year against which progress is measured is FY22. For our GHG footprint methodology, we follow the GreenHouse Gas Protocol. FY22 is the first year for which we have complete scope 1, 2 and 3 data and we are seeking limited assurance for scope 1&2. Our GHG footprint is reported in the chapter Reduce our carbon emissions on page 54. This chapter also includes some of the underlying drivers including fuel and energy use.

Our commitment to contribute to the fight against climate change is also reflected in the way we evaluate performance. To motivate senior executives and managers to increase climate-related performance, we have an annual bonus plan and long-term incentive plan (LTIP) in place that includes sustainability metrics such as our recycling rate. Further consideration is under way to assess the appropriate climate-related performance metrics to be included in the LTIP programme.

We consider carbon pricing legislation in the countries we operate in, but we do not have an internal carbon price in place yet. This year, we have made progress in understanding our potential exposure to the impact of carbon pricing on our operations through our financial quantification exercise.

Due to the nature of our business, we consider most of our reported metrics to fit the definition of climate-related opportunity metrics, for example recycling rate, carbon emissions avoided and secondary materials produced. These metrics help us understand and track progress against identified transition opportunities. We also engage in lobbying for regulation around avoided emissions. For more information, see the chapter Enable the circular economy on page 50.

M(c) **Our climate-related targets**

When setting climate-related targets, we analyse government targets, pledges in countries where our sites are located, as well as our past performance and drivers of performance improvements. This year, we have started internal discussions on our decarbonisation ambitions for 2030 and have submitted our near-term science-based target aligned with a 1.5°C pathway, to the Science-Based Targets initiative (SBTi). Beyond 2030, it is our goal to get to become net-zero, following SBTI's definition (https://sciencebasedtargets.org/net-zero). This means that we don't consider offsetting for more than 10% of our emissions. Part of our decarbonization efforts will be to determine our target year for this ambition. For more information on our decarbonisation efforts, please see the chapter Reduce our carbon emissions on page 54. Additional climate-related targets are reported in our sustainability strategy section of this report (page 50) and mapped to existing metrics we report annually.

Customer Care
Amersfoort

SUSTAINABILITY STRATEGY FOCUS:

Care for people

Caring for our people is an essential core value at Renewi. Their wellbeing is paramount and ensures we are able to deliver on our purpose.

OBJECTIVE	METRIC	PROGRESS TO DATE FY21	FY22	FY23	2025 TARGET
Deliver people home safe and well every day	**Lost time/Injuries rate (LTIF)** (number LTI x x1000000) / number of hours worked	14	8.9	**9.3**	7
	Employee mood ('mood' score in Pulse)	7.2	7.3	**7.4**	7.5 (+5%)
	Healthy at work rate (% healthy employees)	94.8%	93.9%	**92%**	96.0%
Make Renewi a rewarding, diverse and inclusive working environment	**Employee engagement** (eNPS score in Pulse survey)	+14	18%	**22%**	+30 (doubled)
	Females in higher management (% of all employees)	20%	22%	**24%**	30% (+7% points)
OBJECTIVE	**METRIC**	**PROGRESS TO DATE FY21**	**FY22**	**FY23**	**2025 TARGET**
Positively impact our communities	**Number of complaints** (number of substantiated complaints received annually)	356	156	**133**	
	Major environmental incidents and Major fires (absolute figure)	28	19	**3**	0

SDG alignment

Progress summary

Provided financial support amid rising living costs and inflation

Our workforce comprises 20% women and 24% of leadership positions are held by women (FY22: 22%)

Having the right culture will enable the company's long-term success, and a strong sense of purpose across the organisation will help us achieve our goals. Our focus on being a diverse and inclusive employer continued, alongside a renewed focus on wellbeing. Our employees are our most valuable asset and ensuring they are safe and well at work is of fundamental importance. As our ambassadors it is crucial they are aligned with and share our passion for our purpose and our business objectives.

We have run three Pulse surveys this year with a response rate of 70% (FY22: 70%). Employee mood received a score of 7.4 out of 10 (FY22: 7.3). During the year we have dedicated extra attention to following up on the insights from the Pulse surveys.

HEALTH AND WELLBEING

Our aim is to support our employees to be healthy, productive and to enjoy their work. We are aware current macroeconomic issues are putting a strain on our people. We work with managers and HR to ensure those experiencing hardship can be identified and supported.

We engage with our employees on a variety of platforms, and our specialist healthcare professionals can aid employees with wellbeing problems. Support is tailored to

Sustainability strategy focus CONTINUED

the individual employee, rather than a one-size-fits-all approach.

Amid rising living costs and inflation, we were pleased to be able to offer some extra help to our employees who fall outside the Renewi Bonus scheme. These individuals received a one-off payment of €250 gross in January 2023.

In spring 2023 we launched a global vitality programme, which amalgamates all our existing health initiatives into one. We continue to build on our sickness prevention initiatives.

A recurring activity to support the health and wellbeing of our employees is the RUNewi challenge. Once again, this year a large proportion of our staff teamed up to exercise and boost physical and mental health, while raising funds for our chosen mental health charities.

LABOUR MARKET

Despite challenges in the labour market, most notably staff shortages, we have loyal employees who are committed to our purpose and value the Renewi community. This is borne out by good employee retention rates of 12%. We know our purpose is becoming increasingly appealing as society places ever greater importance on the environment. Our talent acquisition team filled 978 vacancies of which 29% are female colleagues.

DEVELOPING OUR FUTURE LEADERS AND NURTURING TALENT

We want to give our employees opportunities to grow and we nurture future talent. We ensure prospective leaders are fully prepared to lead and have the right skills to do so.

As part of our performance management cycle, we conduct annual talent reviews for all office-based employees above a certain grade. We actively use data from the review to provide our people with development opportunities. This year, we expanded the scope to further enrich our data for talent acquisition.

For those who are office-based, we have new training programmes in place – for example, programmes in SHEQ and sales aim to give people more opportunity to progress in their area of work.

We launched our talent lunches, where selected employees have a meeting with Board members, to discuss Renewi in general. This open dialogue is invaluable and demonstrates we are listening and responsive to ideas and feedback.

TALENT, DEVELOPMENT AND LEADERSHIP PROGRAMMES

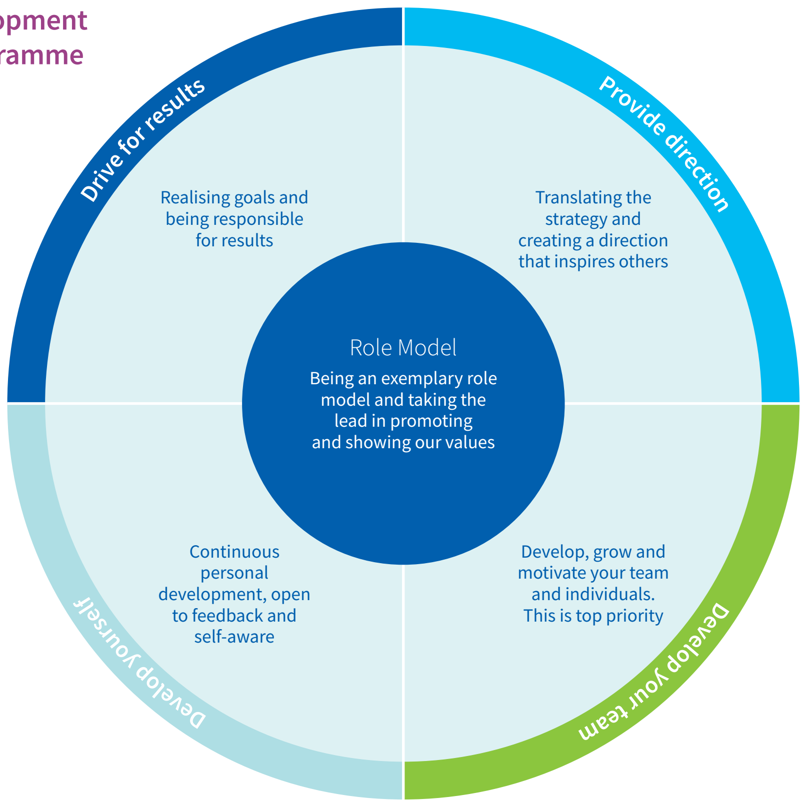
We always look to secure the best talent for the future, and have invested in multiple programmes to support our existing, future and potential leaders.

LEAD is the Renewi leadership development programme launched in 2019. It has been expanded to offer training, development and support for managers, with uniformity across Divisions. In FY23 we trained 609 leaders in our organisation.

The current LEAD programme will conclude in the coming year, to be replaced by an exciting new training plan for incoming leaders and new starters, tailored to people's specific role and development needs.

Our Future Leaders programme is designed for those with potential, helping them to develop the skills to become a leader of the future. The pilot received strong, positive feedback and will likely be rolled out across the organisation.

Renewi leadership development model used in LEAD programme



Hydraulic separation used for recycling fridges and air conditioners, Coolrec, Dordrecht

Leaders at Renewi place great importance on supporting the next generation and contributing to society. We strongly support the placing of interns across many different departments, attached to different leaders, and in FY23 we placed 24 interns.

AWARDS

To underline our company values, each year we award six individuals or groups from across our organisation for exceptional role modelling of one of our six values. These employees are celebrated with an award during a dinner with our senior leadership team.

In addition, in FY23 six of our top performing employees received a Star Award. This is a special prize for office-based employees who have gone above and beyond in their performance. They received a set of shares redeemable in three years, an engraved present and a dinner hosted by CEO Otto de Bont and HR Director Helen Richardson.

ONE REWARD

We finalised the harmonisation of all reward policies in the Netherlands and the UK, with Belgium to follow. This means our employees can be confident we have a fair and transparent reward system in each country. We have optimised our HR processes, leading to greatly enhanced data quality and process efficiency. Further to harmonising rewards in the Netherlands and the UK, we are looking at simplifying and unifying rewards in Belgium.

DIGITISATION

The digitisation process is ongoing with the aim to improve our HR processes and communications with our employees.

This year we focused on preparing for implementation of Workday, a HR software solution, which will start in June.

We continue to optimise our internal communications channels, to encourage two-way communication and improve the way we engage with our frontline staff.

ETHICS, COMPLIANCE AND PEOPLE

We have an active D&I Board which takes actions to ensure Renewi remains a diverse and inclusive company. In FY23 we didn't increase toward our goal of reaching more female within the workforce (FY23: 20% and FY22: 20%), but increased up to 24% of women in leadership positions (FY22: 22%), and took actions to create a working environment welcoming to women, offering flexible working and female work gear. Our unconscious bias training programme for managers was launched, where participants learn how to recognise and deal with their own biases to create a more inclusive working environment. We recognised Ramadan as an important cultural celebration, and published a video in which two colleagues explained what it means and provided managers with information on how to support participating team members.

Compliance is becoming more challenging amid increasing regulation. However, we continue to work hard in this area, and this year our Compliance leadership visited more than 50% of Renewi sites to better understand the business, our environmental compliance experts and the systems in use. This evidenced the passionate and responsible specialists we have on board, and because of this our site-level ISRS scores on compliance were relatively high.

Communities

Being a positive force in our communities is fundamental to who we are and what we do.

Being a positive force in the communities around us is fundamental to who we are and what we do, and we work to minimise the impact of our operations on local communities.

Processing discarded items can have quite an impact on neighbouring communities. Our site managers across our 154 sites, supported by their local SHEQ leader, maintain an open dialogue with their local communities to avoid any issues. When complaints arise, they collect, identify and understand flagged concerns as soon as possible. The objective is to always act quickly (taking corrective actions and managing incidents with specific plans of action) where required to mitigate any impacts, while always maintaining an open communication on status, progresses and next steps

The SHEQ team reports on and tracks the number of complaints each quarter. These, along with the actions taken, are registered in our central system. In FY23 the number of complaints continued to remained low. This is because of a concerted effort to reduce complaints through technology investment, staff awareness training and active communication with communities.

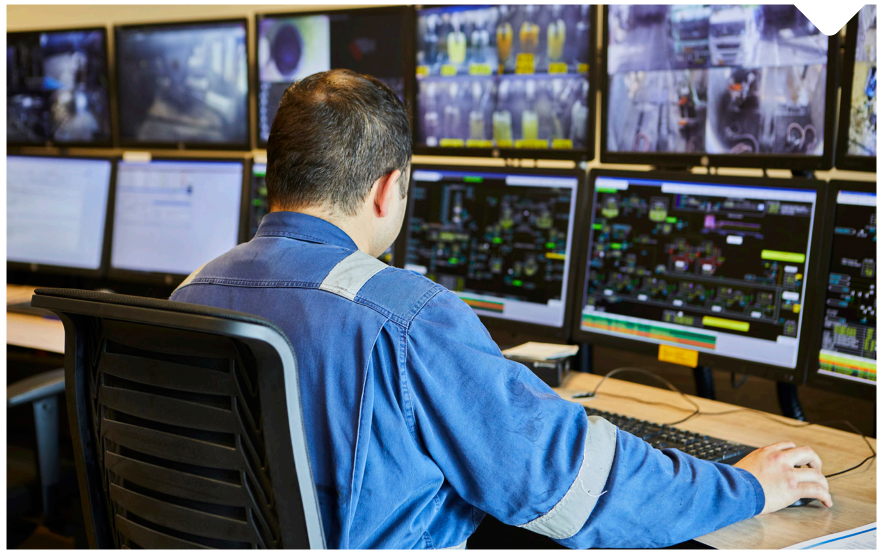
Wherever we operate, Renewi reports on significant environmental incidents. This refers to incidents that take place on site and have an impact on the local environment and vicinity of our operations. Next to spills or emissions to soil, water and air, fires remain a major risk in the waste industry. We have undertaken measures to address this, including improvements to waste storage and investment in technology. Renewi and the wider industry also works with regulators to improve dangerous waste-handling legislation and educate community members around separation and enforcement, to ensure when the waste arrives on site it is as safe as possible.

During FY23 we had no significant environmental incidents, but three significant fires took place during the second half of the year. With a total number of three events to report this year, we have improved significantly versus FY22 with 19 events, and we are making great progress toward our FY25 target.


Financial Shared Services Centre, Lommel

Safety

Our priority is the health and safety of our employees, contractors, customers and visitors.


Control room at M&W ATM Moerdijk site

We were devastated by the death of a valued Renewi colleague at a site in the Netherlands. We will go above and beyond to prevent any future fatalities.

Renewi's first value is Safety and we are more committed than ever before to ensure our employees can return home safe every day. To further professionalise the SHEQ organisation, we have invested in additional positions at the start of this financial year. We appointed a director of compliance at group level. In addition we appointed a Group SHEQ Manager CoE a Group SHEQ ISRS Program Manager.

BUILDING A SAFETY CULTURE

SHEQ Campus

In the past year, we continued to perfect the SHEQ Campus's (previously the SHEQ Excellence Campus) entry-level e-learnings. A pilot rollout of various digital learning modules is ongoing. Learner and expert-level courses will be developed over the year.

Site traffic plan

To further improve and optimise our on-site traffic management we have collected internal and external best practices, resulting in one upgraded standard to optimally manage traffic-related risks across all our sites.

Safety leadership

To drive our safety culture, we launched a Safety Leadership programme, designed to foster a culture of continuous improvement around safety awareness, which is currently being rolled out. Commitment to the programme will start at the top. Executive Committee members are the f irst to take the programme.

Fire Safety

We continued to conduct and report on fire safety. By sharing best practice, identifying areas for improvement and continuing to invest in fire safety, we saw a reduction in major fires.

Implementation of the International Sustainability Rating System (ISRS)

We are in the process of implementing ISRS, an internationally recognised system for measuring, improving and making safety, environmental and corporate performance visible and transparent. A number of sites from each division were thoroughly assessed on ISRS element five 'compliance'. Despite the satisfying ISRS score on compliance, we still have a desire for a more systematic approach and this is now part of our divisional ISRS implementation plans.

Renewi has also:
- appointed an ISRS programme manager;
- established a governance ISRS structure for implementation;
- conducted a ISRS GAP-analysis in all four divisions on the Processes and Categories selected. This started with a selection of six (out of the 15) ISRS Processes, which are: Leadership, Compliance, Risk Evaluation, Risk Control and Risk Monitoring and Asset Integrity;
- selected six (out of 10) loss categories, which are: Occupational Health, Occupational Safety, Process Safety, Environment, Quality, Asset Integrity; and
- established the divisional ISRS implementation plans on the six Processes and six Categories selected.

Audits

Internal audits are carried out to monitor and improve our SHEQ performance. We continued to conduct and report on fire safety in conjunction with emergency preparedness audits, with excellent co-operation from all sites. By sharing best practice, identifying opportunities for improvement and continuing to invest in fire safety on site, we have seen a significant reduction in major fires by 80%, and hence a safer working environment.

Next year we will continue the internal audits and include more ISRS elements such as leadership, risk assessment, risk control, risk monitoring, compliance and asset integrity. We will also establish a new comprehensive audit programme which will be risk based, and audits will, besides Operations and SHEQ, include IT, Finance, Controlling and other relevant processes.

Health and safety performance

Indicator	FY22	FY23
Number fatal accidents (number)	–	1
Lost time/Injuries rate (LTIF)[1] (number LTI x x1000000) / number of hours worked	8.9	9.3
Number of Total Recordable Injuries (TRI)	313	311
Number of Total Time Injuries (LTI	137	140

1. LTI: accident which results in a person being off work for a day or more.

OPERATING REVIEW

Commercial waste

The Commercial Waste Division is the market leader in the Netherlands and Belgium. A strategically important 12 months included its first significant acquisition since the creation of Renewi in 2017 and the deployment of €60m into separate projects in Ghent, Puurs and Acht.

Division information

Operating sites:	**96**
Volume of materials recycled:	**3.9mT** (FY22: 3.7mT)
Employees:	**5,013**
Revenue:	**€1,397m** (FY22: €1,360m)
Underlying EBIT:	**€129.3m** (FY22: €135.7m)

Marc den Hartog, MD, Netherlands

Mark Thys, MD, Belgium

The Commercial Waste Division brings in more than 70% of Renewi's revenue. The Division collects, sorts and recycles waste materials from a wide range of sources, playing a key role in the delivery of Renewi's business strategy. Our primary focus is to provide cost-efficient waste-to-product solutions for our customers, but we continue to add further value by offering advisory services tailored to help our customers manage waste more effectively, for example, optimised source separation. We offer innovative recycling technologies, ensuring waste recovered can be converted into high-quality raw materials. We actively help our customers meet their sustainability goals by supporting product recycling, reducing waste and minimising the unnecessary use of virgin raw materials.

Waste is collected by our fleet of predominantly modern, clean Euro 6 trucks (read more about this on page 54), which is sorted and processed at one of our 96 sites, where we produce high-quality secondary materials and recyclates. Only waste that cannot be recycled is disposed of.

SUSTAINABILITY HIGHLIGHTS

Our overall recycling rate is continually improving, now standing at 58.3% (FY22 55.0%), significantly aided by the acquisition of Paro with its 78% recycling rate. This acquisition and the new sorting lines supporting VLAREMA 8 will directly contribute to future improvements in recycling rates, as will the ongoing success of our investments.

We are optimising collection routes to minimise pollution, upgrading our fleet to low-emission Euro 6 vehicles and introducing zero-emission vehicles and electric cranes, loaders and shovels that operate on our sites. We have also added transport over water. This year 215 new Euro 6 or higher-standard fleet vehicles have been put into use, contributing to a total of 1,488 which accounts for 76% (FY22: 67%) of the Division's vehicles, and we remain on track to achieve 100% in 2025. Green Collective, our joint venture with PreZero, is the first and leading white-label commercial waste collection initiative in the Netherlands that invites waste companies to co-operate in their collection of waste. This activity delivers a significant contribution to safer and cleaner cities, reducing traffic movements and emissions with more than 30%. It is now operational in 21 cities (FY22: 10) and is expected to expand to all major municipalities in future years.

We switched to 100% green electricity (from wind farms) in the Netherlands since 2021, and continue to install solar panels and wind turbines on our sites to procure renewable electricity.

Read more about Renewi's sustainability focus on pages 50 to 71.

MARKETS AND CUSTOMERS

Our market is divided into three segments:

- **Industrial and Commercial (I&C)** – markets, sectors and businesses covering the broader activities of the local economy, including hospitals, factories, offices, shops and restaurants. Waste streams are preferably separated at source to retain quality, however there is still a significant flow of mixed waste
- **Domestic** – door-to-door municipal collection. Once collected, waste is delivered as instructed by the authority, which retains responsibility for sorting, treatment and disposal
- **Construction and Demolition (C&D)** – arises from infrastructure, commercial and residential construction, and is a key sector for Renewi in the Netherlands

Secondary material
Commercial Waste NL, recycled wood for the panel board industry

Operating review – Commercial Waste CONTINUED

The Commercial Waste Division also operates several specific business lines. These include the collection, separation and aggregation for treatment of small-packed hazardous waste, such as batteries, paint and out-of-date pharmaceuticals, and the collection and treatment of organic waste streams from restaurants. We also produce waste wood chips for furniture, recycle mattresses, manage confidential paper shredding and recycling, and have a leading position collecting and processing medical waste from hospitals.

For information on our customers, see page 24.

STRATEGY EXECUTION

Nationwide coverage, density, operational scale and advanced processing technologies make the Commercial Waste Division the market leader in the Netherlands and Belgium. The last 12 months have seen the Division's ambitious plans closely aligned to the Group's strategy of organic growth, M&A, ground-breaking innovation, a rapidly evolving market and major investment, all serving to strengthen its position.

Commercial Waste BE

As a response to Flanders' VLAREMA 8 legislation, which stipulates 25 waste streams are sorted separately to achieve 35% less residual waste by 2030, we have transformed the way we sort our waste. We are investing over €60m – more than any of our competitors – and are creating new sorting lines, setting a benchmark for innovative sorting processes that exceed the requirements of this legislation. Read our VLAREMA 8 case study on page 77.

We also acquired Renewi Westpoort (Paro), an Amsterdam-based construction and demolition waste recycling business. It is the Group's first major acquisition since formation in 2017 and is perfectly aligned with our ambition to be the leading waste-to-product company in Europe's circular economies and our strategy to grow our market share.

Both our response to VLAREMA 8 and the Renewi Westpoort acquisition align with our strategy to invest in new and innovative technologies which divert more waste from incineration and landfill, and in doing so provide an accretive return on investment and growth in our profitable market share.

As the market continues to evolve in our favour, Renewi is perfectly placed to meet market demands and offer opportunities to increase the spread of our processing margins by adding value to the products we make.

FINANCIAL PERFORMANCE

The Commercial Division increased revenues by 3% to €1,397m. Underlying EBIT fell by 5% to €129.3m, representing an EBIT margin of 9.3%.

Revenues in the Netherlands grew by 4% to €932.0m and underlying EBIT fell by 17% to €76.9m. Underlying EBIT margins decreased by 210 bps to 8.3% and return on operating assets fell to 19.3%. In Belgium, revenue increased marginally to €468.4m and underlying EBIT increased by 23% to €52.4m. Underlying EBIT margins increased by 210 bps to 11.2%.

Commercial Waste financial performance

	REVENUE		UNDERLYING EBIT		OPERATING PROFIT	
	FY23	FY22	FY23	FY22	FY23	FY22
Netherlands Commercial	**932.0**	896.2	**76.9**	93.1	**69.4**	89.1
Belgium Commercial	**468.4**	466.9	**52.4**	42.6	**65.3**	40.4
Intra-segment revenue	**(3.1)**	(2.6)	**–**	–	**–**	–
Total (€m)	**1,397.3**	1,360.5	**129.3**	135.7	**134.7**	129.5
Year-on-year variance %						
Netherlands Commercial	*4%*		**-17%**		**-22%**	
Belgium Commercial	*0%*		**23%**		**62%**	
Total	*3%*		**-5%**		**4%**	

	UNDERLYING EBIT MARGIN		RETURN ON OPERATING ASSETS	
	FY23	FY22	FY23	FY22
Netherlands Commercial	**8.3%**	10.4%	**19.3%**	26.2%
Belgium Commercial	**11.2%**	9.1%	**47.3%**	46.2%
Total	**9.3%**	10.0%	**25.4%**	30.3%

The return on operating assets excludes all landfill related provisions. The underlying figures above are reconciled to statutory measures in notes 2 and 8.3 in the consolidated financial statements.

Renewi's first significant acquisition

The acquisition of Renewi Westpoort, acquired from Paro, is an Amsterdam-based commercial waste and recycling business, and was Renewi's first major acquisition since the Group's formation in 2017.

It is a state-of-the-art $130{,}000m^2$ sorting facility. The site has excellent road and water access and operates two advanced sorting lines for processing mixed construction and demolition waste, as well as bulky household waste – a total of circa 300kT of waste handled annually. In addition, a new minerals classification and washing installation enables the site to produce around 500kT annually of secondary construction materials from construction and demolition waste.

Renewi Westpoort is now a key site in the Amsterdam region. The acquisition will deliver synergies from site rationalisation, route and waste flow optimisation and other operational benefits as a new part of the Group's Commercial Waste Division.

Operating review – Commercial Waste CONTINUED

In the Netherlands we saw stable revenues, with EBIT margins reduced from last year due to an increase in labour costs, exacerbated by the need to engage temporary staff to cover shortages in permanent labour.

Volumes in the Netherlands were reduced as we saw the effects of lower organic waste as greenhouse operations in the Netherlands temporarily cut back on production in response to higher energy costs, and a hot dry summer led to a reduction in compostable waste. We also saw a reduction in construction and demolition volumes as permissions for new building work were slowed by environmental concerns including nitrogen and shortages in some materials due to supply issues. In the longer term the need to reduce both carbon and nitrogen in the construction sector will prove to be an advantage to us as we bring lower footprint materials into the market through our recycling activities.

In this environment of volume declines we exercised strong pricing discipline, ensuring that to the extent that it was possible costs were passed on to customers. Customer loyalty remained strong, and we were delighted to win a major contract at Schiphol Airport Group where we were selected for both the quality of our services and our demonstrable commitment to the circular economy.

During the year we completed the acquisition of the operations of Renewi Westpoort – a significant player in the Dutch market which will increase our leading position in our core construction and demolition sector and will also give us better nationwide coverage. Optimisation and integration of the facilities is ongoing with some initial issues affecting performance which caused disruption to the normal operation of the plant. We are confident in the underlying strength of this business and have already seen an improvement in the final months of the year.

In Belgium we saw stable revenues and a strong EBIT margin performance, driven by pricing leadership allowing us to pass on the majority of our production cost increases to our customers, and customer gains in the energy and medical segments. The increase in recycling rate and the cost reductions related to the Renewi 2.0 programme contributed as well. As anticipated, volumes in Belgium declined as we chose not to compete at the lower end of the market for business that brought little or no benefit to the bottom line, which has increased the mix. Finally, the strong results were supported by some one-off, non-recurring items.

Operational highlights in Belgium during the year included significant progress made on the construction and commissioning of the Ghent facility that will allow our customers to fulfil the requirements of the VLAREMA 8 legislation. Construction has also started at our second plant in Puurs.

Commercial Waste NL, Amsterdam

VLAREMA 8: improving recycling outcomes

There have been increments of divergent legislation of governments globally, and these are a step in the right direction on the journey to create a circular economy, but VLAREMA 8 is transformative. Not only will it revolutionise the circularity of the Belgian economy, but for Renewi it is already transforming and strengthening our market-leading position.

Today, companies and organisations in Flanders produce more than 1mT of industrial waste – about 50% raw materials that can be recycled with improved source sorting. Flanders would like a 35% reduction of residual waste by 2030, and VLAREMA 8, the Flemish regulation concerning the sustainable management of material cycles and waste materials, is the legislation making this happen.

Since 1 January 2023, VLAREMA 8 has stipulated that companies must sort their waste into 24 separate streams – the responsibility of checking the sorting work of its customers lies with the waste collector.

Transforming our waste sorting
In the approach to VLAREMA 8 implementation, Renewi is investing over €60m in multiple advanced sorting facilities. The programme in Ghent has already begun, and is in the process of being rolled out in Puurs and, later, Limburg.

The Ghent facility has a capacity of 125,000 tonnes and is capable of recycling 50% more materials and giving value to an additional 60,000 tonnes of industrial waste. This investment into advanced sorting will go beyond complying with VLAREMA 8 – it will play a pioneering role in improving our recycling rate, supporting our goal to reach a 75% recycling rate. It will help our customers achieve their own sustainability targets as well as avoiding the payment of higher taxes for waste that would otherwise go to incineration. This has resulted in new commercial contracts in a competitive market, and a higher mass balance margin, all contributing to our circularity.

Renewi fully welcomes and supports the ambition of the Flemish government. VLAREMA 8 creates clear regulations that stimulate recycling
Dieter Avonds, Strategic Program Director, Renewi

The transformation of these three sites has been termed the RACE (Renewi's Advanced Circular Economy) Programme and, when fully operational, has been estimated to increase recycling from 18.8% to 56.9%. Because of the increased recycling rate, average waste disposal should reduce and, due to our market offering, volumes should increase.

We have also equipped an initial 80 trucks in Belgium with cameras using artificial intelligence to allow the identification of non-compliant waste at source. During the course of the year, a total of 200 trucks will be equipped with these cameras.

OPERATING REVIEW

Mineralz & Water

The Mineralz & Water (M&W) Division includes our soil and water treatment activities at ATM, and the Mineralz business, with a total of seven sites in the Netherlands and Belgium.

Division information

Operating sites:	7
Volume of materials recycled:	1.4mT (FY22: 1.8mT)
Employees:	335
Revenue:	€191m (FY22: €194m)
Underlying EBIT:	€0.5m (FY22: €5.8m)

Theo Olijve, MD

M&W plays an essential role in the circular economy by processing significant volumes of highly contaminated soils, old road surfaces, industrial waters, sludges, chemical waste, incinerator residues and packed hazardous waste.

These waste streams are decontaminated through separation processes and biological, thermal extractive and pyrolysis treatments to make secondary materials available for the building and construction industries. Often the solutions are in a closed loop, such as gravel being put back into new tarmac.

Our ATM site holds a pre-eminent position because of its unique combination of technologies, the cost advantages provided by its integrated plant processes and its waterside location for ship-cleaning. It operates 24/7 and according to the extensive set of environmental controls and permits required in the hazardous waste processing market. In addition, we have Maasvlakte, near Rotterdam, another unique site and the only landfill location in the Netherlands capable of the immobilisation of leaching hazardous waste and the disposal of naturally occurring radioactive materials.

SUSTAINABILITY HIGHLIGHTS

M&W processed 1.9mT of waste in FY23 (FY22: 2.3mT). The Division has a blended recycling rate of 73.8% (FY22: 80.4%) and, within this, ATM has an exceptionally high recycling rate of 93.7% (FY22: 94.6%). It is expected to increase with soil processing volumes, as soil recycling rates are very high, at circa 98%.

The principal purpose of this Division is the decontamination of materials that would otherwise cause pollution, and their recycling, which contributes to the preservation of virgin materials. The Division has comparatively lower carbon avoidance compared to other Divisions, at 0.67mT (FY22: 0.71mT). This is due to the lower carbon cost of production of aggregates from virgin sources.

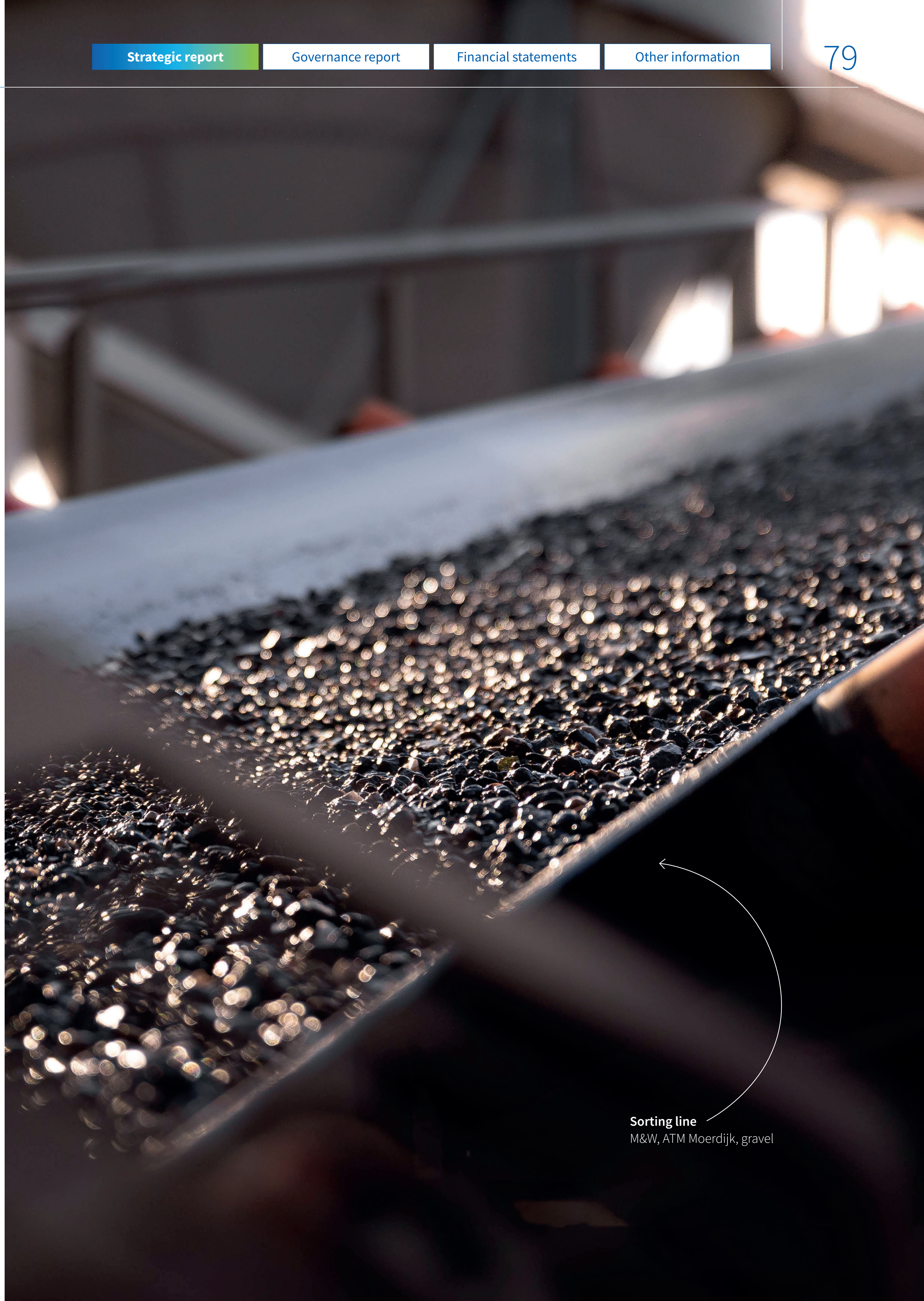
As specialist processing sites, M&W facilities operate to the highest environmental standards, within multiple permits, and are proud to meet leading standards, compliance and regulations. Compliance is at the heart of the licence to operate. The Division has exacting standards for the acceptance of waste, testing of the clean materials produced and all emissions arising from operations.

ATM includes a high-tech laboratory, where around 20 people carry out more than 35,000 tests per annum to ensure ATM not only complies with technical standards, but can also develop new capabilities for the future. The team ensures we meet the broader tests of our duty of care as a responsible operator. As Seveso-controlled sites, our ATM and CFS plants are strictly regulated and have high safety standards in compliance with the Seveso guidelines.

MARKETS AND CUSTOMERS

The M&W Division performance was supported by good performance on the waterside while making gradual progress on certification and future outlets for gravel, sand and filler.

The underlying market driver for inbound waste to ATM is industrial activity in Europe. This includes the oil and gas sectors that mainly operate in Rotterdam and Antwerp, as well as construction and site remediation activity across Europe, which drives demand for inbound and outbound soil materials. The market for inbound contaminated soil, particularly internationally, is increasingly challenging due to slowing of project off-site remediation and restrictions in permits to import contaminated soil.



Sorting line
M&W, ATM Moerdijk, gravel

Operating review – Mineralz & Water CONTINUED

I would highly recommend ATM. We receive an exceptionally good service for our input from the UK. Response times are very good, and we are always kept informed

Mr Hay, Totus Environment Ltd

Secondary material, M&W, FORZ®Filler, made from tar and polluted soil

FORZ®: building a circular economy

FORZ® is a pioneering circular product line that produces secondary building materials for road construction, large-scale soil applications and the concrete and asphalt industry. In FY23 it has expanded to produce circular sand, gravel and filler, offering more customers the chance to make a significant contribution to the circular economy and reduce their carbon footprint.

The circular building materials reduce the environmental impact and support the companies to achieve their sustainability objectives

The FORZ® factory is the first to convert bottom ashes from waste-to-energy plants into sustainable, clean and safe mineral secondary building materials. The fly-ash from coal fired power stations that has been used as filler for concrete in the past can be replaced by FORZ®Filler, which is a good, sustainable replacement for fly-ash. So, the outlook for ATM's secondary building materials is quite promising.

FORZ® meets all quality standards and legal guidelines. The secondary building materials often deliver cost savings too.

FORZ® materials can be separated into three product types, each of which is an environmentally conscious replacement for the primary raw material version:

- FORZ®Sand-T
- FORZ®Gravel
- FORZ®Filler

The materials have two main uses.

FORZ® for concrete industry
The secondary building materials produced can be used as aggregates in concrete and asphalt and therefore virgin materials are not used. This has great environmental benefits and a low environmental cost.

FORZ® for infrastructure
The secondary building materials produced can be used for land elevation and in infrastructure projects such as roads and noise barriers.

The objective is to obtain the end-of-waste status for FORZ®Sand-T and FORZ®Filler respectively by FY24 and FY25. FORZ®Gravel is already certified and received the end-of-waste status.

Following a 2021 report by the Dutch National Institute for Public Health and the Environment (RIVM), which revealed current legislation on environmental standards for secondary mineral products, including thermally cleaned soil (TGG), and bottom ashes from incinerators, was ineffective, new legislation is being developed that will restrict the application of TGG for infrastructural projects.

We have responded by transitioning ATM's focus to the offtake of sand from infrastructural projects for concrete applications. The secondary materials produced (sand, gravel and filler) will become the primary products for ATM, which will lead to higher-value products.

Investments are under way to upgrade the quality of sand and filler to match market requirements relating to particle size distribution and consistency of product quality, and additional silo capacity has been added to store the fine and coarse fraction of the sand, which is suitable for self-compacting concrete or can be milled to be used as filler for concrete applications.

Mineralz & Water financial performance

	FY23 €m	FY22 €m	Variance %
Revenue	190.9	193.9	-2%
Underlying EBIT	0.5	5.8	-91%
Underlying EBIT margin	*0.3%*	*3.0%*	–
Operating profit	1.0	8.7	-89%
Return on operating assets	0.8%	11.3%	–

The return on operating assets excludes all landfill related provisions. The underlying figures above are reconciled to statutory measures in notes 2 and 8.3 in the consolidated financial statements.

Regulatory bodies have approved the application of these secondary materials in certain concrete applications, so certifying gravel, sand and filler, ideally to end-of-waste status, and then producing at scale is the core focus of market development for M&W.

We continue to see strong customer demand for secondary materials with Martens Beton, Excluton, and Heijmans. ATM's materials can help these customers meet their ESG and secondary content targets relating to government policy.

STRATEGY EXECUTION

The M&W Division strategy is focused on restoring ATM to full production, expanding activities in water treatment and creating an integrated portfolio of secondary building materials. Read more about M&W as a value driver on page 48.

Core to FY23 and beyond is the already-mentioned transition towards the production of gravel, sand and filler. This has involved three new product lines under our FORZ® brand (read more in our case study above) and the phasing out of extractive soil activities.

Investments are being made in processing, storage and certification of these products in order to build our capability to serve the higher-value building materials market, which will continue to be a key focus of the Division until the soil cleaning kiln is back to 100% of processing capacity. For Metalz, we have invested in a new XRF installation to further upcycle NF fraction, increase margin and grow new business.

We continue to collaborate with our customers to grow this Division, for example creating a new technology called foam fracturing that removes per- and Polyfluoroalkyl substances (PFAS) in wastewater streams.

Our expertise also leaves us optimistic for future opportunities regarding treatment of Dutch Substances of Very High Concern (ZZS).

Renewi doesn't just use 'waste no more' in their logo – they actively contribute to a cleaner world in an extremely responsible way

Mr Vreenegoor, BPM products

FINANCIAL PERFORMANCE

The Mineralz & Water Division saw revenues decrease by 2% to €190.9m and underlying EBIT decreased by €5.3m to €0.5m. The EBIT drop is largely due to the increase in disposal cost accruals for historic production of TGG.

Within the division we saw a strong performance on the waterside, albeit impacted by a one-off incident which incurred additional operational costs and a reduced throughput in the final quarter. We have adjusted our processes to reduce the likelihood of a recurrence. We continue to see customer wins on the waterside as we benefit from our unique capabilities and position in this segment.

We continue to work with off takers to place our 0.6mT residual TGG stocks albeit at a higher cost than previously expected and anticipate clearing the remaining stock over the next two years. Over 100kT is under contract for shipment in FY24 and an additional 300kT is under negotiation.

We continue to develop and certify our aggregate products to provide high quality products for the construction industry with a lower carbon footprint than virgin materials. We now use the raw material which was previously used to produce TGG, to produce aggregates for the building industry. Our first product in this range – gravel – has already received certification and is proving to be popular with customers in the construction industry who are attracted to its credentials as being part of the circular economy. We continue to develop two more products – sand and filler – and aim to bring these to a level where they can be sold in large volume and replace their virgin alternatives during the current financial year. This has involved some investment in machinery that can produce sand and filler to the required particle size specifications. Once completed, we will start to ramp up production in the second half of the year.

OPERATING REVIEW

Specialities

The Specialities Division comprises three businesses: Coolrec, which recycles household appliances, Maltha, a specialist glass recycling business and our UK Municipal public private partnership (PPP) operating contracts.

Division information

Operating sites:	49
Volume of materials recycled:	1.6mT (FY22: 1.5mT)
Employees:	912
Revenue:	€349m (FY22: €350m)
Underlying EBIT:	€17.1m (FY22: €4.1m)

James Priestley, MD

The Specialities Division operates in Belgium, the Netherlands, the UK, France and Portugal.

Coolrec is a strong player in the recycling of fridges, freezers and other small domestic appliances (SDA) with sites in the Netherlands, Belgium and France. From the recycling of fridges and SDA materials, Coolrec is able to sort waste streams into high-quality recycled plastic streams and both ferrous and non-ferrous recycled metal streams. Inbound supply comes from collection schemes on mostly long-term supply contracts, and outbound products provide industry partners with high-quality secondary materials to make closed-loop circular products. One of our most prominent customer wins in FY23 has been the plastics used in Playmobil's award-winning toy range – Wiltopia. Read more about this partnership on page 85.

Maltha, a European leader in glass recycling, has sites in the Netherlands, Belgium, France and Portugal. It focuses primarily on recycling flat and container glass into cullet and glass powder for re-use in the glass industry. O-I, a world leader in packaging glass, owns 33% of the Maltha group.

UK Municipal operates waste treatment facilities for UK councils, typically under long-term PPP contracts and with a significant residual waste component.

SUSTAINABILITY HIGHLIGHTS

Overall, we have improved our recycling rates in FY23. The Specialities Division processes 2.3mT of waste per year, 39% within the UK Municipal contracts, 56% in Maltha and 5% in Coolrec. We are focused on improving recycling rates and delivering excellent customer service across our Municipal contracts. The outlook is determined by the government's waste strategy. We are looking for opportunities to grow in the UK but along with rest of the industry, we continue to wait for clarity from the UK government over its proposed waste reforms. The Renewi Municipal recycling rate is 31.4%. Most of the input is 'black bag' waste, which is what is left over after other streams have been separated for recycling. At the outset, the contracts were established to facilitate diversion from landfill and to boost recycling and recovery rates, which vary across the contracts. The overall rate is 90% for the whole of municipal, but at ELWA it is more than 99%, with only asbestos sent to landfill. By contrast, Maltha and Coolrec deal with source segregated feeds (monostreams), and so deliver exceptionally high recycling rates and quality secondary products. This results in a divisional recycling rate of 70.6% (FY22: 63.4%).

Our carbon avoidance contributions come from the recovery of usable materials and the fuels generated by these processes, which collectively produce a positive CO_2 avoidance of 0.80mT (FY22: 0.79mT).

MARKETS AND CUSTOMERS

We have seen continued growth and investment for both Maltha and Coolrec, in line with our business strategy. The Coolrec team has extensive knowledge of best-in-class sorting technologies and the Division is a recognised supplier of high-quality recycled plastics and metals. Our partnership with Playmobil has been recognised by a number of high-profile awards and we have other, similar opportunities in the pipeline. Maltha is benefiting from increased demand for glass cullets driven by circular benefits as well as the high energy prices.

Renewi is well positioned to respond to the UK's proposed wide-ranging waste policy reforms, including its goal to halve the amount of waste going into landfill and

Secondary material
Maltha, perfume bottles recycled at Lommel, returned straight back to the glass industry

Operating review – Specialities CONTINUED

Close up optical sorting line, Matha, Heijningen

incineration in England by 2035 and increase the level of waste sent for recycling to 65%. We are cautiously following the UK markets while awaiting clarity in the government's waste strategy to scope out the possibility of UK expansion.

STRATEGY EXECUTION

Safety has been our prime focus this year. We know we need to improve our safety culture and we have placed a strong emphasis on improving our safety leadership, alongside new initiatives to improve risk awareness across the division.

We continue to see an increased demand for higher quality recycled material streams, which supports our strategy. We are investing and improving to invest in improving quality products and also our focus on getting the related sourcing material, while continually improving quality to fulfil the demand from customers. We are also expanding our activities by entering into new market segments. Therefore, for Coolrec and Maltha, we are actively looking to expand at pace through investments.

Maltha's performance has improved under new management which has led to increased investment.

The core focus for Municipal is on continuing to improve the operating performance of the remaining assets to reduce cash losses and create a platform for future growth.

Specialities financial performance

	FY23 €m	FY22 €m	Variance %
Revenue	348.6	350.1	0%
Underlying EBIT	17.1	4.1	>100%
Underlying EBIT margin	*4.9%*	*1.2%*	–
Operating profit	(3.0)	3.2	-194%
Return on operating assets	35.4%	28.9%	–

Underlying EBIT includes utilisation of €14.2m (2022: €7.0m) from onerous contract provisions. The return on operating assets excludes the UK Municipal business. The underlying figures above are reconciled to statutory measures in notes 2 and 8.3 in the consolidated financial statements.

FINANCIAL PERFORMANCE

The Specialities Division saw flat revenue at €348.6m and underlying EBIT was up significantly at €17.1m (FY22: €4.1m). Within the division Coolrec and Maltha achieved 20% growth and both are delivering EBIT margins close to 10%.

From an operational perspective we were delighted to have signed the contract with Playmobil which demonstrates that we have the capability to produce recyclates that are of the highest standards – both in terms of their quality and consistency. We expect that an increasing number of manufacturers in a variety of sectors will turn to recyclates to reduce the carbon footprint of their production. We also recently won an award for a fully closed loop solution with Electrolux where inner liners for new fridges are made with >70% recycled fridge plastics from Coolrec.

Our UK Municipal performance was stable as we continue to manage contract costs closely and have a team who are focused on using innovation and prudent cost management to ensure that the risks are managed carefully. However, based on the inflationary outlook in the UK our assumptions on both lifecycle spend and cost inflation, combined with lower volumes at ELWA, have necessitated a €27.1m increase to the associated onerous contract provisions. In addition, an amendment to an accounting standard resulted in an increase of €52m to the opening onerous contract provisions which has no impact on cash and no change in the underlying performance of the contracts.

Collaborating with Playmobil to create award-winning toys

Coolrec has been collaborating with Playmobil, a business unit of Horst Brandstätter, to produce toy-level quality plastics for their Wiltopia range, which is made from over 80% sustainable materials (recycled and bio-based materials). As a result of strong collaboration and intense R&D processes, where we have focused on improving the purity and quality of our outlet plastics. We have been able to create a compound which reaches the high-quality requirements for toy safety, not only in Europe but worldwide.

This process has led to 11 of our plastic outlet products reaching end-of-waste status: where a material ceases to be classified as waste, but as a recovered material instead. This validates our status in the waste-to-product sphere. Customers and compliance schemes in the WEEE market have acknowledged this landmark achievement – we have been awarded the Golden Circle Award from the Dutch Province Noord-Brabant, which proves Coolrec's major contribution to the circular economy.

How the process works

Plastics from refrigerators are sorted, granulated and compounded before being sent to Playmobil. To be allowed to deliver these products to companies like Playmobil, strong quality control processes have been set up in our laboratory. This way we can constantly meet the high-quality standards of the toy business, which are among the highest in the manufacturing industry.

Educating the community

Together with Coolrec, Playmobil developed an animation to explain and educate its young consumers – the next generation – about the vital need for recycling and use of recycled plastics.

Awards and reception

In 2022, Wiltopia was awarded several Toy of the Year Awards. The range has not only been very well received by the industry but also by Playmobil's consumers. It was the most successful new launch in the Sustainable Toys 2022 sector in Germany, France, Spain, Italy, Belgium and the Netherlands.

Risk management

Our risk management and internal control frameworks are key to the execution of our strategy. The overall responsibility for risk management resides with our Board, however the Executive Committee, our operating divisions and all our employees play a vital role in the daily management of risk.

INTEGRATED RISK MANAGEMENT

We operate in a rapidly changing environment and face specific industry, commercial, regulatory and other risks. While some remain beyond our control, the Board and Executive Committee continually assess risk, prioritising their responsibility to anticipate potential threats to our operations, customers, employees and the execution of our strategy.

Renewi has put in place various risk and mitigation strategies that form the basis for divisional risk assessments and management. Our group risk management strategy and policy is essential for:

- delivering our objectives;
- maintaining sustainable shareholder value;
- protecting our reputation;
- promoting ethical conduct; and
- good governance.

We have made significant progress in the automation of our risk processes and incorporated the risk register review and post-investment review meetings into the monthly business review process. This has further embedded risk management into the business which has resulted in there being no need for a separate risk committee.

Our latest risk assessment concluded that the most significant risks to Renewi are changes in laws and policy as well as the risks for Health & Safety. The high inflationary environment has led to an increasing risk for residue costs with risks around volumes and demand remaining high.

In line with last year the labour market is still challenging which results in a high risk for labour availability.

There were a number of disruptive events in FY22, whereas in FY23 the risk profile has reduced due to today's situation being more stable. The implementation of mitigating actions has resulted in a decreasing risk profile for talent development, leadership and diversity, regulatory compliance and cyber risks.

RISK APPETITE

At Renewi, we take a proactive approach to managing risk. Our risk appetite is regularly assessed against the following impact dimensions:

- Health and safety
- Environment
- Development and acquisition
- Business continuity
- Investors and shareholders
- Financial
- Reputational and media
- Control environment

Our focus on risks relating to health and safety, the environment and regulation is unwavering and we have dedicated significant resources to these areas. The Executive Committee and senior management continuously monitor these risks to ensure they align with our low-risk appetite. Other dimensions and risks are reviewed on an ongoing basis. We have implemented a new risk management tool that improves our risk monitoring efficiency and our ability to assess current risk against our risk appetite. This makes it easier for us to stay informed of potential challenges and make informed decisions.

RISK MANAGEMENT FRAMEWORK

Effective risk management is fundamental to our strategy, and our comprehensive framework enables us to evaluate and address risks in a structured, cost-effective manner.

The framework notes Renewi's strict adherence to it and includes the schedule of matters reserved for the Board, which ensures that all significant issues are appropriately managed by the Directors.

Our risk management framework ensures:

- there is an appropriate risk culture, which ensures risks are recognised, identified quickly and effectively managed;
- risks are identified and their importance evaluated; and
- effective mitigating actions are designed, implemented and monitored.

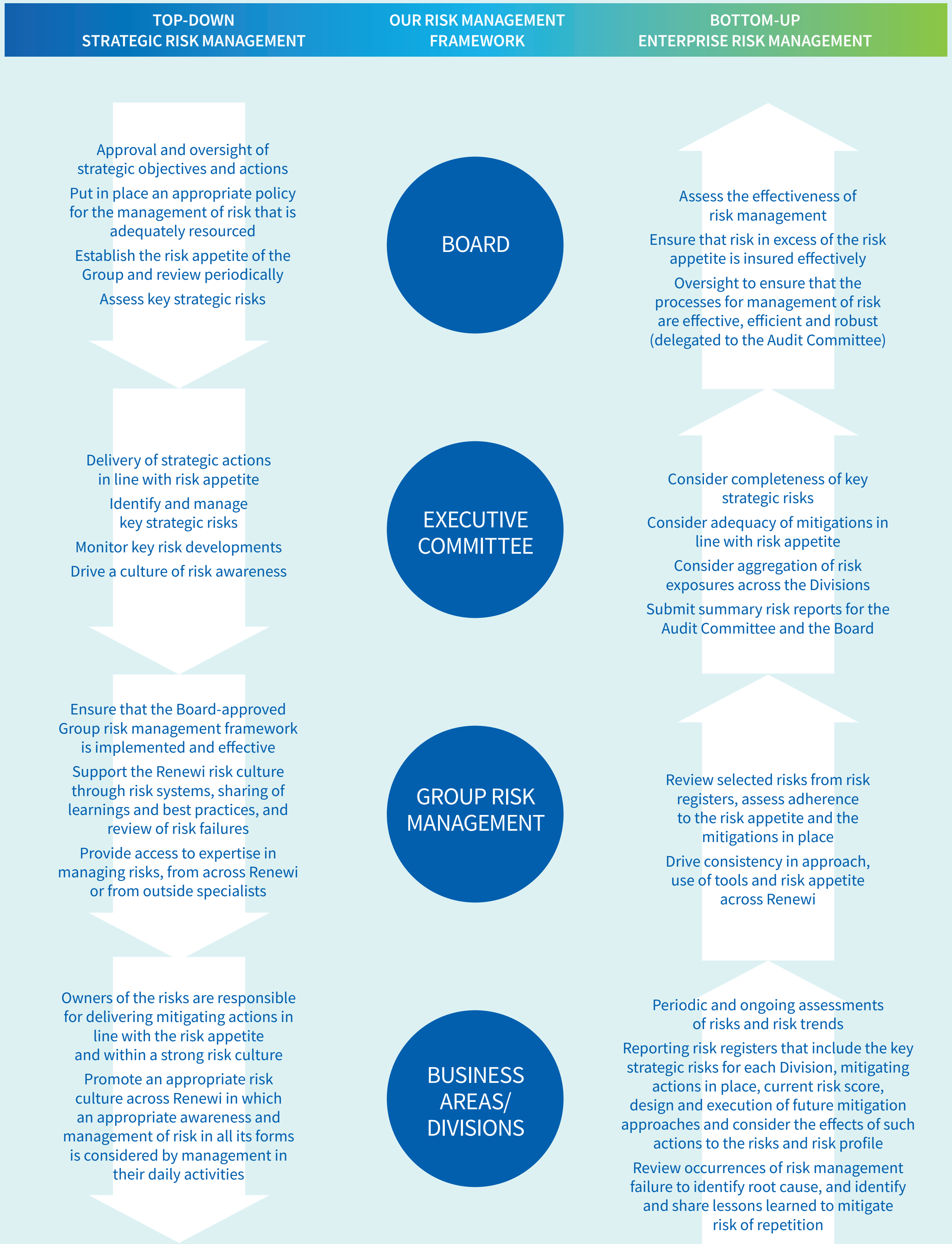
The output of this process is a summary of all significant strategic, operational, financial and compliance-related risks, our current mitigating controls and action plans necessary to reduce risks within our risk appetite.

The divisional management teams are responsible for the execution of the risk management activities within the divisions. Risk registers are reviewed by the divisional management teams and are discussed at the monthly business review meetings. This ensures key risks are monitored and mitigated appropriately and support our risk-management and decision-making processes. Renewi's risk registers and mitigation plans are reviewed by Executive Committee and the Board.

Enhanced risk assessments take place for major capital requests and are reviewed by the Investment Committee.

Day-to-day operations are supported by risk management systems (which include divisional risk registers), and risk management is embedded in project management activities, which include the change management approval process.

Our risk management framework



Risk management CONTINUED

Optical sorting line; Matha, Heijningen

REVIEW OF THE RISK ENVIRONMENT DURING FY23

We have reviewed and assessed our risk detection and mitigation processes. The main risk events of FY23 are outlined below.

Safety

Fire remains our main operational risk due to the possibility of spontaneous combustion in certain waste streams, and particularly the risk posed by flammable lithium-ion batteries found in ordinary waste streams. Renewi's reputation for fire safety is good and continually improving with investments in fire detection and prevention technology, team training and fire safety audits, alongside emergency preparedness audits, across all sites. This has resulted in a significant reduction in major fires as set out on page 71.

We have focused on building a strong safety culture this year, resulting in a good safety performance. We have seen a reduction in LTIs, major fires and environmental concerns.

Tragically, there was one fatal incident at a Renewi site. In response, our traffic safety plan has been tightened.

Next year, safety will remain a key focus, supported by a new business-wide audit programme that includes SHEQ.

Residue cost and capacity

High inflation has resulted in elevated costs of disposals, increased waste taxes and reduced landfill options. This, coupled with the unexpected invasion of Ukraine, caused a volatile energy supply and high energy prices, plus high costs and interest rates. We have strategies in place to minimise impact, including diesel hedging, dynamic pricing and monitoring of available energy.

Input volume has dropped due to the geopolitical situation, which may raise the risk of a failure to meet or pay contract commitments at certain incinerators.

Labour availability

The risks around labour availability and cost are still high due to general economic conditions and macroeconomics. The challenging nature of the work can also make it difficult to recruit.

Due to a strong employer brand, we have been able to fill most vacancies. This can be evidenced by a small decrease of this risk, but the risk remains high.

Changes in industry-relevant laws and policy

We see sustained pressure on lawmakers and policymakers for new laws and policies, and on regulatory bodies to enforce existing laws and policies.

Maintaining good dialogue with governing bodies remains crucially important. Potentially adverse changes are planned for and managed.

Cyber

Increased activity of malicious actors in the cyber domain means there is increased risk of falling victim to a cyber attack. We have been subject to attempted attacks in the last year and expect this trend to continue.

To improve our protection against potential threats, we have upgraded our systems and 24/7 monitoring is in place with the Security Operation Centre. We have also conducted awareness campaigns and training for our employees about risks in the digital environment to ensure consequences of successful attempts are reduced.

Climate

The impact of climate change is factored into our risk management processes. The short-term climate risks on the Risk Radar are:
- increased pricing of GHG emissions;
- extreme heat; and
- water stress and drought.

GROUP RISK MANAGEMENT DEPARTMENT

Our Group Risk Management department ensures the Board's decisions and risk appetite is cascaded throughout Renewi. It promotes a risk-aware culture and ensures the risk management framework is implemented and remains effective. The department provides expertise in managing risks, either from within Renewi or from outside specialists.

Ultimately the operating divisions and business unit management are responsible for managing risks. They are supported by the Group risk department with the latest information, risk failures, best practices, policies, strategies and processes.

Reporting through our Audit Committee and Executive Committee ensures the identification and communication of critical risks and ensures they are brought to the attention of the Board, and its decisions and risk appetite are cascaded throughout our risk architecture. This means our approach to managing risk is consistent and aligned across Renewi, and that the risk management framework is implemented and effective. With these procedures in place, risk management is deeply embedded in our business and we are promoting a risk-aware culture in everything we do.

Climate risks

Increasing cost of GHG emissions

The rising cost of carbon through carbon pricing schemes can be a risk to Renewi's own operations, as the expansion of the scope of both EU and UK Emission Trading System (ETS) and as well the Dutch, French and Portuguese carbon tax will mean we are subject to the scheme. It is possible that if Renewi does not invest in green technology or efficiency upgrades, we could eventually incur high carbon costs. Increasing carbon-intense waste treatment processes would worsen our carbon footprint, while the resulting avoided emissions may not be attributed to it under carbon pricing mechanisms.

While assessing how to consider and apply carbon prices in our decisions, we are building our carbon emission reduction plan as well as considering advanced technologies for carbon capture (example of the DIMMER project being investigated).

Extreme heat

This risk is connected to the fire risk: extreme heat brings a higher chance of fire due to spontaneous combustion of waste. Extreme heat can also cause difficult working conditions for our employees, with the possibility of heat-related illness such as heat stroke.

Mitigating actions are already in place with fire detection systems at most sites, which has resulted in fewer major fires, and procedures for controlling temperatures are implemented at some sites.

Our emergency response and contingency plans ensure business continuity.

Water stress and drought

This is a developing risk which will impact Renewi in two ways:
- Lowering our operational capabilities: if there is insufficient water, some plants may have to halt operations or start developing alternative solutions to obtain water (with increased operating costs and/or on-site transformation requiring further capital investment)
- Lowering river levels: this impacts our use of waterways to move inbound and outbound volumes of waste. For some sites, if the river levels are low, ships and barges may have difficulties to reach the dock (barge shipments are mainly used for transporting glass and wood)

Risk assessment

For climate-related risks, we have worked alongside a leading global sustainability consultancy to identify relevant risks and assess the materiality of these issues. To better understand potential timing and future materiality of key climate-related risks, we completed in FY22 a qualitative scenario analysis assessment. We have employed globally recognised datasets which provide insight into the possible risk and/or opportunity trends associated with low- and high-carbon futures. We will update our qualitative scenario analyses assessment every two years and take into account latest developed and made publicly available climate models. We have started working on a financial quantification exercise for two specific climate risks during the year which will determine the priority sites to be looked at that require immediate focus and a mitigation plan will be prepared during FY24.

We follow the guidelines set by the Financial Stability Board. More details can be found in the Task Force on Climate-related Financial Disclosures on pages 59 to 65. As the risks are better quantified this year, we have made them part of the Risk universe diagram on the next page.

Risk management CONTINUED

Objectives of our risk management framework

1 KNOW WHAT RISKS WE FACE
Identify and evaluate our universe of potential risks to allow the creation and management of registers of risks faced by the Group.

2 KNOW WHAT RISK WE WANT TO ACCEPT
Manage a risk strategy in which the tolerance and appetite of the Group for differing levels and types of risk is clearly understood.

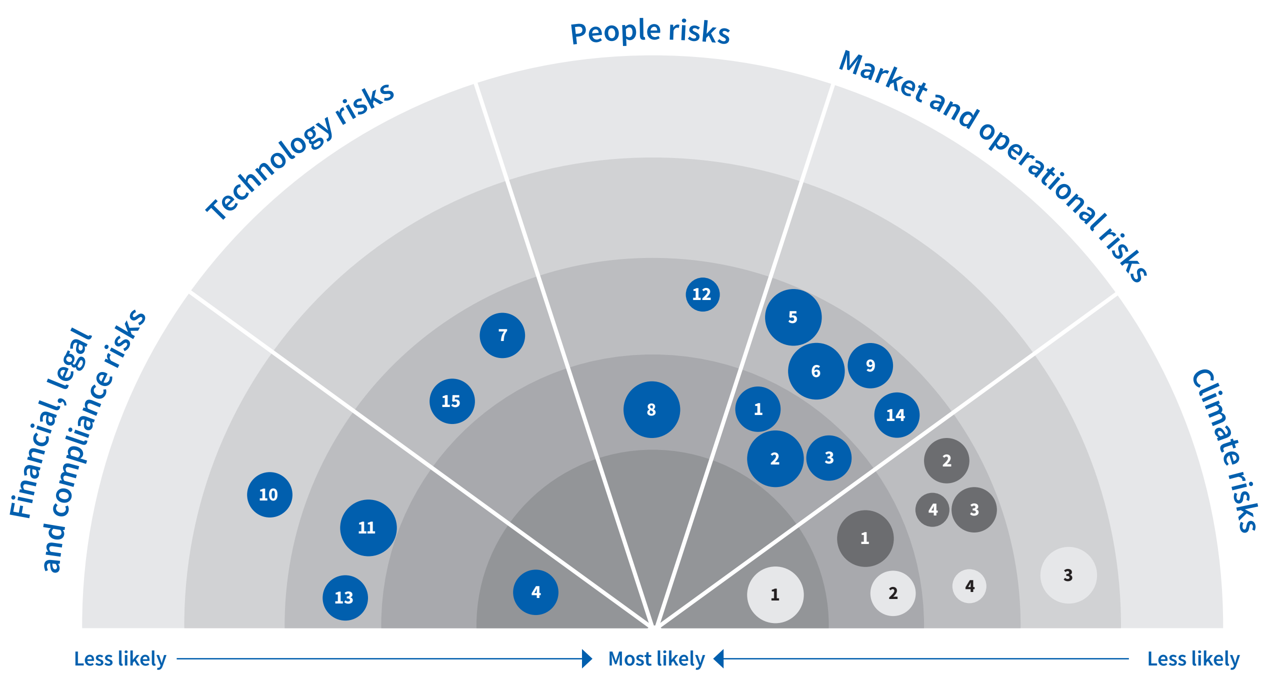
3 MANAGE OR MITIGATE OUR RISKS
Ensure that all identified key risks are effectively mitigated or, where appropriate, transfer risks through insurance.

4 TRAIN OUR PEOPLE IN RISK MANAGEMENT
Ensure that management is trained in the effective identification, assessment and management of risk.

5 CONTROL SYSTEMIC RISK
Maintain and improve a system of internal controls to manage risks in decision-making, contract management and financial transactions.

Risk universe

Principal risks
Climate risks – physical risks
Climate risks – transition risks
Size denotes current impact score
1 2 3 4 5



Summary of key risks

NON-CLIMATE RISKS	Risk trend	Inherent risk profile	Current risk profile	Current risk impact scores: Likelihood	Current risk impact scores: Impact	Previous year scores: Likelihood	Previous year scores: Impact
1. Product pricing, demand and quality	—	High	Medium	4	3	4	3
2. Residue costs, capacity and specification	↑	High	High	4	4	3	3
3. Input volumes	—	High	Medium	4	3	4	3
4. Changes in law and policy	—	High	High	5	3	5	3
5. Disruptive event	↓	Medium	Medium	3	4	5	3
6. Health and safety	—	High	Medium	3	4	3	4
7. Digitisation	—	Medium	Medium	3	3	3	3
8. Labour availability and cost	↓	High	High	4	4	5	4
9. Major plant failure or fire	—	High	Medium	3	3	3	3
10. Unsustainable debt	—	Medium	Low	2	3	2	3
11. Regulatory compliance	↓	High	Medium	3	4	4	4
12. Talent development, leadership and diversity	↓	Low	Low	3	2	3	3
13. Long-term contracts	—	High	Medium	3	3	3	3
14. Input pricing	—	High	Medium	3	3	3	3
15. ICT failure and cyber threat	↓	High	Medium	3	3	4	4

CLIMATE RISKS	Risk trend	Future risk score	Time horizon	Current risk impact scores: Likelihood	Current risk impact scores: Impact	Previous year scores: Likelihood	Previous year scores: Impact
Physical risks							
1. Extreme heat	—	High	To 2025	4	4	-	-
2. Water stress & drought	—	Medium	2025 - 2030	3	3	-	-
3. Flooding	—	Medium	2025 - 2050	3	3	-	-
4. Storms & wind	—	Low	2025 - 2030	3	2	-	-
Transition risks							
1. GHG pricing	—	High	To 2025	5	4	-	-
2. Supply chain transparency	—	Medium	2025 - 2030	4	3	-	-
3. Lack of developing climate policies	—	Medium	2025 - 2030	2	4	-	-
4. Volume/composition due to reduce/re-use	—	Low	2025 - 2030	3	2	-	-

Key — Unchanged risks; ↑ Increased risks; ↓ Decreased risks; Low risk; Medium risk; High risk

Summary of key risks

Reference numbers are consistent with those used in the summary of key risks table.

KEY RISK	KEY MITIGATION	COMMENTARY
1. Product pricing, demand and quality		
That the value we receive for recycled product falls, that markets contract, reducing demand for our product, or we become unable to produce to the required quality. Risk direction: Stable Strategic objectives: 1 2 4	• By focusing on improving product quality, we optimise the value we receive for our products • Partnerships, innovation and investments in cutting-edge technology that fit with market needs for products • Sustainable technologies that are used to align with market needs and international and national policy • We apply dynamic pricing that links input and output prices. This leads to more stable margins • Renegotiation of long-term and fixed-price offtake contracts where appropriate • We thoroughly understand and closely monitor the capacity-driven markets to mitigate risk and leverage opportunities that are presented • We use multiple product offtakers to spread the risk where appropriate	This year prices for paper, plastics and metals have seen record highs before normalising in the second half of the year. The expectation for FY24 is that prices will remain around normalised levels but could fall further. As we have good mitigating measures in place the impact will be limited but due to volatility (especially in paper and metals) and its importance to our margins the risk remains high.
2. Residue costs, capacity and specification		
Lack of capacity at outlets and/or inability to produce in specification, resulting in increased price or limitations of disposal of burnable waste and other residues. Risk direction: Increase Strategic objectives: 1 5	• We have experienced employees dedicated to burnable and residual waste offtake markets • A range of residue offtakers contracted to spread the risk. Contract end dates are carefully managed to avoid having to renew contracts simultaneously, further reducing the risks • Quality control systems are in place to ensure specification of residues is at the required level • Offtake strategy designed, implemented and continuously improved	Taxation on importing waste reduces the input volumes (also see risk 14). The continuing pressure on recycling and our investments in cutting-edge recycling technologies lead to reduced residue volumes and overcapacity at outlets. Improved output streams at ATM further reduces this risk. The calorific value of residues remains a focus for incinerators. Input volume drops due the geopolitical situation in Ukraine and potential economic downturn, which may raise the risk of a failure to meet or pay contract commitments at certain incinerators.
3. Input volumes		
That incoming waste volumes in the market may fall. Risk direction: Stable Strategic objectives: 1 3 4 5	• Effective reporting of incoming waste volumes across the Group for rapid response to market changes • Rapid response to cut costs if input volumes fall • Continued investment to secure new waste streams and volumes • Increase sales activities on focused profitable markets and segments • Market-facing, customer-focused organisation	The likelihood of a lack of input volumes remains stable but high, due to potential economic downturn and the geopolitical situation in Ukraine. Public opinion continues to shift towards increased recycling rather than incineration, which is favourable for Renewi given our assets and partnerships.
4. Changes in law and policy		
Adverse impacts from changes in law and policy, including environmental, tax and similar legal and policy regimes, including changes in regulatory attitude and behaviours as a result of shifts in public opinion. Risk direction: Stable Strategic objectives: 1 6	• Horizon-scanning by competent internal specialists to ensure changes are planned for and managed, and potential opportunities captured • Alignment of business model with national and international policy and law towards more sustainable waste management practices • Engagement with regulators and legislators to discuss what is possible in treating waste and to support tough but achievable sorting and product quality targets	Our business model is in line with society's needs for sustainable waste management. Changes in law and policy occur frequently and this is expected to continue. The impact from the changes is increasingly favourable as and when enforced. Most changes in law and policy provide opportunities for Renewi. The most recent change is the VLAREMA 8 legislation in Belgium, which we believe is an opportunity for Renewi rather than a risk. We see sustained pressure on law and policymakers for new laws and policies, and on regulatory bodies to enforce existing laws and policies. Maintaining good dialogue with governing bodies remains crucially important. Potentially adverse changes are planned for and managed.
5. Disruptive event		
That a disruptive event such as a pandemic or war has severe consequences for our incoming waste streams, market prices, access to energy and workforce, causing business interruption or loss. Risk direction: Decrease Strategic objectives: 1	• Crisis protocols and capabilities to handle the crisis in place with principles that can be applied to any crisis, whatever the nature • Business continuity plans in place • Monitor changes in government and health adviser within our operating countries • Escalation and impact scenarios for the geopolitical situation in Ukraine are in place • The energy availability/pricing is covered by overall Renewi contracts with hedging in place	The war in Ukraine is rapidly changing and consequences, like increased energy, and diesel prices and general inflation have materialised. These risks are offset by our diesel hedge, targeted price increases and dynamic pricing, limiting our price risk. Availability and pricing of energy, both fuels and electricity, remains a risk due to the ongoing geopolitical and macroeconomic environment. Potential escalation scenarios are being considered and mitigations are being designed and implemented. For a potential threat of a new pandemic, there are crisis protocols in place to identify these at an early stage and have a structured approach to address the evolving situation.

RISK DIRECTION KEY:

Increase | Stable | Decrease

STRATEGIC OBJECTIVES

1 Leader in recycling
2 Leader in secondary material production
3 Selectively gain market share
4 Enable the circular economy
5 Reduce carbon emissions and waste
6 Care for people

Risk management CONTINUED

Summary of key risks

Reference numbers are consistent with those used in the summary of key risks table.

KEY RISK	KEY MITIGATION	COMMENTARY
6. Health and safety		
Injury or loss of life. That we incur reputational loss, or civil and criminal costs. Risk direction: Stable Strategic objectives: 6	• Safety is the top agenda item at all management meetings • Safety leadership programme in place • Resilience training rolled out • We have made improvements on safety culture leading to more near miss reporting • Coherent targets in place for accident, near-miss and other key safety performance parameters • Improved Traffic plan on all sites • Corporate health and safety managers and competent internal specialists in place • New nominations for Future Leaders programme for FY24 • Defined and tracked health and safety priorities plan under way and delivering • Home Safe Campaign executed and shift to ISRS and Hearts & Minds • We actively and openly engage with regulators	Safety is a core value at Renewi. This commitment has been translated to all levels of the business, demonstrated by the implementation of ISRS (International Sustainability Rating System), Safety Leadership programme, our 10 LSRs, internal audits and multiple safety campaigns. This has resulted in an important reduction in LTIs, major fires and environmental concerns. Following on from the fatal accident our traffic safety plan has been tightened. Safety behaviour still needs to be worked on as breaches exist. This area remains under high scrunity. Further we have seen an important reduction in LTIs, major fires and environmental concerns. Please refer to the Safety section on page 71.
7. Digitisation		
That a disruptive technology or business model deployed by a competitor or new entrant impacts our ability to compete. Risk direction: Stable Strategic objectives: 1 2 4 5 6	• The Chief Information Officer (CIO) together with the Director Strategy & Business Development, both members of the Executive Committee, have the remit to identify future opportunities and risks • Active monitoring across the Divisions and Group of new digital entrants, technology or services from competitors • Renewi takes a fast-follow approach to emerging threats to keep expenditure proportionate to threat • Diversification of business, core operational services and products limits threat and impact from disruptive business models and technology • Renewi's innovation programme identifies opportunities ahead of competitive threats and generates competitive advantage proactively • Renewi has several digital developments under investigation to retain a competitive leading position and mitigate threats (AI, big data, robotics, online/digital services, platform services) • Increased integration across the Group to align data and increased efficiency through digital automation • Partnerships in place, which continue to increase, and allow for collaboration on industry innovations with key existing, as well as new, players in the industry • Renewi 2.0 transformation programme	We are working on the main project Renewi 2.0, which will continue to optimise and digitise our core processes. The risk scoring for this risk is in line with last year. We continue to monitor competitor threats and apply a fast-follower principle. We run numerous digitisation pilots within Renewi to establish their viability, value and disruptive capability. We remain alert and proactive to changes seen in the markets around us and those emerging in the global waste-to-product markets. This is co-ordinated and supported by the Director Strategy & Business Development with the support of the CIO.

RISK DIRECTION KEY:

Increase Stable Decrease

KEY RISK	KEY MITIGATION	COMMENTARY
8. Labour availability and cost		
That there are shortages of certain labour types, leading to unavailability or severe wage inflation. Risk direction: Decrease Strategic objectives: 3 6	• We offer competitive wages • Renewi is a strong employer brand • Successful recruitment programmes for drivers have continued • The culture within Renewi is strong and have the attention of the management. • Strengthened learning and development programme including leadership • More vacancies are solved internally	The risks around labour availability and cost are still high due to macroeconomic conditions, combined with a lack of some core skills and an ageing workforce. Due to a strong employer brand we have been able to fulfill most vacancies. This can be seen in the slight decline this year, but the risk remains high.
9. Major plant failure or fire		
Operational failure and/or fire at a key facility leading to business interruption and other costs. Risk direction: Stable Strategic objectives: 3 4 5 6	• Optimise fire prevention plan • Performance and gap-analysis resulting in fire detection register with overview of all different systems • Train people as a 'fire intervention team' • Fire risk survey process in place including engagement with insurers and with competent external advisers • Business continuity planning in place at all major sites and under review for all sites • Mechanical breakdown insurance in place for at-risk facilities and reviewed on a regular basis for adequacy • Regular annual and other shutdowns at key facilities to ensure they remain well invested and maintained • Business continuity planning includes breakdown risk and mitigation measures	This year fire prevention measures have been implemented by the installation of fire detection sprinkler systems. The implementation of fire standards is verified by fire standards and emergency preparedness audits. The implementation of the fire standards and prevention measures have decreased the number of major fires this year. High-quality maintenance and life cycle programmes are in place in order to ensure resilience at major unique facilities. Across our general recycling and recovery plants, our larger company provides flexibility to divert waste and retain value internally in the event of a breakdown.
10. Unsustainable debt		
That funding is not available or that funding sources are available, but that cash generation is insufficient to allow access to funding. Risk direction: Stable Strategic objectives: 3 6	• Our financing structures reduce our financing cost, continuously optimising l iquidity and headroom • Capital investment to meet strict return requirements • Strong budget control on capital projects • Good balance of leased and owned assets • We have a diverse range of financing sources and maturities • Supportive and flexible finance partners • Investment Committee in place to support Divisions with mergers, acquisitions, partnerships and investments from an early stage	The risk of unsustainable debt continues to fall. We currently have significant covenant and liquidity headroom on our main Group facility. We have a balanced maturity profile supported by the recent new issuances.

STRATEGIC OBJECTIVES

1 Leader in recycling
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Risk management CONTINUED

Summary of key risks

Reference numbers are consistent with those used in the summary of key risks table.

KEY RISK	KEY MITIGATION	COMMENTARY
11. Regulatory compliance		
That we fail to comply with environmental permits and/or environmental laws and regulations. Risk direction: Decrease Strategic objectives: 3 5 6	• Effective management of all environmental and regulatory matters arising through environment management systems and regular inspections and audits • Monthly environmental issues reporting across all levels of organisation with prompt follow-up • Experienced and competent environmental specialist employees in place • Community environmental engagement performance in place as a key business objective • Compliance rules are often based upon best available (measurement) capabilities. When the ability to measure certain substances improves, the threshold is lowered accordingly. Our operational grip and continuous improvement processes ensure we can adapt rapidly to increasingly strict rules and regulation	Renewi recognises the importance of compliance with all environmental regulations and takes a proactive approach to comply with continuously tightening regulations. As industry leader, Renewi embraces the tightened regulations as an opportunity to strengthen relationships with regulators and showcase transparency. Renewi understands the importance of being forward-thinking and collaborative when it comes to regulatory compliance. Effective mitigations are in place with our environment and regulatory management systems, reporting, inspections and audits. Additionally, this year a compliance director at group level is appointed and more insight in the compliance data is available.
12. Talent development, leadership and diversity		
That we fail to develop the required management capabilities for future needs. Risk direction: Decrease Strategic objectives: 3 6	• Performance appraisal process (PDR) and Talent Review process are in place • Individual development plans and career development plans are set up • Leadership development programmes in place. • Improved external talent recruitment capabilities • Trainee programme Belgium and Netherlands in place • Our software solutions bring increased structure and capabilities to learning and development • Future leader programme is started last year and new nominations for Future Leaders programme for FY24 are done • The Diversity & Inclusion (D&I) Board is created	Due to the economic situation, the unemployment rate is low and the talent remains short in supply. This is offset by further optimising the internal talent process to make sure talent will not be lost. This has been done through Talent reviews, leadership development programmes and improved external talent recruitment capabilities. The Diversity & Inclusion (D&I) Board has been set up and has started a full programme, with specific trainings, the D&I day and more new initiatives.
13. Long-term contracts		
That we enter into long-term contracts at disadvantageous terms or we rely on a small number of large contracts. Risk direction: Stable Strategic objectives: 1	• Selective bidding on contracts, combined with strict Board controls on entering any new major contracts, are in place • Detailed risk assessments and due diligence on contracts are conducted	The Board's caution regarding complex long-term contracts remains. The risks mainly reside in municipal contracts and renewal risks in Maltha and Coolrec, where we are reliant on a small number of large contracts. Ongoing operational improvements for remaining contracts continue.

RISK DIRECTION KEY:

Increase | Stable | Decrease

KEY RISK	KEY MITIGATION	COMMENTARY
14. Input pricing		
That market pricing may put pressure on our margins. Risk direction: Stable Strategic objectives: 1 3	• Prices are constantly monitored and reported on via operational systems • To deliver cost leadership in core markets we effectively manage our costs, both structurally and operationally • Where appropriate, we use longer-term contracts to limit exposure • Targeted price increases and dynamic pricing are used to optimise margins	High inflation and output price levels increases our risk of margin erosion. We are pricing new business for margin over volume and with clear minimum returns targets.
15. ICT failure and cyber threat		
That ICT failure and/or cyber crime causes business interruption or loss. Risk direction: Decrease Strategic objectives: 1 3	• Business continuity planning and testing in place for ICT failure • Awareness among employees raised through ongoing cyber security awareness campaigns and training • Regular external security tests and improvements throughout the year • Security planned at design stage in all projects and programmes • Cyber resilience software in place • Systems hardened with improved detection and other mitigations • 24/7 monitoring is in place with the security operation centre • Continued investment in upgraded systems and infrastructure	The inherent risk cyber threat remain high and in line with last year. Reflecting the high number of cyber attacks globally. We encountered such attempts during FY23 and expect this trend to continue. We have strengthened our systems and processes during the year. With the security operation centre which is now fully functional, 24/7 monitoring is in place. We have also carried out awareness campaigns and training for our employees about risks in the digital environment to ensure consequences of successful attempts are reduced. The current risk for ICT failure is slightly reduced due to these effective mitigations and general IT controls in place.

STRATEGIC OBJECTIVES

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Risk management CONTINUED

Climate risks – physical risks

Reference numbers are consistent with those used in the summary of key risks table.

KEY RISK	KEY MITIGATION	COMMENTARY
1. Extreme heat		
Increases in maximum temperatures.	• Emergency response and contingency plans to ensure business continuity • Procedures for controlling temperatures at some sites • Fire detection and extinguishing systems	**Main foreseen occurrences:** Increased likelihood of fires at sites due to spontaneous combustion of waste. **Minor foreseen occurrences:** Heat-related illnesses, such as heat stroke. Lower efficiency, intermittent operation or failure, of equipment used for sorting and recycling processes. Biological processes could be disrupted or halted. Additional energy to cool equipment, processes, and sites.
2. Water stress and drought		
Increases in water stress and drought.	• Some sites are already used to managing flow of raw materials (woods for example) even when low river levels • A map of priority sites will be drafted in the coming year to assess where new mitigation plans need to be created	Lower river levels disrupt barge shipments of products to destination sites. Reduced water supplies may halt processing. Water supplies may become more expensive to procure. Lower river levels during water stressed periods may impact water discharge rates for waste processing sites, resulting in reduced operational capacity. Investment in additional water storage facilities.
3. Flooding		
Extreme rainfall or coastal storm surges.	• Emergency response and contingency plans to ensure business continuity • Flood barriers at some sites located near water courses (e.g. Jenkins Lane, UK) • Investment in extra water storage capacity at some processing sites • Drainage systems at some sites designed to manage storm water flows, with reference to forward-looking scenarios	Damages to site equipment and infrastructure. Contamination of water due to mixing with waste materials. Impact water discharge rates. Investment in additional wastewater storage facilities. Coastal flooding could disrupt supply chains.
4. Storms and wind		
Storms and extreme winds.	• Emergency response and contingency plans to ensure business continuity • Drainage systems at some sites designed to manage storm water flows, with reference to forward-looking scenarios	Storms and extreme winds may carry debris and result in road blockages disrupting supply chains. Could lead to increased repairs of infrastructure.

Climate risks – transition risks

Reference numbers are consistent with those used in the heat diagram.

KEY RISK	KEY MITIGATION	COMMENTARY
1.GHG pricing		
Increasing pricing of GHG emissions	• While assessing how to consider and apply carbon prices in our decisions, we are building our carbon emission reduction plan as well as considering advanced technologies for carbon capture (example of the DIMMER project currently being investigated)	Rising cost of carbon is a risk, due to the expansion of EU/UK ETS scope to include Renewi.
2. Supply chain transparency		
Supply chain transparency emissions.	• We will continue to improve as techniques develop further	Lack of transparency could lead to key stakeholders being disappointed and unsupportive.
3. Lack of developing climate policies		
Lack of developing climate policies	• We support and lobby for progressive climate-related policies of governments in our markets	Slow down climate actions could have a negative effect on growth.
4. Volume/composition due to reduce/re-use		
Changes in waste volume and composition due to reduce and re-use principles	• We encourage re-use and will continue to actively monitor composition of inbound streams for changes in customer behaviours	Revenues impacted to the downside due to reduce and re-use principles. Fewer materials or fewer high-value materials in inbound stream.

Financial risks

Renewi takes action to protect the business against the most material financial risks. Our key policies for control of financial risks are detailed below.

INTEREST RATE RISK

Renewi has continued to limit its exposure to interest rate risk on core borrowings by using fixed-rate retail bonds, bank loans and private placements. At the end of FY23, circa 85% of core borrowings were fixed. Additionally, the PPP non-recourse floating-rate borrowings are hedged for the duration of the contracts using interest rate swaps entered into as part of financial close of the project.

FOREIGN EXCHANGE RISK

Renewi operates in the UK and is exposed to translation risk into Euros on the value of assets denominated in Sterling. The Group has limited transactional risk, as the Group's subsidiaries conduct the majority of business in their respective functional currencies. Some risk arises in Euros for the export of processed waste from the UK to Europe.

COMMODITY PRICE RISK

Renewi is exposed to diesel price changes, which are managed using forward contracts. The Group manages other exposures to prices of paper, plastics, metals, residual fuels and other recyclates associated with offtake through commercial contracting.

CREDIT RISK

Credit risk is the risk of financial loss where counterparties are not able to meet their obligations. The Group has implemented the setting and monitoring of appropriate customer credit limits, often supported by credit insurance. Credit limits and outstanding receivables are reviewed monthly. The Group has a policy to ensure that any surplus cash balances are held by financial institutions meeting minimum acceptable credit ratings.

FRAUD RISK

To mitigate the exposure to losses arising from fraud committed on the Group or by its employees, robust internal controls and financial procedures are reviewed and tested regularly.

Viability statement

In accordance with Provision 31 of the UK Corporate Governance Code, the Board has assessed the prospects of the Group over a period of more than 12 months and has adopted a period of three years for the assessment. This assessment was considered in the context of the Group's five-year strategic planning process; however, for this viability assessment only the first three years are used. The assessment of viability is modelled using the business plan, within which the financials in the past two years are largely extrapolations of key assumptions used in the budgeting process. The first three years of the plan represents the period over which the Group's risk would have the most adverse impact and is the period that the Group gives most focus to in the forecasting process. The strategic growth plan represents the longer-term strategic goals of the Group, including elements of our innovation pipeline, which are expected to deliver significant growth in the later years of the five-year plan, but the benefits of any projects not yet formally approved by the Board are not included in our viability assessment modelling.

The key assumptions made in Renewi's strategic planning financial model are: economic growth and inflation resulting from ongoing geopolitical instability; continuing growth opportunities leading to further margin improvements in the Commercial Waste Division; long-term recovery at ATM; and the delivery of the Renewi 2.0 and other cost saving programmes. The ATM recovery includes returning to higher levels of soil production levels along with the completion of certification and ramp up of production of higher-value secondary raw materials. The Renewi 2.0 programme is forecast to deliver a minimum of €20m of annual cost benefits in FY24. It has been assumed for viability modelling that the €75m Retail Bonds which mature in July 2024 will be replaced and a €370m RCF facility will be replaced with a facility of equivalent value in FY25. The Board is satisfied that is is reasonable to assume we will be able to renew these facilities under comparable terms.

The Board assessed the principal risks to the business as set out in the preceding pages and concluded that seven severe but plausible risk scenarios should be tested separately. We have also tested appropriate combinations of scenarios. The risks selected for modelling are considered to be those with the most significant, quantifiable potential impact in the three-year period. The scenarios modelled included up to 40% lower recyclate product pricing due to challenges in the offtake markets, a 2% decline in input revenue due to lower volumes following an economic downturn, a further 12-month delay in the operational ramp-up at ATM combined with increased plant downtime, a 33% reduction in long-term cost efficiencies from cost saving initiatives and a cyber attack which severely impacts our ability to operate for a period of up to one month. For each scenario the Group has also identified the mitigation steps it would take to reduce the risk and performed the scenario testing on that basis. These mitigations include the deferral of capital expenditure, working capital controls and reduction of other discretionary cash flows.

The Group's liquidity and covenant headroom have been assessed and incorporated within the risk-scenario modelling. Based on the consolidated financial impact of the sensitivity analysis and associated mitigating actions that are either in place or could be implemented, it has been demonstrated that the Group maintained headroom in the event of each of the separate scenarios and the combined scenarios occurring.

Having considered all of the elements of the assessment, the Directors confirm they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due for the period of assessment.

Weight bridge, Coolrec
Dordrecht

Section 172(1) statement

When making decisions, the Directors of Renewi plc will always act in the way that they believe will best promote the success of the Company for the benefit of its members as a whole, while also considering the broad range of stakeholders who interact with and are impacted by our business.

Throughout the past year, the Board of Directors has again acted to promote the long-term success of the Company while also having due regard to the matters set out in Section 172(1) of the UK Companies Act 2006.

Directors have had regard to those specific factors as listed below, as well as others that are relevant to the particular decisions being made. The Board, however, acknowledges that not every decision may result in a positive outcome for all stakeholders. By considering our purpose and values, together with our strategic priorities, the Board aims to ensure that decisions are consistent and intended to promote the Company's long-term success.

The Company continued its engagement with key stakeholders throughout the year to deepen understanding of the issues and factors that are significant for them. Our key stakeholders are set out in the Connecting with our Stakeholders section on pages 121 to 126 of the Corporate Governance Report. Here we identify the relevance of each stakeholder to our business model, describe how we engage and the key issues of discussion, list metrics to measure stakeholder relationships and summarise the outcomes of engagement. Further details of how the Board discharged their Section 172(1) duties when making principal decisions during FY22 are also set out on page 127 of the Corporate Governance Report. Here we report the considerations made for each stakeholder and describe the strategic actions taken by the Board, along with the outcomes of those principal decisions.

Renewi is a waste-to-product company and, as such, environmental and sustainability matters are at the heart of what we do. The consideration and impact of the Group's operations on the environment and our wider contribution to the circular economy are evidenced throughout the Strategic Report section of this Annual Report and also in our FY23 Sustainability Review, which will be available on our website in late June 2023.

Our Directors recognise the importance of increasing engagement with the widest range of stakeholders, taking decisions that will support the circular economy and at the same time operating in a way that helps secure the long-term success of the business.

S172 Summary

S.172 FACTOR	RELEVANT DISCLOSURE
a. Likely consequences of any decisions in the long term	Chairman's statement (page 14) CEO's strategic review (page 30) CFO's financial review (page 36) Enable the circular economy (page 50) Reduce our carbon emissions (page 54) Our key stakeholders (page 122 to 126) Principal decisions in FY23 (page 127)
b. Interests of the Company's employees	Employee engagement (page 124) Diversity (page 114) Care for people (page 66)
c. Need to foster the Company's business relationships with suppliers, customers and others	Connecting with our stakeholders (page 121) Modern slavery statement (renewi.com/en/our-policies)
d. Impact of the Company's operations on the community and environment	Enable the circular economy (page 50) Reduce our carbon emissions (page 54) TCFD (climate) disclosures (page 59) Communities (page 70)
e. Desirability of the Company maintaining a reputation for high standards of business conduct	What we do (page 22) Who we do it for (page 24) Business model (page 26) Care for people (page 66) Risk management (page 86) Audit Committee Report (page 132) Code of Conduct (renewi.com/en/our-policies)
f. Need to act fairly between the members of the company	Principal rights and obligations attaching to shares (page 159) Annual General Meeting (page 160) Shareholder engagement (page 117)

Non-financial information statement

This section of the Strategic Report constitutes the Group's Non-Financial Statement for the purposes of sections 414CA and 414CB of the Companies Act 2006. The table below is intended to provide our stakeholders with the content they need to understand our development, performance, position and the impact of our activities with regard to specified non-financial matters.

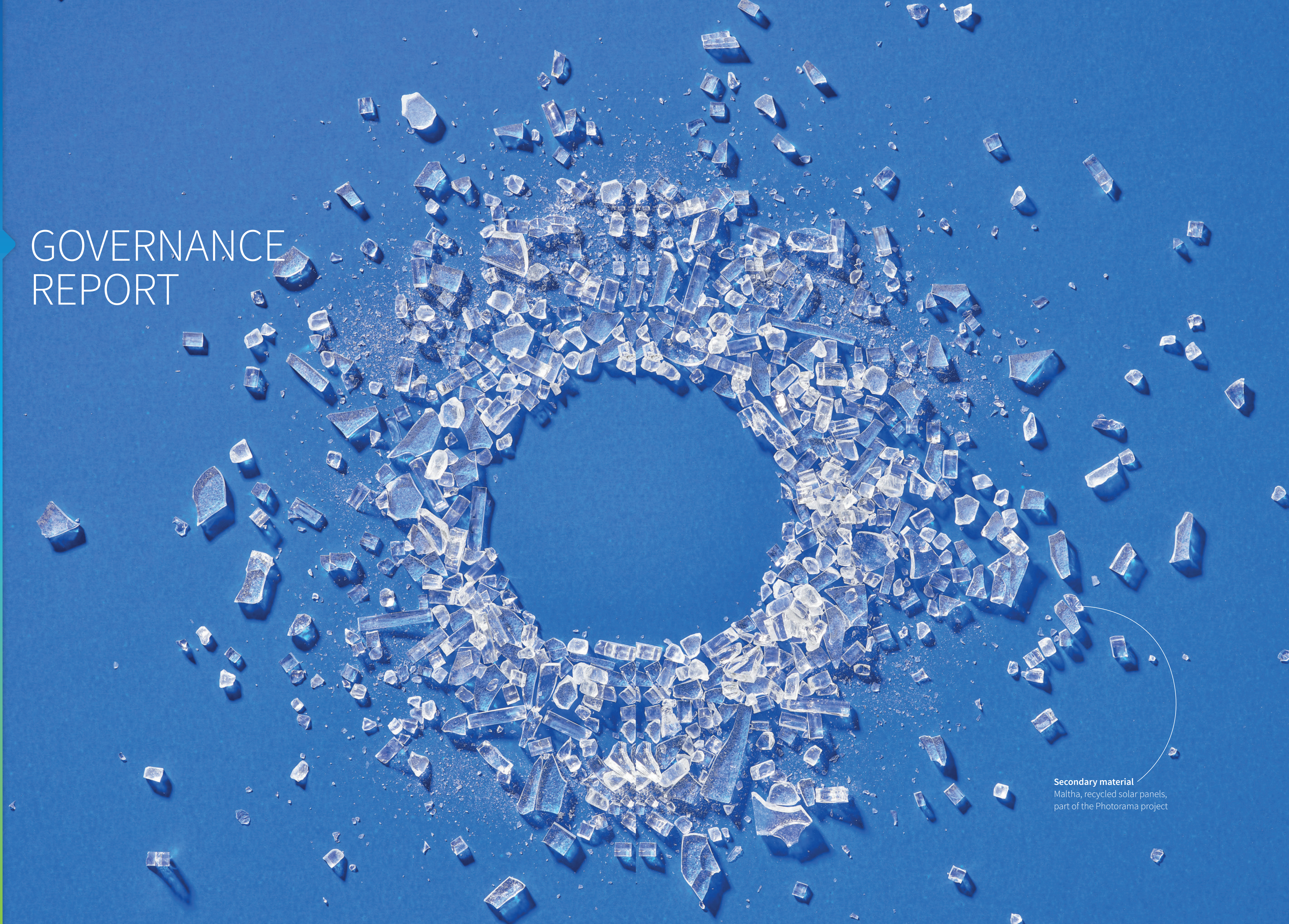
Visit our website for a complete set of relevant environmental, social and governance policies. Our disclosures are aligned to globally recognised reporting standards such as TCFD (see page 59), and UN Global Compact and Sustainable Development Goals (see page 8). Further information on non-financial targets and performance data can also be found in our sustainability review published June 2023.

REPORTING REQUIREMENT	SECTION OF ANNUAL REPORT
1. Description of business model	• Business model (page 26)
2. The main trends and factors likely to affect the future development, performance and position of the Group's business	• The world we live in (page 16) • Operating review (page 72)
3. Description of the principal risks and any adverse impacts of business activity	• Principal risks and uncertainties (page 91) • TCFD report (page 59)
4. Non-financial key performance indicators	• Measuring our performance (page 12) • Enable the circular economy (page 50) • Reduce our carbon emissions (page 54) • Care for people (page 66)

REPORTING REQUIREMENT	RENEWI POLICIES, PROCESSES AND STANDARDS WHICH GOVERN OUR APPROACH*	RISK MANAGEMENT	SECTION OF ANNUAL REPORT
5. Environmental matters	• Environmental policy	• Regulatory compliance risk (page 96) • TCFD Report (page 59)	• CEO's strategic review (page 30) • Enable the circular economy (page 50) • Reduce our carbon emissions (page 54)
6. Employees	• Code of Conduct • Human Rights Statement • Raising Concerns and Anti-Retaliation Policy • Health & Safety Policy • Diversity, Equity & Inclusion Statement	• Health and safety risk (page 94) • Labour availability and cost risk (page 95) • Talent development, leadership and diversity risk (page 96)	• CEO's strategic review (page 30) • Care for people (page 66) • Diversity (page 114) • Stakeholder engagement (page 121)
7. Human rights	• Business Partner Code of Conduct • Human Rights Statement • Modern Slavery Statement	• Regulatory compliance risk (page 96)	• Our customers (page 24) • Care for people (page 66)
8. Social and community matters	• Human Rights Statement	• Regulatory compliance risk (page 96)	• Care for people (page 66) • Stakeholder engagement (page 121)
9. Anti-corruption and anti-bribery	• Code of Conduct • Anti-Bribery and Corruption (ABC) Policy	• Regulatory compliance risk (page 96)	• Governance (page 136)

*Some policies, processes and standards shown here are not published externally.

GOVERNANCE REPORT



Secondary material
Maltha, recycled solar panels, part of the Photorama project

The Board of Directors

Renewi's Board of Directors supports the Company with an impressive range of skills and extensive experience across many disciplines.

BEN VERWAAYEN, MSc
Chairman

N

Appointed April 2020.

Skills and experience

Ben has a breadth of experience, having been the CEO of several companies, including Alcatel-Lucent SA and BT plc. He held the position of vice chairman and chief operating officer of Lucent Technologies Inc, was president of KPN and a non-executive director of Bharti Airtel. He has also been chairman of a number of companies and industry bodies including the CBI Energy and Climate Change Board in the UK. Ben currently serves as a non-executive director on the boards of Ofcom and Akamai Technologies Inc. He is a Founding Partner at venture capital company Keen Venture Partners LLP. Ben graduated from Utrecht University with a master's degree in Law and International Politics.

ALLARD CASTELEIN, MD
Senior Independent Director

N R S

Appointed January 2017.

Skills and experience

Appointed as President and CEO of the Port of Rotterdam in 2014, Allard will be stepping down from this position at the end of July 2023. He qualified as a medical doctor before pursuing an international career in the energy sector, holding a number of senior positions at Shell in various countries, culminating in the post of Vice President Environment of Royal Dutch Shell in 2009. He is a Supervisory Board member of SBM Offshore N.V and Heijmans N.V, a Non-Executive Director of Associated British Ports and a senior member of several Dutch trade organisations including the Economic Board of Zuid Holland and the Confederation of Netherlands Industry and Employers.

KATLEEN VANDEWEYER, MSc
Non-Executive Director

A N

Appointed December 2022.

Skills and experience

Katleen brings a wealth of experience in finance and auditing, most recently until July 2022 in her role as Deputy Chief Financial Officer at Belgian-listed company Proximus PLC, an international provider of digital services, communication and ICT solutions. Prior to Proximus, she held various leadership positions including that of CFO at Worldline S.A. and Arthur Andersen. She currently serves as Non-Executive Director on the Boards of Fedrus International BV, Ageas Group, AG Insurance and Vantiva S.A; she also sits on the Audit committees of both Ageas Group and AG Insurance. Previously, she sat on the Boards of Ion Beam Applications, bpost bank, Connectimmo N.V, Scarlet N.V. and Proximus Pension Fund. She holds a degree in Applied Economics from the University of Leuven.

JOLANDE SAP, MSc
Non-Executive Director

A N

Appointed April 2018.

Skills and experience

Jolande is chair of the Social Impact Team that advises the Dutch government on the social impact of pandemics and disruptive crises, a member of the Board of the Dutch Emissions Authority, vice chair of the Supervisory Board of KPMG, and a member of the Supervisory Board of Royal KPN N.V. She is also involved in several social initiatives, including Chair of the Smoke free table of the Dutch National Prevention Agreement, the Springtij Forum, and the Impact Economy Foundation. Between 2008 and 2012, Jolande represented the Dutch Green Party, GroenLinks, in the lower house of the Dutch parliament, leading the party from 2010. Previously Jolande was an economist in science, policy and business, head of the Incomes Policy department at the Ministry of Social Affairs and Employment, and director of the LEEFtijd centre of expertise. Jolande graduated from the Tilburg University in economics.

LUC STERCKX, MSc, PhD
Non-Executive Director

A N R S

Appointed September 2017.

Skills and experience

Luc started his career at Exxon Chemicals, before becoming the CEO of Indaver and subsequently joining the executive committee of PetroFina, where he served as managing director of Fina Holding Deutschland and as group senior vice president for SHEQ matters worldwide. He was then appointed CEO of Oleon where he led a successful management buyout. Luc was subsequently appointed as CEO of SPE-Luminus in 2005, the second largest power and gas company in Belgium, created as a result of a multi-party merger. Luc is an INSEAD-certified international director and a specialist in internal governance. He currently holds a number of non-executive and advisory positions, specialising in the fields of energy and chemicals, renewables and corporate governance.

NEIL HARTLEY, MA, MBA
Non-Executive Director

A N R S

Appointed January 2019.

Skills and experience

Neil is a Partner at Buckthorn Partners, a private equity firm that invests in businesses that support the integration of renewable energy, lowering emissions, increasing energy efficiency, decarbonisation of industrial processes and other improvements to existing energy infrastructure. He has an MBA from Harvard Business School and is also a graduate of Oxford University in engineering, economics and management. Neil has a total of 16 years in private equity and, prior to that, spent six years in investment banking with Simmons & Company International, specialising in corporate finance, M&A and capital raising in the energy sector. Neil has also been a management consultant at McKinsey & Company Inc and spent seven years in technical and line management roles with Schlumberger as a field service manager and field engineer.

OTTO DE BONT, MSc
Chief Executive Officer

Appointed April 2019.

Skills and experience

Otto was promoted to the role of Chief Executive Officer in April 2019. Prior to this, he was the Managing Director of Renewi's Commercial Waste Netherlands Division, playing a central role in the integration of Shanks Group plc with Van Gansewinkel Groep B.V. Before joining Renewi, Otto worked for a number of blue-chip companies including United Technologies' divisions Otis, Carrier and Chubb, and General Electric's Plastics and Security divisions. During his six years at United Technologies, Otto spent time in various managerial positions culminating in his role as president of Chubb Continental Europe.

ANNEMIEKE DEN OTTER, MA, RC
Chief Financial Officer

Appointed June 2022.

Skills and experience

Annemieke joined the Board on 1 June 2022. Previously she held the position of CFO of ERIKS, a €1.7bn revenue global engineering components and service provider (privately owned and part of SHV group). From 2016 she served for five years as the CFO of Ordina, a Dutch software company listed on the Amsterdam Stock Exchange. Since 2020, she has been a Supervisory Board member of ForFarmers N.V. Annemieke holds a master's degree in English and Literary Science from the Vrije Universiteit, Amsterdam, and has a post-master's degree in finance and control from Erasmus University, Rotterdam (Register Controller in Dutch).

Key: Committee Membership: A Audit N Nomination R Remuneration S Safety, Health and Environment ● Chair

The Executive Committee

Our Committee is a strong combination of industry experts and talented leaders from other sectors – benefitting Renewi with both specialist knowledge and broad experience.

MARC DEN HARTOG
Managing Director, Commercial Waste Netherlands

Skills and experience
Marc joined Renewi in 2021 as Managing Director, Commercial Waste Netherlands. He previously worked for Corbion N.V., a multinational company where he held a number of senior management positions. Prior to this, he held senior positions at Croklaan and at Unilever. Marc holds a master's degree in Chemistry from the University of Leiden.

THEO OLIJVE
Managing Director, Mineralz & Water

Skills and experience
Theo joined Renewi in 2019. He worked in senior management positions in the petrochemical industry and liquid bulk terminals for more than 25 years. Theo was divisional vice president for LyondellBasell, where he was responsible for global manufacturing. He was also managing director of the Odfjell Terminal Rotterdam, where he was responsible for restoring operation and compliance after a safety shutdown in 2012. Theo holds a master's degree in Chemical Engineering from the University of Groningen.

MARK THYS
Managing Director, Commercial Waste Belgium

Skills and experience
Mark joined Renewi in 2021 as Managing Director, Commercial Waste Belgium. He previously worked for Eurofins Scientific, where, from 2019, he held the position of global chief transformation officer. Prior to that, he built his career at Goodyear Dunlop, completing various international assignments and holding a number of senior positions. Mark holds a master's degree in Commercial Engineering and an Executive MBA in Business Management.

JAMES PRIESTLEY
Managing Director, Specialities

Skills and experience
James was appointed as Managing Director of the Municipal Division in 2016. He has a wide range of experience running and improving businesses in Europe and America. Prior to joining, he was president Europe for RGIS, an inventory services company owned by Blackstone. After starting his career at ICI, he moved on to gain extensive management experience at Ford, British Airways and Tesco, and consulting with Alix Partners. He has a degree in Chemical Engineering and an MBA.

HELEN RICHARDSON
Human Resources Director

Skills and experience
Helen joined Renewi in April 2019 as HR Director. Helen has a strong track record in international HR leadership roles. She has worked across various industries including FMCG, telecommunications, real-estate development and retail. Most recently, Helen held various HR leadership roles at Danone Nutricia. During this period, Helen played a leading role in the integration of several businesses, professionalising HR by driving employee engagement, putting talent management at the heart of the organisation and improving HR services.

MAARTEN BUIKHUISEN
Chief Information Officer

Skills and experience
Maarten joined Renewi in January 2020 with more than 20 years of IT experience, having worked in a number of global IT leadership roles. Prior to joining Renewi, Maarten had various international business and IT roles at Heineken, an internet B2C start-up and at Alcatel in telecommunication. During this period, he delivered business and IT transformations, global ERP programmes, digital innovations and data-driven organisations. Maarten has a bachelor's degree in Information Technology and an MBA from the University of Bradford.

DANIËL POST
Transformation Director

Skills and experience
Daniël joined Renewi in 2020 as Transformation Director. Before joining Renewi, Daniël spent more than 23 years in the energy and oil and gas industries, first working for Schlumberger, where he started his international career, and then at GE Oil & Gas in operational and commercial line management roles. Daniël holds an MSc in Mining & Petroleum Engineering from Delft University of Technology and an MBA from IMD.

PATRICK DEPREZ
Product Sales Director

Skills and experience
Patrick has been a member of the Group since 1998. He has held various roles including Belgium Regional Director, Group SHEQ, and has been a member of the Executive Committee since 2012. Before joining the Group, he was the head of the waste division at B&P Sobry NV for almost 10 years. Patrick has a degree in environmental management.

BAUKJE DREIMULLER
General Counsel

Skills and experience
Baukje has extensive experience from leading legal firms Simmons & Simmons, Ashurst and Houthoff. She joined Renewi in 2017 from Houthoff, where she held the position of senior lawyer within the corporate transaction (M&A) department. In this capacity, Baukje was very closely involved with the VGG-Shanks merger, having led much of the deal-related legal activity. Baukje holds master's degrees in both Dutch Law and International and European Law from Radboud University in Nijmegen.

JEANINE PEPPINK-VAN DER STERREN
SHEQ Director

Skills and experience
Jeanine joined Renewi in October 2021 as Group SHEQ Director. Previously, she was Group SHEQ-CSR Director for Royal IHC and lead assessor and environmental verifier for Lloyd's Register. Other senior positions involved overall responsibility for quality assurance and control, environment, health and safety, security and sustainability. Jeanine holds a master's degree from the University of Technology of Eindhoven in Industrial Engineering & Management Science and an MBA from the Vlerick University.

BAS VAN GINKEL
Strategy and Business Development Director

Skills and experience
Bas joined Renewi in 2018 as Strategy Director and was promoted to join Renewi's Executive Committee in February 2019. Prior to joining Renewi, Bas held senior positions at Philips Lighting and Bain & Co. He holds an MBA from Harvard Business School in the US, plus an MSc in Business Administration and a BSc in Economics from the University of Groningen.

MARIEKE VAN WICHEN
Director Communications

Skills and experience
Marieke joined Renewi in July 2022, bringing over 15 years' experience in international marketing and communications. Prior to joining Renewi, Marieke fulfilled a range of B2B and B2C global communications roles, most recently at Philips. Earlier in her career, Marieke worked in advertising. Marieke holds a Bachelor's degree in Communications.

While the Executive Committee does not have specific powers of its own delegated by the Board, the Chief Executive Officer is assisted in the performance of his duties by the Executive Committee, which meets monthly and comprises the Chief Executive Officer, Chief Financial Officer, Divisional Managing Directors and Corporate Function Leaders.

Key: Divisional Managing Director · Corporate Function Leader

as of 31 March 2023

Our CEO and CFO are also members of the Executive Committee.
See their biographies on page 107.

Customer Care
Amersfoort

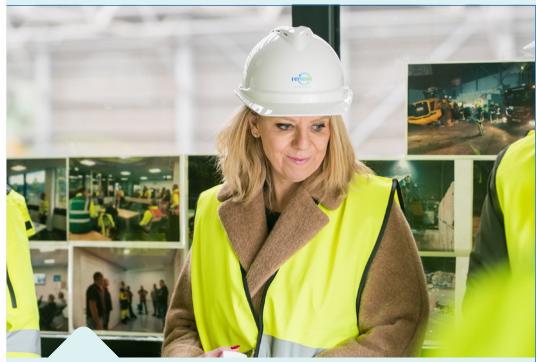
Governance at a glance

A snapshot guide to corporate governance at Renewi – committee reporting to the Board of Directors, and Board membership, attendance and the meetings calendar during FY23.

Principal decisions

Information about some of the decisions and discussions that were material or strategic to the Group and significant to our stakeholder groups can be found on page 127.

page 127



Introducing our new NED

We appointed Katleen Vandeweyer as a new Non-Executive Director on 1 December 2022. She succeeds Marina Wyatt, who left the Board in July 2022, as Chair of the Audit Committee. To find out more about Katleen, see our questions and answers on page 119, where you can find out about what attracted Katleen to Renewi and the skills and experience she is bringing to the role.

page 119

Our Board

75%
Board independence
(FY22: 75%)

37.5%
Female representation
(FY22: 25%)

8
Number of Board meetings
(FY22: 11)

4
Board Committees
(FY22: 4)

Connecting with our stakeholders

Our approach to workforce engagement, how we engaged with our stakeholders over the course of the year and the outcomes of our engagement can be found from page 121 onwards, where we look in detail at our key stakeholder groups: waste-producing customers, product customers, innovation partners, suppliers, employees, local communities, government, regulators, investors, lenders and the global community.

page 121

Engaging with our workforce

Find out about our approach to workforce engagement and how our Board-designated Non-Executive Director, Jolande Sap, assisted the Board with workforce engagement.

page 128

Director tenure

3	3	2
1–3 years	3–5 years	5–7 years

Corporate Governance Report

This report explains the structures, processes and procedures employed by the Board to ensure that Renewi's high standards of corporate governance are maintained throughout the Group.

On behalf of the Board, I am pleased to present our Corporate Governance Report and confirm our compliance with the UK Corporate Governance Code published in July 2018, for the year ended 31 March 2023.

We believe that both the Board collectively and Directors individually have a responsibility to set and demonstrate high standards of corporate governance. The following pages outline the structures, processes and procedures by which the Board ensures that these high standards are maintained throughout the Group.

With the relaxation of the Covid-19 restrictions, the Board and its Committees resumed in-person meetings, combined with site visits, as well as making use of technology to hold hybrid and virtual meetings. By whichever means, the Board and its Committees continued to meet regularly, collaborate and maintain control of governance processes and activities in what has been a challenging year from global socio-political and macroeconomic perspectives.

Over the course of the year, the Board has continued to demonstrate compliance with the Companies (Miscellaneous Reporting) Regulations 2018 and the revisions to the Corporate Governance Code. The Report includes a statement disclosing its compliance with the UK Corporate Governance Code 2018, which can be found on pages 116 to 120, and a disclosure of how the Company engages with its stakeholders, which can be found on pages 121 to 128.

The Non-Executive Directors, all of whom the Company regards as independent, bring considerable international experience to the Board across a number of sectors. They play a full role in constructively challenging and developing strategic proposals, as well as chairing and being members of Board Committees. The Executive Directors implement Board strategy to deliver growth and returns by driving margin expansion, investing in infrastructure and actively managing the portfolio of businesses. In particular, the Board ensures that the Group as a whole remains committed to achieving the highest standards of legal compliance, environmental protection and safety.

The Board is required to confirm that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. The Audit Committee has again assisted the Board in its assessment of these matters, together with those of Going Concern and Viability Statement disclosures. The full Audit Committee Report is set out on pages 132 to 136.

This year, the Board has again been particularly focused on Renewi's investments and innovation pipeline, which you can read more about in the Strategic report.

The Safety, Health and Environmental Committee continues to make good progress with the implementation of International Sustainability Rating System (ISRS), a structured framework for managing safety and sustainability processes.

Further to the appointment of Annemieke den Otter as the new Chief Financial Officer on 1 June 2022, the Nomination Committee was also engaged in the year with the selection of a new Non-Executive Director. Following an extensive search, Katleen Vandeweyer was appointed on 1 December 2022. She was appointed to fill the vacancy as Chair of the Audit Committee following Marina Wyatt's stepping down from the Board at the 2022 AGM after nine years' service.

The Remuneration Committee was similarly focused on considering Board composition and succession. It also undertook through consultation a triennial review of the Remuneration Policy which shareholders are being asked to vote upon at the forthcoming AGM.

The full Committee reports can be found on pages 130 to 157.

Ben Verwaayen
Chairman
25 May 2023

The Board fully supports the principles of good corporate governance. The Corporate Governance Report, together with the Directors' Remuneration Report on pages 140 to 157, explains how the Group has applied and complied fully with the provisions of the UK Corporate Governance Code 2018 for the year to 31 March 2023.

THE BOARD

The Board comprises the Chairman, a further five independent Non-Executive Directors, the Chief Executive Officer and the Chief Financial Officer.

The Chairman, who is independent, has primary responsibility for running the Board. The Chief Executive Officer is responsible for the operations of the Group and for the development of strategic plans and initiatives for consideration by the Board. The formal division of responsibilities between the Chairman and the Chief Executive Officer has been agreed by the Board and documented, a copy of which is available on the Group's website.

The Non-Executive Directors bring a wide range of experience to the Group and are considered by the Board to be independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement.

The Non-Executive Directors make a significant contribution to the functioning of the Board, thereby ensuring that no individual or group dominates the decision-making process.

Non-Executive Directors are not eligible to participate in any of the Company's share option or pension schemes. The Chairman also meets and communicates regularly with the Non-Executive Directors without the presence of the Executive Directors.

The Senior Independent Director is available to shareholders in instances where the Chairman, Chief Executive Officer or Chief Financial Officer have failed to resolve the concern, or where such contact is inappropriate.

BOARD GOVERNANCE

There is a formal schedule of matters reserved specifically for the Board's decision. These include approval of financial statements, strategic policy, acquisitions and disposals, capital projects over defined limits, annual budgets and new borrowing facilities. The Board meets regularly, having met eight times during the year.

Corporate Governance Report CONTINUED

The Board is provided with appropriate information in a timely manner to enable it to discharge its duties effectively. All Directors have access to the Company Secretary, whose role includes ensuring that Board procedures and regulations are followed. In addition, Directors are entitled, if necessary, to seek independent professional advice in connection with their duties at the Company's expense.

In recognition of the importance of their stewardship responsibilities, the first standing item of business at every scheduled Board meeting is the consideration of health and safety and environmental matters. Other regular reports include those from the Chief Executive Officer and Chief Financial Officer, covering business performance, markets and competition, investor and analyst updates, as well as progress against strategic objectives and capital expenditure projects. The Board also remain responsible for setting strategic aims and objectives in relation to sustainability and climate change.

All Directors are required to notify the Company on an ongoing basis of any other commitments. Through the Company Secretary, there are procedures for ensuring that the Board's powers for authorising Directors' conflicts of interest are operated effectively.

Four formal Committees (Audit, Remuneration, Nomination, and Safety, Health and Environment) further support the work of the Board.

In addition, while not a committee with specific powers of its own delegated by the Board, the Executive Committee assists the Chief Executive Officer in the performance of their duties. This Committee meets monthly and comprises the Chief Executive Officer and Chief Financial Officer, the Divisional Managing Directors and Corporate Function Leaders. In addition, there are a number of specialist committees covering Investments, Sustainability Reporting, Data/IT and cyber security and Diversity & Inclusion.

In reviewing Renewi's overall corporate governance arrangements, the Board continues to give equal consideration to balancing the interests of customers, shareholders, employees and the wider communities in which Renewi operates.

BOARD INDUCTION AND DEVELOPMENT

On appointment, Directors are given an introduction to the Group's operations, including visits to principal sites and meetings with operational management. Specific training requirements of Directors are met either directly or by the Company through legal/regulatory updates. During the year a number of presentations and discussions were held on the subject of cyber security.

DIVERSITY

All Board appointments are based on merit and against objective criteria, but within this context the Board believes that diversity and inclusion, in its broadest sense, including gender and ethnicity, should be promoted, as they are an important factor in Board effectiveness. In particular, role profiles for any Board vacancies will incorporate any necessary skills or strengths that may be required, to either fill any gaps or complement existing Board member competencies.

Renewi is committed to offering a rewarding, diverse and inclusive working environment. On gender diversity, Renewi has set a target to increase the percentage of women across the business to 25% by 2025. From 1 April 2022, listed companies such as Renewi have been required to have 40% female representation on their boards, and at least one female in a senior board position. Renewi fully supports these requirements and the importance of diversity in the boardroom. Currently three Board members are female, including Annemieke den Otter, who holds the position of Chief Financial Officer. As a Board of eight members, the three female directors make up 37.5% of the total, which is close to the requirement and is consistent with a 40% ambition when considering Board succession.

Table for reporting on gender identity or sex

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive management[1]	Percentage of Executive management
Men	5	62.5%	3	9	64.3%
Women	3	37.5%	1	5	35.7%

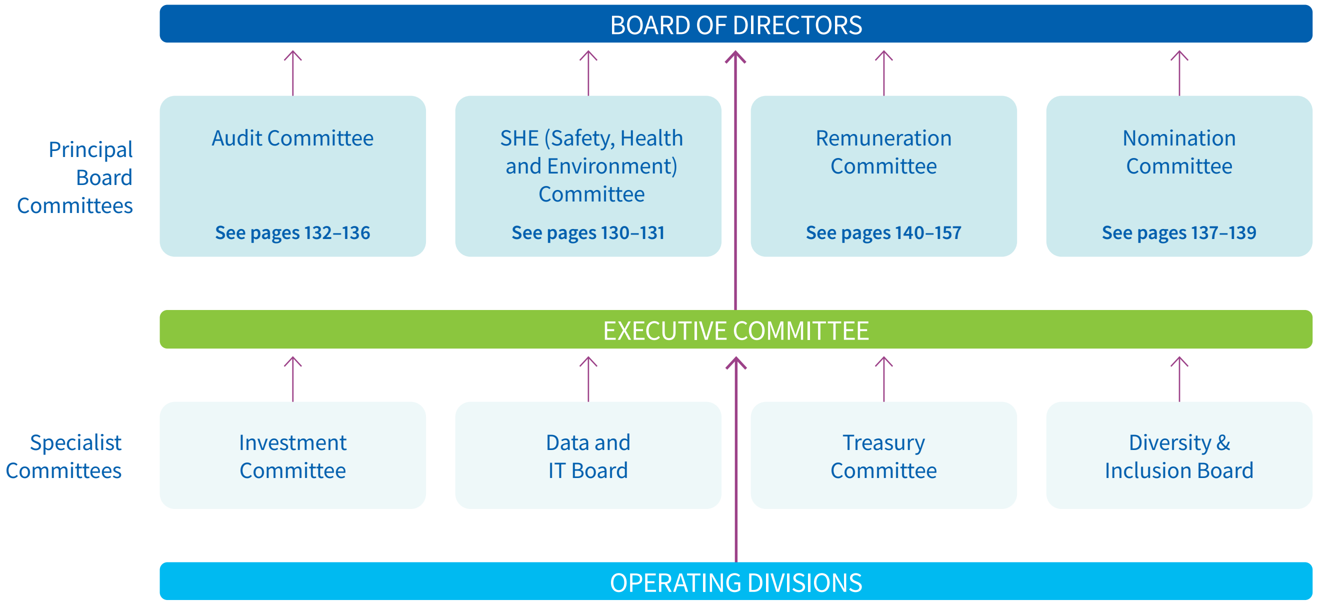
as at 31 March 2023
1. Executive management defined as the Executive Committee.

Table for reporting on ethnic background[2]

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive management[1]	Percentage of Executive management
White British or other White (including minority-white groups)	8	100%	4	14	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

as at 31 March 2023
1. Executive management defined as the Executive Committee.
2. Data obtained from individuals directly.

Governance framework



Renewi is also supportive of the Parker Review Committee recommendations and the recent requirement of listed companies to have at least one board member from an ethnic minority. As at 31 March 2023, there are no vacancies identified on the Board but the Nomination Committee will be supporting the Board in identifying a suitable candidate when a vacancy arises, in order to fulfil this recommendation by 2024 or soon after.

You can read more about our approach to Board diversity in the Nomination Committee Report on page 137.

The Nomination Committee and the Board continue to closely monitor all aspects of diversity in recruitment and promotions across the workforce. To assist in the process, a Diversity and Inclusion Board has been appointed to help advise the Board on how to embed diversity and inclusivity within the organisation.

Statistical employment data for the Group can be found in the Sustainability Review, which is available on the Renewi website. Further summary details, in addition to those shown below including those on gender pay gap reporting, can also be found in the Care for People section from page 66.

AUDIT COMMITTEE

The Audit Committee met four times during the year and is formally constituted with written terms of reference, which are available on the Group's website. The Committee is made up solely of Non-Executive Directors: Katleen Vandeweyer, who has chaired the Committee since 1 December 2022, Neil Hartley, Luc Sterckx and Jolande Sap.

As required under the UK Corporate Governance Code, Katleen Vandewyer has current and relevant financial experience.

The Board considers that the Audit Committee as a whole has competence relevant to the waste-to-product sector.

The Executive Directors and representatives from the external auditors are regularly invited to attend meetings. The Committee also has access to the external auditors without the presence of the Executive Directors.

The Audit Committee Report on pages 132 to 136 sets out the role of the Committee and its main activities during the year. This includes responsibility for reviewing the methodology and approach for reporting in support of strategy set by the Board in relation to sustainability and climate change.

REMUNERATION COMMITTEE

The Remuneration Committee met three times during the year and is formally constituted with written terms of reference, which are available on the Group's website. The Committee is made up solely of Non-Executive Directors: Neil Hartley, who chairs the Committee, Allard Castelein and Luc Sterckx. The Committee formulates the Company's Remuneration Policy and the individual remuneration packages for Executive Directors. The Committee also determines the remuneration of the Group's senior management and that of the Chairman.

The Committee recommends the remuneration of the Non-Executive Directors for determination by the Board. In exercising its responsibilities, the Committee has access to professional advice, both internally and externally, and may consult the Chief Executive Officer about its proposals. The Directors' Remuneration Report on pages 140 to 157 contains particulars of Directors' remuneration and their interests in the Company's shares.

NOMINATION COMMITTEE

The Nomination Committee met five times during the year and is formally constituted with written terms of reference, which are available on the Group's website. The Committee is made up solely of Non-Executive Directors: Ben Verwaayen, who chairs the Committee, Allard Castelein, Jolande Sap, Neil Hartley, Luc Sterckx and Katleen Vandeweyer.

The Committee is responsible for making recommendations to the Board on the appointment of Directors and succession planning. It also reviews organisation and resourcing plans for the purpose of providing assurance that appropriate processes are in place to ensure a sufficient supply of competent executive and senior management.

The Nomination Committee Report on pages 137 to 139 sets out the role of the Committee in further detail and its main activities during the year.

SAFETY, HEALTH AND ENVIRONMENT COMMITTEE

The Safety, Health and Environment Committee met four times during the year and is formally constituted with written terms of reference, which are available on the Group's website. The Committee is made up solely of Non-Executive Directors: Luc Sterckx, who chairs the Committee, Allard Castelein and Neil Hartley.

The Committee is responsible for making recommendations to the Board over safety, health and environmental matters. It reviews safety, health and environmental performance, providing guidance on the implementation of appropriate measures to protect the environment and keep people safe.

The Safety, Health and Environment Committee Report on pages 130 to 131 sets out the role of the Committee in further detail and its main activities during the year.

OTHER INFORMATION

Other information necessary to fulfil the requirements of the Corporate Governance Statement, relating to the Company's share capital structure and the appointment and powers of the Directors, can be found in the Other disclosures section on pages 158 to 160.

How Renewi has complied with the UK Corporate Governance Code

Renewi's statement of compliance, together with the wider Corporate Governance Report and other sections of this Annual Report, describes how the Company has applied the main principles of good governance in the UK Corporate Governance Code, published by the UK Financial Reporting Council (FRC) in July 2018, a copy of which is available on its website, frc.org.uk.

Renewi complied throughout the accounting period with the provisions of the UK Corporate Governance Code.

BOARD LEADERSHIP AND COMPANY PURPOSE

A The Board's role

The Board comprises Directors from a diverse range of skills, nationalities and professional backgrounds, as set out in their biographies on pages 106 to 107 and on pages 137 to 139 of the Nomination Committee Report. It is this diversity of experience and ability to exercise independent and objective judgement that helps the Board to operate effectively and establish a governance framework to assist the Group in the delivery of its strategy.

The Board discharges its responsibilities, as set out in the Corporate Governance Report on pages 112 to 128, through a programme of Board and Committee meetings which include reviews of financial performance, critical business issues and short- and long-term planning and strategies.

B Renewi's purpose, values and culture

Renewi's purpose is to protect the world by giving new life to used materials. The Group focuses on making valuable products from waste, rather than on its disposal through incineration or landfill. The Company meets the growing need to deal with waste sustainably and cost-effectively and is positioned higher up the value chain in the segments expected to show the highest structural growth. Renewi's values are the foundation for everything that Renewi does and has helped the Group build a culture of togetherness and One Renewi. They illustrate that how Renewi acts is just as important as what Renewi does. The Group uses its values as a guide for behaviours and decision-making.

Board meetings and attendance in FY23

	Board	Audit Committee	Remuneration Committee	Nomination Committee	Safety, Health and Environment Committee
Number of meetings held	**8**	**4**	**3**	**5**	**4**
Ben Verwaayen	8 (8)			5 (5)	
Allard Castelein*	7 (8)		2 (3)	5 (5)	3 (4)
Marina Wyatt	3 (3)	1 (1)		3 (3)	
Jolande Sap**	8 (8)	3 (4)		5 (5)	
Luc Sterckx	8 (8)	4 (4)	3 (3)	5 (5)	4 (4)
Neil Hartley	8 (8)	4 (4)	3 (3)	5 (5)	4 (4)
Katleen Vandeweyer	3 (3)	2 (2)		1 (1)	
Otto de Bont	8 (8)				
Annemieke den Otter	6 (6)				

Bracketed figures indicate maximum potential attendance of each Director.
* Allard Castelein's absences were due to scheduling challenges in the month of November 2022.
** Jolande Sap's absence from one Committee meeting was due to unforeseen personal circumstances.
After the conclusion of every Board meeting the Chairman holds a private meeting with the Non-Executive Directors without the presence of the Executive Directors.

The Board has designated Non-Executive Director Jolande Sap with responsibility for monitoring workforce culture and employee engagement. Together with the Group HR Director, Jolande also has responsibility for making regular reports to the Board. For more information, see the Engaging with our Workforce section on page 128.

The Audit Committee received regular updates on a range of risk and compliance matters including reports and presentations on whistleblowing and integrity issues as well as the results of internal audits, which provided insight into the risk and control environment both within the Group and within individual areas of the business. The Committee reviewed the steps taken by senior management to address weaknesses identified. Where concerns remained, the Committee ensured further action was taken, including requesting further information monitoring and, if required, follow-up audits. For more information, see pages 132 to 136.

As part of its considerations, the Remuneration Committee also reviewed the Company's approach to rewarding the workforce.

C Resources and controls

The Board ensures that necessary resources are in place to help the Company to meet objectives and measure performance.

The Board ensures that necessary resources are in place to help the Company meet its objectives and measure performance. The system of internal control is based on a continuous process of identifying, evaluating and managing risks, including the risk management framework outlined on page 87. The Group Risk Management Department, together with risk owners from the divisions and functions, is an important component of our risk management and controls architecture. It provides direct assurance to the Audit Committee on a number of matters, including the preparation and review of risk registers and the promotion of risk awareness. The Group Risk Management Department works with the operating Divisions of our organisation to share outcomes and to co-ordinate reporting on compliance matters. Complementing this, our internal key controls framework ensures monthly execution and review of our key financial controls. Our internal audit function aims to improve Renewi's overall control framework and evaluate and improve the design and effectiveness of control processes, reporting the results of its activities to the Audit Committee. The Board has a formal system in place for Directors to declare any conflicts, or potential conflicts, of interest.

D Shareholder engagement

The Board aims to engage with shareholders and understand their issues and concerns. Whether from large institutional or smaller private shareholders, the Board endeavours to respond to all queries and questions, although responses may be facilitated through management. Renewi aims to present a balanced and understandable assessment of our strategy, financial position and prospects when reporting to shareholders and other interested parties. The investors pages of renewi.com contain a wide range of information of interest to institutional and private investors. Board members are kept informed of any issues and receive regular reports and presentations from executive management and our advisers to assist them in developing an understanding of our major shareholders' views of Renewi.

In recent years all Board members have attended the AGM to answer questions raised by shareholders, including private investors. Details of proxy voting by shareholders, including votes withheld, are given at the AGM and are posted on our website following the AGM.

All resolutions were approved by shareholders at the Company's 2022 AGM. This year's AGM will be held at the offices of Ashurst LLP, London Fruit & Wool Exchange, 1 Duval Square, London, E1 6PW on Thursday 13 July 2023 at 11:00. A Notice of AGM, setting out detailed arrangements, will be sent in advance to all registered holders of ordinary shares and, where requested, to the beneficial holders of shares, and will also be available on our website at renewi.com.

Wider stakeholder engagement

The Directors recognise the fundamental importance of promoting the long-term success of the Company. Clear communication and proactive engagement to understand the issues and factors that are most important to stakeholders are fundamental to this.

A summary of our approach to stakeholder engagement and its consideration in decision-making is set out on pages 121 to 126. Our Section 172(1) statement is set out on page 102.

Renewi has an active investor relations programme to engage with institutional investors, analysts, press and other interested parties. The Company uses multiple channels to do this, including its results presentations, reports, regulatory news announcements, press releases, AGM, face-to-face meetings including roadshows, videos, the corporate website and other social media channels.

During the year, the Remuneration Committee continued to monitor institutional investors' and investor bodies' updated remuneration-related guidance.

Workforce engagement

Renewi relies on its workforce and its commitment to uphold the Group's values, deliver strategic priorities and make the changes necessary to sustain performance. Engagement with the workforce is key to ensuring that the Board understands the employee voice.

In addition to the existing channels of communication via the Group's Works Council arrangements in the Netherlands and Belgium, the Board has designated Non-Executive Director Jolande Sap to assist the Board with workforce reporting.

E Our workforce policies

Renewi operates a Code of Conduct based on our core values, expected behaviours and key policy principles. This includes creating a safe and healthy working environment, diversity, equality, non-discrimination and accountability. Renewi is an equal-opportunities employer and publishes an annual Modern Slavery Statement.

DIVISION OF RESPONSIBILITIES

F The role of the Chairman

Ben Verwaayen, our Non-Executive Chairman, is responsible for leadership of the Board and promoting a culture of openness and constructive debate. He was and remains independent since his appointment as Chairman on 1 April 2020.

G Composition of the Board

The Board comprises six Non-Executive Directors, including the Chairman, and two Executive Directors. The Board's responsibilities are set out on page 113 of the Corporate Governance Report and an overview of the Board roles can be found on page 106 of the Corporate Governance Report.

The roles of the Board, Board Committees, Chairman and CEO are documented, as are those matters reserved to the Board. They can be found on our website at renewi.com/en/investors/corporate-governance. The CEO is responsible to the Board for the management, development and performance of our business for those matters for which he has been delegated authority by the Board. Although the CEO retains full responsibility for the authority delegated to him by the Board, he has established and chairs the Executive Committee, which is the vehicle through which he exercises that authority in respect of our business.

During the year, the Board considered the independence of each Non-Executive Director for the purposes of the UK Corporate Governance Code and finds that all the Non-Executive Directors are independent.

The membership of the Board as at 31 March 2023, and biographical information about individual Directors, can be found on pages 106 to 107.

H

Role of the Non-Executive Directors

The role of the Non-Executive Directors is to provide constructive challenge and strategic guidance, offer specialist advice and hold management to account. The Non-Executive Directors bring a wide range of experience to the Group and are considered by the Board to be independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. The Non-Executive Directors make a significant contribution to the functioning of the Board, thereby ensuring that no individual or group dominates the decision-making process. The Chairman also meets and communicates regularly with the Non-Executive Directors without the presence of the Executive Directors.

Time commitment

Generally, Non-Executive Directors commit 24 days a year to the Group's business. In practice, Board members' time commitments exceed this minimum expectation when all the work that they undertake for the Group is considered, particularly in the case of the Chairman of the Board and the Chairs of the Board Committees. As well as their work in relation to formal Board and Board Committee meetings, the Non-Executive Directors also commit time throughout the year to meetings and conference calls with various levels of executive management, visits to sites and, for new Non-Executive Directors, induction sessions.

If a Director is unavoidably absent from a Board or Board Committee meeting, they receive and review the papers for the meeting and typically provide verbal or written input ahead of the meeting, usually through the Chairman of the Board or the Chair of the relevant Board Committee, so that their views are made known and considered at the meeting.

Given the nature of the business to be conducted, some Board meetings are convened at short notice, which can make it difficult for some Directors to attend due to prior commitments.

Subject to specific Board approval, Executive Directors and other Executive Committee members may accept external appointments as non-executive directors of other companies, and retain any related fees paid to them, provided that such appointments are not considered by the Board to prevent or reduce the ability of the executive to perform his or her role within the Group to the required standard.

Senior Independent Director

Allard Castelein, who joined the Board as a Non-Executive Director in January 2017, was appointed Senior Independent Director with effect from 1 September 2019. The role of the Senior Independent Director is to serve as a sounding board for the Chairman and as an intermediary for the other Directors when necessary. The Senior Independent Director will be available to shareholders should they have concerns that contact through the normal channels of Chairman, Chief Executive Officer or Chief Financial Officer has failed to resolve, or where such contact is inappropriate.

I

The Company Secretary

The Company Secretary is responsible to the Chairman for ensuring that all Board and Board Committee meetings are properly conducted, that the Directors receive appropriate information prior to meetings to enable them to make an effective contribution, and that governance requirements are considered and implemented. Both the appointment and removal of the Company Secretary is a matter for the whole Board.

COMPOSITION, SUCCESSION AND EVALUATION

J

Appointments to the Board and succession planning

The Nomination Committee regularly reviews the composition of the Board and the status of succession for both senior executive management and Board-level positions. Directors have regular contact with and access to succession candidates for senior executive management positions.

The Nomination Committee's role is to recommend to the Board any new Board appointments and to consider, more broadly, succession plans for both senior executive management and Board-level positions. As part of its consideration, the Nomination Committee evaluates the balance of skills, knowledge, experience and diversity of the Board. Any decisions relating to the appointment of Directors are made by the entire Board based on the merits of the candidates and the relevance of their background and experience, measured against objective criteria, with care taken to ensure that appointees have enough time to devote to our business.

During the year, the Nomination Committee worked with independent search consultants to fill two Board vacancies. Toby Woolrych, Chief Financial Officer, stepped down from the Board on 31 March 2022, and this vacancy was filled by the appointment of Annemieke den Otter on 1 June 2022. Marina Wyatt, Non-Executive Director and Chair of the Audit Committee stepped down from the Board at the conclusion of the 2022 AGM, and was succeeded by Katleen Vandeweyer, who joined the Board on 1 December 2022.

Director roles and responsibilities

Chairman
- Ben Verwaayen

Responsibility: Responsible for leading the Board, ensuring its effectiveness in all aspects of its role and developing the Group's culture with the Chief Executive Officer. Promotes high standards of integrity and governance across the Group and ensures effective communication and understanding between the Board, management, shareholders and wider stakeholders.

Senior Independent Non-Executive Director (SID)
- Allard Castelein

Responsibility: Provides a sounding board for the Chairman and discusses concerns that cannot be resolved through the normal channels or where such contact would be inappropriate with shareholders and other stakeholders. Can be contacted via the Company Secretary at the UK corporate head office.

Non-Executive Directors
- Neil Hartley
- Jolande Sap
- Katleen Vandeweyer
- Luc Sterckx

Responsibility: Responsible for bringing an external perspective, sound judgement and objectivity to Board discussion and decision-making, and to support and constructively challenge the Executive Directors using their broad range of experience and expertise.

Chief Executive Officer (CEO)
- Otto de Bont

Responsibility: Responsible for the management of all aspects of Renewi's businesses, developing the strategy in conjunction with the Chairman and the Board and leading its implementation. The CEO chairs the Executive Committee, which is the vehicle through which the CEO's authority is exercised. The Executive Committee meets monthly and comprises the CEO, CFO, Divisional Managing Directors and Corporate Function Leaders.

Chief Financial Officer (CFO)
- Annemieke den Otter

Responsibility: Responsible for the management of Renewi's finance, treasury, strategy, corporate development and investor relations.

Company Secretary
- Philip Griffin-Smith

Responsibility: Responsible to the Chairman for ensuring that all Board and its Committee meetings are conducted properly, that Directors receive appropriate information prior to meetings to enable them to make an effective contribution, and that governance requirements are considered and implemented. All Directors have access to the advice of the Company Secretary. Both the appointment and removal of the Company Secretary is a matter for the whole Board.

The roles of the Board, Board Committees, Chairman and CEO are documented in more detail on our website, as are those matters reserved to the Board. They can be found at renewi.com/en/investors/corporate-governance.

Introducing our new Non-Executive Director

Katleen Vandeweyer joined as a Non-Executive Director and Chair of the Audit Committee on 1 December 2022.

What attracted you to Renewi?

I am highly motivated to contribute to Renewi's purpose to protect our planet by giving new life to used materials. I am deeply concerned by the climate crisis. I am very aware that if we don't do anything right now, the temperature will rise by more than 1.5 degrees by the end of this century. Renewi is at the heart of the circular economy. Furthermore, I am attracted to Renewi as it is a company where sustainability and business results go hand in hand and even reinforce each other.

What qualities do you believe you can bring to the Board?

I believe I can bring a unique mix of CFO experience in a listed company with extensive board experience in several large, international, listed companies. As such, I can bring relevant audit and accounting experience appropriate to chairing the audit committee of a listed company. Furthermore, I have a lot of experience in capital intensive industries, such as the Telecom sector.

How would you describe your style as a Non-Executive Director?

Depending on the context, I am a challenger as well as a supporter. I am a strong consensus builder and an articulated communicator. I value good listening, sound judgement and creativity. I am passionate about business as well.

What do you think our key stakeholders, investors and customers expect from the Board?

I think that our key stakeholders expect the Board to strengthen Renewi's vision to be a leading waste-to-product company with a strong focus on waste collection, sorting, processing and the circular economy. Furthermore, our key stakeholders expect us to execute our strategy to be the leading waste-to-product company in the world's most advanced circular economies, to be the leader in secondary material production and to selectively gain market share. I also believe that our key stakeholders expect the Board to be highly engaged with Renewi's commitment to sustainability and to being at the heart of the circular economy. The Board members all share a deep belief that the company can improve the lives of its employees, customers, shareholders, and stakeholders and society at large.

For more information, please see the Nomination Committee Report from page 137.

Re-election of Directors
In accordance with Article 94 of the Articles, all Directors retire at each AGM and may offer themselves for re-election by shareholders. Accordingly, all the Directors will retire at the AGM in July 2023. The Notice of AGM will contain details of all Directors seeking election and re-election.

For more information, see the Other disclosures from page 158.

K Skills, experience and knowledge of the Board
As part of its role, the Nomination Committee is responsible for reviewing the composition of the Board, to ensure that it has the appropriate expertise while also recognising the importance of diversity.

L Board evaluation
In FY23 the Board evaluation was carried out through an externally facilitated structured online survey. The findings are set out in the Nomination Committee Report on page 139.

AUDIT, RISK AND INTERNAL CONTROL

M Internal and external audit
The Audit Committee reviews the Company's relationship with its external auditors, BDO LLP, including the independence of the external auditors. BDO LLP was first appointed to conduct the audit of the Company's and Group's consolidated financial statements for the financial year ended 31 March 2021 and will be put forward for re-appointment at the 2023 AGM.

The Committee maintains a policy for the pre-approval of all permitted non-audit services undertaken by the external auditor. The principal purpose is to ensure that the independence of the auditor is maintained. The Audit Committee also reviews the independence and effectiveness of the internal audit function.

For more information, see the Audit Committee Report on pages 132 to 136.

N Fair, balanced and understandable assessment
The Board as a whole is responsible for the Company's financial and business reporting including reviewing the Company's financial results announcements.

The Board considers this Annual Report, taken as a whole, to be fair, balanced and understandable, and provides the information necessary for shareholders to assess Renewi's position, performance, business model and strategy.

O Risk management and internal controls
The Board has overall responsibility for our system of internal controls and risk management policies, and has an ongoing responsibility for reviewing their effectiveness. During FY23, the Directors continued to review the effectiveness of our system of controls, risk management (including a robust assessment of the emerging and principal risks, including those that would affect the business model, future performance, solvency or liquidity) and high-level internal control processes. These reviews included an assessment of internal, financial, operational and compliance controls, risk management, and their effectiveness. These were supported by management assurance of the maintenance of controls reports from internal audit, as well as the external auditor on matters identified in the course of its statutory audit work.

The system of controls is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable (not necessarily absolute) assurance of effective operation and compliance with laws and regulations.

The Directors believe that the Group maintains an effective, embedded system of internal controls and complies with the FRC's guidance entitled Guidance on Risk Management, Internal Control and Related Financial and Business Reporting.

For more information about the ways in which Renewi manages business risks, procedures for identifying emerging risks, descriptions of principal risks and uncertainties, and the Viability Statement, see the Risk Management section from page 86.

REMUNERATION

P Policies and practices
The Remuneration Committee is responsible for determining, approving and reviewing the Company's remuneration principles and frameworks, to ensure they support the strategy of the Company and are designed to promote long-term success.

For more information on the Remuneration Committee's work during FY23, see the Directors' Remuneration Report from page 140.

Q Procedure for developing remuneration policy
During FY23, the Remuneration Committee reviewed the Directors' Remuneration Policy to ensure it continues to align with corporate governance best practice, support the Company's ability to recruit and retain executive talent to deliver against its strategy, and promote the delivery of the long-term strategy. As part of the process for developing the Director's Remuneration Policy, a consultation of major institutional shareholders was undertaken during the year. Details of this engagement are set out in the Directors' Remuneration Report from page 140.

The Directors' Remuneration Policy, which is to be put to shareholders for approval at the 2023 AGM, can be found from page 143.

R Exercising independent judgement
The Remuneration Committee exercises independent judgement when determining remuneration outcomes. The Committee takes into account factors such as wider business and individual performance during the year, including health and safety performance and environmental, social and governance objectives.

For more information on FY23 performance, decisions and reward outcomes, see the Directors' Remuneration Report from page 140.

Connecting with our stakeholders

RENEWI'S APPROACH TO STAKEHOLDER ENGAGEMENT
Considering the interests of our stakeholders is fundamental to the way we operate. Our values and Code of Conduct empower employees to make the best decisions in the interests of the Group and our stakeholders, helping to ensure these considerations are made not only at Board level but throughout our organisation. The diagram below illustrates our approach to stakeholder engagement.

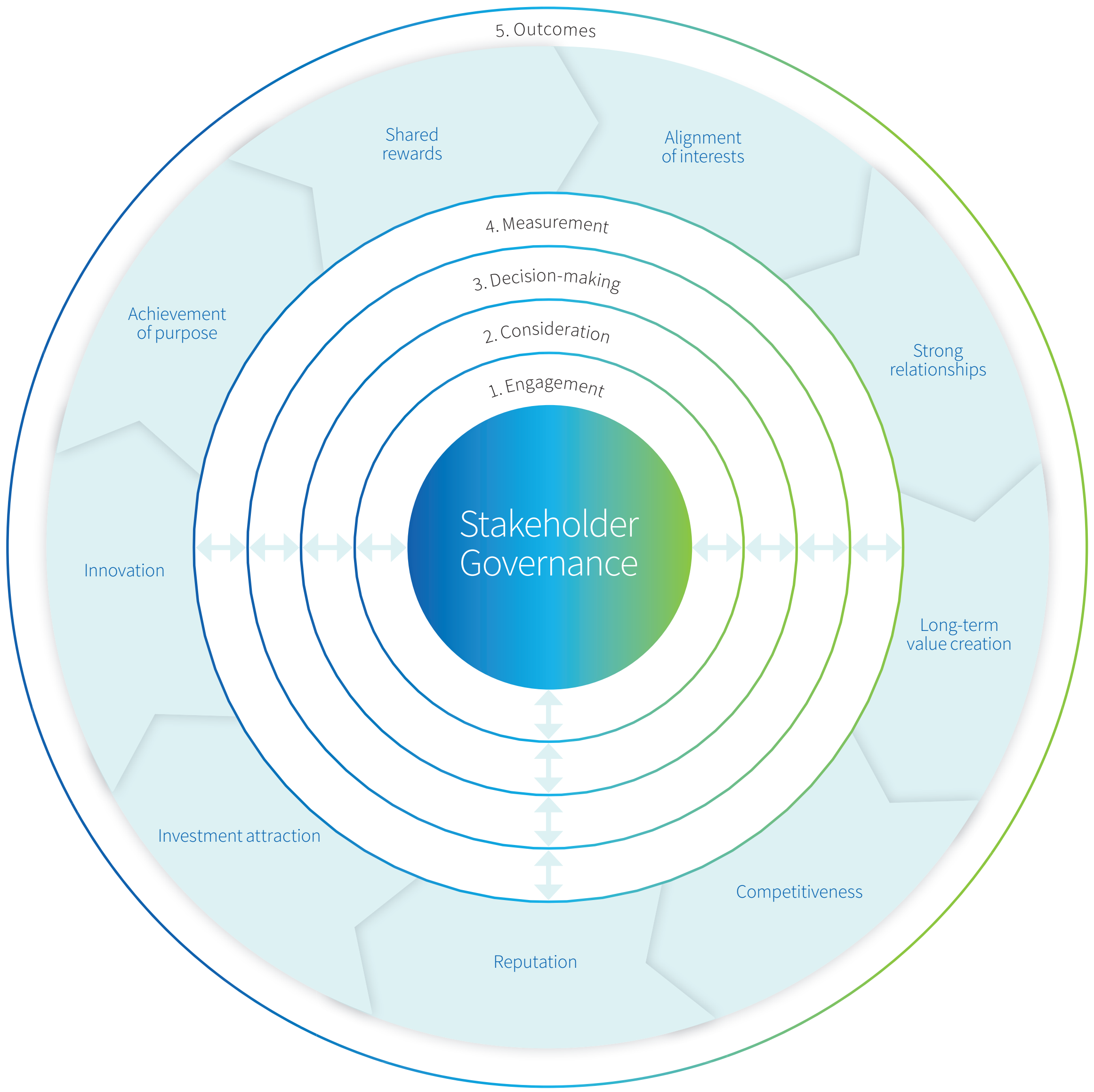
1. Engagement
Understanding stakeholder objectives, needs, interests and concerns.

2. Consideration
Considering alignment of stakeholder needs, interests, concerns and objectives with Renewi's purpose, values, business model and strategic objectives. Understanding risks and opportunities.

3. Decision-making
Balancing the needs of different stakeholders.

4. Measurement
Measuring performance of stakeholder relationships.

5. Outcomes
A virtuous circle of shared outcomes: shared rewards, alignment of interests, strong relationships, long-term value creation, competitiveness, reputation, investment attraction, innovation and achievement of purpose.



Corporate Governance Report CONTINUED

HOW OUR BOARD UNDERSTANDS THE INTERESTS OF OUR STAKEHOLDERS

Over FY23, the Board received updates on various engagement initiatives designed to promote recycling and an understanding of sustainability goals among stakeholders. This gave Directors a grasp of the various initiatives that the Group leads and the relationship between it and its stakeholders.

Over the course of the year, Directors engaged with various stakeholders to understand the issues that concern and impact them most. The CEO and CFO also met with investors throughout the year to gauge their views on a range of issues.

The Board continues to review its engagement processes to ensure they best understand how the Company's interests align with those of the Company's stakeholders.

See Principal Decisions on page 127.

HOW OUR BOARD CONSIDERS STAKEHOLDERS' INTERESTS IN DECISION-MAKING

Throughout the year, Directors recognised their responsibility to act in good faith to promote the success of the Company for the benefit of shareholders, while also considering the impact of their decisions on wider stakeholders and other factors relevant to the decisions being made. Clear communication and proactive engagement to understand the issues and factors that are most important to stakeholders is fundamental to this.

The Board acknowledges that every decision made will not necessarily result in a positive outcome for all stakeholders. By considering our purpose and values, together with our strategic priorities, the Board aims to ensure the decisions made are consistent and intended to promote the Company's long-term success.

Our key stakeholders

OUR WASTE-PRODUCING CUSTOMERS

Relevance to business model

By understanding the needs and concerns of our waste-producing customers, we can innovate and find better solutions to manage their waste, improve the valorisation of waste and increase qualities and quantities of the secondary materials produced. This in turn leads to greater revenues and healthier margins and enables us to adapt to changing market trends, so we can be a leader in recycling. We deliver value to our customers by collaborating and addressing the key issues.

How we engage

- CEO reports to the Board
- Meetings with members of the Executive Committee
- MyRenewi digital portal and customer call centres
- Regular engagement through daily interactions, knowledge-sharing sessions and reports on sustainability performance
- Being part of coalitions that contribute to sustainability and circularity
- Sustainability and separation advice, education and training programmes
- Customer events

Key issues discussed

- Commercial terms of engagement and services provided
- Quality of service – on time, every time, and responsiveness and flexibility
- Responsible management of waste
- Market developments and requirements of legislation and regulations
- How to deliver quality waste streams/ ensure the workforce is aligned behind better sorting
- How to support the circular economy

Measurement

- Customer questionnaires and surveys
- Net promoter scores
- Churn rates and win rates
- Customer complaints
- Adoption rates of MyRenewi

Outcomes of engagement

- Customer service that retains our customers and meets their needs
- Support and advice for customers over waste segregation and separate collections, enabling greater valorisation of waste
- Communication of market changes such as recycling pricing and other general inflation factors driven, for example, by the invasion of Ukraine
- Mission75 target to increase the recycling rate from 65% to 75%
- Renewi 2.0, an improvement programme launched in FY21 to harmonise business processes and improve customer and employee experiences

Swill collection containers, Commercial Waste NL, Organics, Amsterdam

OUR PRODUCT CUSTOMERS

Relevance to business model

By understanding the needs and concerns of our product customers, we can innovate and improve the valorisation of waste, producing superior quality secondary products, demanding higher prices and, in turn, increasing revenues and margins. It also allows us to adapt to changing market trends, so we can be a leader in recycling. We deliver value to our customers by collaborating and addressing the key issues.

How we engage

- CEO reports to the Board
- Meetings with members of the Executive Committee
- Regular strategic and operational engagements
- Customer meetings with the engineering team to collaborate/conceptualise new solutions
- Marketing collateral, including factsheets
- Industry and customer events
- Questionnaires and satisfaction surveys

Key issues discussed

- Certainty of supply – timeliness and sufficient volumes
- Technical feasibility and potential commercialisation
- Delivery of higher-quality recyclate product to meet increased volumes required by customers
- Innovative solutions
- Requirements following changes in legislation and regulations
- Market developments

Measurement

- Recycling rate and secondary materials production
- Innovation funnel and investments spend
- Partnerships and collaborations agreed
- Questionnaires and surveys
- Net promoter scores

Outcomes of engagement

- Customer service that retains our customers and meets their needs
- We are investing in further refinement of waste in order to produce higher specification recyclates and secondary materials
- Participation in setting industry standards
- Renewi has collaborated alongside innovation partner Nordsol and end customer Shell to build the first commercial bio-LNG plant in Europe

OUR INNOVATION PARTNERS

Relevance to business model

It is strategically important for Renewi to innovate and improve the valorisation of waste, increasing the volume and quality of the secondary materials we produce. By extracting more value from waste, Renewi will increase revenues and margins, as well as market share.

How we engage

- CEO reports to the Board
- Meetings with members of the Executive Committee
- Regular meetings with potential partners and manufacturers to explore and develop new product possibilities
- Work alongside network organisations that provide a platform to meet potential partners and to screen the innovation potential of ideas/co-operation opportunities

Key issues discussed

- How to scale innovations to impact business. This may include construction of a facility or co-investing in a circular partner
- Market expectations on use of secondary materials and potential of recycled content
- Opportunity of waste-to-product processes, improving the viability of circular developments

Measurement

- Capital investment in innovation
- The number of projects within our innovation pipeline at the concept stage and beyond

Outcomes of engagement

- Renewi has a comprehensive innovation pipeline delivering incremental waste processing and enabling recycling where this previously wasn't possible
- The Board has committed capital to bring new innovations to the market, including plastics sorting and a collaboration alongside innovation partner Nordsol and end customer Shell to build the first commercial bio-LNG plant in Europe

OUR SUPPLIERS

Relevance to business model

Working with a trusted group of suppliers is key to creating a reliable and effective supply chain. Managing the inflation pressures from the supply chain and therefore the cost base of the Group is essential to financial outcomes. Reliability and ethics are key to upholding our reputation and helps us win market share. Increasing efficiency of interactions with suppliers through Renewi 2.0 and the implementation of a procurement system supports long-term relationships and administrative savings.

How we engage

- With our procurement team to ensure transparency and engagement
- CEO reports to the Board
- Meetings with members of the Executive Committee
- Initial formal market tender
- Definition of processes to support suppliers to become embedded in our source-to-pay system and procurement digital platform
- Listening sessions to identify and address supplier concerns
- Annual audit to ensure compliance

Key issues discussed

- Adding value by introducing new sustainable technical innovations
- Responsible sourcing
- Enhanced safety of our products
- Improvements on operational processes e.g. our source-to-pay system
- Mitigating risks on quality and take advantage of market developments

Measurement

- Real-time supplier data
- Divisional payment practices data
- Supplier reporting and audit reviews

Outcomes of engagement

- Long-term relationships with trusted suppliers to enable efficient and sustainable purchase decisions
- Focus on safety and high ethical standards
- Collaboration over mutual concerns, e.g. to understand market disruptions caused by the war in Ukraine and inflationary pressures
- Collaboration over technical innovations
- Investment in digital platforms, more efficient processing and development of preferred suppliers

Corporate Governance Report CONTINUED

OUR EMPLOYEES

Relevance to business model

Our employees are a significant source of value that drives our performance and productivity and enables us to be a leader in recycling. We retain and attract the best employees by creating a great working experience. Innovation is one of our value drivers and helps us utilise the latest methods of secondary material production and satisfy the evolving needs of our customers. To foster innovation, we are co-creating with our employees a culture that is diverse and inclusive.

How we engage

- The Board's workforce engagement representative, Non-Executive Director Jolande Sap
- CEO reports to the Board
- Meetings with members of the Executive Committee
- Group-wide employee surveys (Pulse survey) and leader-led feedback
- Performance and development reviews
- Monthly Group-wide leadership and management team meetings
- Employee relations through Works Councils in Belgium and the Netherlands
- Toolbox training and safety stand-downs for non-desk workers
- Lifesaving rules and safety reporting for all employees
- Divisional and business newsletters, and news on screens, noticeboards and intranet
- Opening growth pathways through leadership training

Key issues discussed

- We constantly discuss an exhaustive range of topics with our employees on a daily basis covering every aspect of working at Renewi and Renewi operations
- Identification of key risk areas locally, divisionally and at business level through incident and near miss reporting and listening

Measurement

- Pulse surveys
- Safety data and HIT reporting
- Diversity data
- Performance and Development Review (PDR) assessment of performance and Company values
- Employee turnover and applications received
- Talent reviews

Outcomes of engagement

- A motivated and aligned workforce
- Retain and attract the best employees. See employee engagement KPI on page 13
- A positive safety culture. See Lost Time Incidents (LTI) KPI on page 131
- Creating diverse and inclusive teams
- Talent development. Identification of young high potentials across our divisions who have the potential to fulfil a leadership role
- Improved employee experiences through digitisation of the business, including through Renewi 2.0
- To find out more about employee outcomes see the Care for People section on page 66

Financial Shared Services Centre; Lommel

LOCAL COMMUNITIES

Relevance to business model

We maintain long-term relationships with our local communities that uphold our reputation. This is essential as we grow our operations and become a leader in recycling. The processing of waste is critical for communities to continue to operate. However, our purpose adds greater value, increasing the production of secondary material from waste, avoiding the disposal of waste through incineration or landfill, and enabling local and global communities to meet their sustainability ambitions.

How we engage

- Continuous dialogue with our neighbours and local legislators
- Community events, open days and education events
- CEO reports to the Board
- Meetings with members of the Executive Committee
- Meetings with special interest groups
- Leafleting and social media

Key issues discussed

- How we manage the environmental impact of our activities
- The benefits of recycling and secondary material production
- How we reduce the impact of climate change through recycling
- Ways to deliver essential services with minimal impact to the local environment

Measurement

- Community engagement projects data
- Carbon emissions and recycling data
- Complaints data

Outcomes of engagement

- Renewi's contribution to community projects
- The local community contribution to our overall carbon emissions and recycling rates. See carbon emissions and recycling KPIs on page 13 and the Sustainability Review (published June 2023)
- Where there is an adverse event, we actively engage with community stakeholders
- Renewi works with communities and local authorities on different initiatives throughout the year, e.g. disposal of batteries. We also visit schools to discuss recycling and what happens to waste

GOVERNMENT

Relevance to business model

There has been an increasing shift by governments towards a sustainable future, with new targets agreed such as at the UN's recent COP summits and the European Union's Fit for 55 plans to reduce greenhouse gas emissions. The impact of the climate emergency has further led to unprecedented changes within markets, presenting an opportunity for Renewi to meet growing and new demands for secondary materials, whilst also helping governments meet their sustainability targets.

How we engage

- Board- and Executive Committee-level engagement over political and regulatory matters
- CEO reports to the Board
- Meetings with members of the Executive Committee
- Face-to-face engagement with the state secretary, politicians and other local, regional and national government officials
- Lobbying on recycling, secondary materials usage and climate transition
- Engaging directly or through trade and industry associations and lobby groups
- Media coverage

Key issues discussed

- Ways to shape the legislation to deliver on climate change and the circular economy
- How the industry can play its part in helping to meet climate change targets (including CO_2 reduction, energy transition and creating secondary raw materials to lower CO_2 emissions)
- Regulatory compliance
- Use of fiscal and monetary incentives and regulation to encourage desired outcomes
- Responses to the Ukraine war, cost-of-living challenges, sustainability and climate risk

Measurement

- General contact with government representatives

Outcomes of engagement

- Understanding of the risks and opportunities within the waste-to-product sector
- An ongoing dialogue with governments enables us to work together to deliver on climate change and the circular economy. We support progressive legislation in the creation of a circular economy, reduction in incineration and stimulation of demand for secondary materials
- Renewi's contribution to overall carbon emissions and recycling rates. See carbon emissions and recycling KPIs on page 13 and the Sustainability Review (published June 2023)

Board members Jolande Sap, Non-Executive Director, and Annemieke den Otter, Chief Financial Officer

REGULATORS

Relevance to business model

Increasingly, regulation is being introduced to encourage recycling and re-use, demand secondary materials use, develop low-emissions cities, foster responsible production and encourage circularity throughout the economy. As a waste-to-product company, this presents a great opportunity for Renewi, but also means we need to ensure our operations remain compliant in a continuously changing regulatory landscape.

How we engage

- Board- and Executive Committee-level engagement over political and regulatory matters
- CEO reports to the Board
- Virtual meetings, site inspections, testing and data submissions
- Participate in investigations
- Through trade and industry associations
- Join community advisory panels

Key issues discussed

- EC-wide harmonisation and permitted national differences
- Enforcement policy
- Operational compliance with permits
- Meeting permitted environmental standards
- Quality requirements – best ways to measure
- Defining evolving standards and addressing topical concerns
- Applications of best practices and best available techniques
- Responding to compliance breaches appropriately

Measurement

- Operational permit management data
- Safety data and HIT reporting
- International Sustainability Rating System framework (ISRS)

Outcomes of engagement

- Operational compliance with permits, quality standards and meeting high environmental standards
- Application of best practices and responsiveness to any investigations or compliance concerns raised
- Continuous improvements generated from introduction of the ISRS framework
- A positive safety culture. Lost Time Injury Frequency Rate on page 131

Corporate Governance Report CONTINUED

SHAREHOLDERS

Relevance to business model

We use the capital from equity investors to execute our business model. Surging demand for sustainable and green investments has made Renewi's purpose and business model more appealing for investors, presenting an opportunity for Renewi to attract capital. Increasingly, the way companies approach Environmental, Social and Governance (ESG) is a key topic for investor stewardship and a major influence in investment decisions.

How we engage

- Meetings with the CEO, CFO and investor relations
- CEO reports to the Board
- Meetings with members of the Executive Committee
- Capital Markets events and site visits
- Roadshows, video conference and telephone calls and other meetings
- Regular trading updates on regulatory platforms
- Education of investors on the investment case through informed sell side equity research, sales and corporate access teams
- Annual and interim results presentations
- Annual Reports and Sustainability Reports and the AGM

Key issues discussed

- Progress of the three strategic value drivers: Mineralz & Water, Renewi 2.0 and Circular innovations
- Responses to inflation and customer pricing
- Progression of the circular economy and the market in which we operate
- Our strategy to increase the performance of the Group
- Our approach to sustainability and climate risk

Measurement

- Financial performance
- Sustainability performance; C-score rating by CDP for Renewi's transparency on climate change
- Changes in investor shareholdings
- Share price

Outcomes of engagement

- New investors joining the register and increasing their shareholdings.
- Investors better understand the investment case, the financial and non-financial performance of the business and the likely future trajectory of the business performance based on the outlook.
- We are fostering an understanding of the market-wide tailwinds that are supporting our market positioning and strategy

LENDERS

Relevance to business model

We use the capital from debt investors and banks to execute our business model. Increasingly, lenders want to understand our approach to sustainability so they can satisfy their own compliance obligations.

How we engage

- CEO reports to the Board
- Meetings with members of the Executive Committee
- Meetings with CEO, CFO and Group Treasury
- Regular financial reporting and covenant compliance reporting documents
- Close contact regarding the ongoing performance of the Group
- Discussions regarding the ongoing facilities and utilisation
- Consultation regarding alternative financial products available
- Regularly sharing insights

Key issues discussed

- Our approach to sustainability
- Ways to optimise debt facilities, including new issuance and upcoming maturities
- Market changes, including Brexit and benchmark rate reforms
- Financial market insights
- Experiences and expectations for the local economies
- How we can optimise liquidity, cash management and other treasury activities

Measurement

- Financial performance data. See Financial KPIs on page 12
- Sustainability performance data. See carbon emissions and recycling KPIs on page 13 and the Sustainability Review

Outcomes of engagement

- Lenders understand our capital requirements, financial performance and sustainability performance
- Continued access to the lending markets, including the recent incremental issuances and securing of EIB loan, see Principal Decisions on page 127

GLOBAL COMMUNITY

Relevance to business model

The climate emergency is a major concern throughout the world. Our children, grandchildren and generations to come will face the consequences of inaction today. Renewi's business model helps address the climate emergency.

Society is a driver for the changes required to achieve true circularity, placing pressure on governments, influencing policies, creating new markets and demanding greater ESG credentials from the products and services they purchase.

How we engage

- Contribution to ongoing debate around climate change
- Influencing communication channels such as press and social media

Key issues discussed

- How we can address the climate emergency
- Ways to deliver essential services with minimal impact to the environment

Measurement

- Carbon emissions and recycling data. See carbon emissions and recycling KPIs on page 13
- TCFD reporting on pages 59 to 65

Outcomes of engagement

- Greater expectations of society have placed pressure on governments and regulators to introduce legislation that supports our business model
- Greater expectations of society have placed pressure on companies to produce products that can be recycled, leading to greater valorisation of waste
- A culture of recycling has led to a change in behaviour of society, such as greater discipline to sort waste for collection, leading to greater valorisation of waste

Principal decisions in FY23

Renewi defines principal decisions as decisions and discussions that are material or strategic to the Group, and also those that are significant to any of our stakeholder groups. The following items are considered to be examples of principal decisions made by the Board during FY23.

THE ACQUISITION OF RENEWI WESTPOORT

Context

During the year the Board approved the acquisition of GMP Exploitatie BV ('Paro'), an Amsterdam-based commercial waste and recycling business. The acquisition is consistent with the Group's strategy to grow market share and its ambition to be the leading waste-to-product company in Europe's most advanced circular economies. With a recycling rate of around 78%, Paro, renamed Westpoort, will contribute towards Renewi's objective to achieve a Group-wide 75% recycling rate by 2025, and will deliver synergies from site rationalisation, route and waste flow optimisation and other operational benefits as part of the Group's Commercial Division.

Stakeholder considerations

- **Product customers.** Existing and acquired customers will benefit from location and capacity made available, as well as wider product offering, focus on sustainability and operational capability
- **Government/regulators.** Increasing the recycling capabilities through synergies from site rationalisation will help to meet policy ambitions to address climate change via the realisation of a circular economy
- **Innovation partners.** For existing partners and their investors, the acquisition by Renewi provides them with a more material and capable long-term partner for their proposed biomethanol facility
- **Global community.** The acquisition will help to protect the planet, reduce carbon emissions and preserve natural resources through synergies, route and waste flow optimisation and other operational benefits, thus increasing recycling rates and reducing incinerated waste
- **Investors.** The acquisition is expected to increase shareholder value through higher-quality secondary materials and synergies from site rationalisation
- **Waste-producing customers.** Renewi can better meet the needs of its customers by improving recycling rates and reducing incinerated waste, and ensure fit-for-the-future waste collection, sorting and recycling

Strategic actions supported by the Board

The acquisition is a strong strategic fit with Renewi's strategy to grow market share and strengthen our position as a leading waste-to-product company in Europe's most advanced circular economies.

Outcomes

- With a recycling rate of around 78%, the acquired business will contribute towards Renewi's objective to achieve a Group-wide 75% recycling rate by 2025. To find out more see page 75
- Site rationalisation and integration are now under way to synergise, including route and waste flow optimisation and other operational benefits as part of the Group's Commercial Division. To find out more see page 75

EIB FUNDING FACILITY

Context

Investment in innovation to improve the quality of recyclates and reduce the levels of incinerated waste is at the heart of Renewi's purpose and strategy. The Board approved a loan agreement of €40m with the European Investment Bank (EIB), as part of a €100m funding facility, to invest in three key projects. The EIB mandate requires funds to be deployed into valuable infrastructure that directly addresses European Union climate change policies, such as these projects. The first project, in Flanders, Belgium, is the construction of three new high-tech sorting lines for residual, commercial and industrial waste, allowing more materials to be recovered and recycled. The second, in Acht in the Netherlands, is the construction of a new rigid plastics sorting facility that will produce high-quality secondary plastics. The third is an upgrade of one of Renewi's existing anaerobic digestion plants in the Netherlands, in which microorganisms break down biodegradable material to create biogas.

Stakeholder considerations

- **Product customers.** Increased valorisation of waste can lead to superior secondary products for customers, creating new markets and providing secondary alternatives to virgin inputs
- **Government/regulators.** Increasing the recycling rate is essential to meet policy ambitions to address climate change via the realisation of a circular economy. Furthermore, the investment in product sorting in Belgium will help to achieve the heightened recycling standards introduced by the VLAREMA 8 regulation
- **Innovation partners.** Renewi embraces collaboration with its innovation partners, universities and commercial operators to bring new ideas to life. It is important that Renewi finds new ways of creating new products to satisfy the growing demand for secondary materials
- **Global community.** To protect the planet we must reduce carbon emissions and preserve natural resources, both of which are supported by increased recycling rates. These projects will allow significantly more high-quality secondary raw materials to be extracted, helping to reduce carbon emissions. Furthermore, the creation of biogas from out-of-date food waste will play a role in addressing the energy and climate crisis and help to reduce the dependence on fossil fuels
- **Investors.** Creating more value from the waste we process will increase shareholder value
- **Waste-producing customers.** Renewi can better meet the needs of its customers by finding new methods of recycling that enable customers to deliver on their own sustainability ambitions

Strategic actions supported by the Board

The Board has set an ambitious Mission75 target. Investment into these projects will allow significantly more high-quality secondary raw materials to be extracted, and the new equipment installed at Renewi's biogas plant will displace fossil fuels, reducing emissions and avoiding the use of further virgin resources. Investing in innovation is one of the Board's priorities as the Company works to deliver the first two pillars of the growth strategy with a target of achieving an additional EBIT of €20m by FY26.

Outcomes

- The new equipment installed at Renewi's biogas plant will allow 60% of the biogas to be converted into biomethane, which can be injected into existing national gas grids, while the other 40% will be channelled to an existing bio-LNG facility. To find out more see page 53
- The construction of a new rigid plastics sorting facility in Acht, the Netherlands, will produce high-quality secondary plastics. To find out more see page 42
- Investments will help to address the legislation in Flanders, VLAREMA 8. Our advanced sorting will increase the recycling and reduce waste going to incineration. To find out more see page 77

ENGAGING WITH OUR WORKFORCE

Renewi is committed to being a great place to work. Engagement with employees is an important element in fostering a positive environment in which all employees are respected, openness is valued, diversity celebrated and every voice heard. The Company recognises and values people as an important asset in achieving goals, upholding values and delivering strategic priorities.

In 2019, in response to the provision in the 2018 UK Corporate Governance Code prescribing certain methods that the Board could use to engage with the workforce, the Board designated Non-Executive Director Jolande Sap to assist the Board with workforce engagement. Jolande, a former leader of the Dutch Green Party, GroenLinks, is experienced in understanding social-economic issues and is believed by the Board to have the relevant skills required. Over the course of the year Jolande has been involved in a number of workforce engagement activities:

- Participated in the Article 24 meeting in June 2022, a general consultation meeting between management and the Dutch Works Council to discuss Renewi's operations
- Held four meetings with the Chair of the Dutch Works Council to discuss workforce related topics including employee engagement, diversity and inclusion, leadership, the ongoing impact of Covid-19, the Ukraine war and inflationary and cost-of-living challenges
- Appointed as the Dutch Works Council's representative on the Supervisory Board of Renewi Netherlands Holdings BV

In addition to direct engagement with the workforce, the Board is able to receive updates from the Diversity and Inclusion Board and Group HR Director to understand the workforce's views on a wide variety of topics. The Board also receives a number of company-wide reports providing insight into the views of the entire workforce, regardless of location and role, allowing for a breadth of views to be understood when making key decisions.

Case study:

Conscious of the effect and impact of rising costs and inflation on employees caused by the socio-economic situation that emerged in the second half of the year, the Board tasked management with devising a proposal to offer some additional support for those employees falling below the threshold grade for those participating in the Renewi annual Bonus scheme. As a result, some 5,000 permanent and temporary employees received a one-off gross payment of €250 at Christmas 2022. Employees in all countries of Renewi's operations were in scope for this award apart from Belgium, this solely being due to the fact that social partners and relevant governmental authorities there were in the process of negotiating a mandatory one-off premium for employees for similar cost-of-living purposes.

Investing in and rewarding our workforce

Although the Remuneration Committee does not consult directly with employees, the Committee considers general basic salary increases for our workforce, aiming to ensure the global total reward offering is competitive, compelling and aligned to our business performance, while supporting a culture where everyone feels valued and included. For more information see the Remuneration Report on page 140.

Employee Pulse surveys

Renewi conducts regular Pulse surveys to understand the mood of employees and their attitude towards Renewi as an employer. The data analysis includes the calculation of a net promoter score estimating the likelihood of staff to recommend Renewi as an employer. The results and analysis of Pulse surveys are presented to the Board to allow it to monitor any changes in attitudes as well as question Divisional Managing Directors and Function Leaders. For more information about Pulse surveys, see the Care for People section on pages 66 to 71.

Safety, Health and Environment Committee Report

On behalf of the Board, I am pleased to present the Safety, Health and Environment Committee Report for the year ended 31 March 2023.

LUC STERCKX
Chair of the SHE Committee

COMMITTEE MEMBERSHIP AND FY23 COMMITTEE MEETING ATTENDANCE

Luc Sterckx (Chair)	4 (4)
Allard Castelein	3 (4)
Neil Hartley	4 (4)

Bracketed figures indicate maximum potential attendance of each Director.

ROLE OF THE COMMITTEE

- Review and recommend appropriate policies related to the protection of the environment, together with the safety of employees, contractors, customers and the public, and oversee the monitoring and enforcement of these policies and related practices and procedures
- Review significant risks or exposures and assess the steps management has taken to minimise those risks
- Assist in keeping Directors informed of their safety, health and environmental responsibilities and duties as necessary and relevant
- Monitor regulatory changes in relation to safety, health and environmental matters and the impact such changes may have on the business of Renewi
- Receive reports as to divisional safety and health and environmental policies and arrangements, compliance with and any proposed changes to those policies and arrangements
- Receive reports as to safety, health and environmental performance and any major incidents to ensure that management identifies and implements any corrective action considered appropriate to achieve compliance and raise performance where required

For terms of reference go to renewi.com/sheco

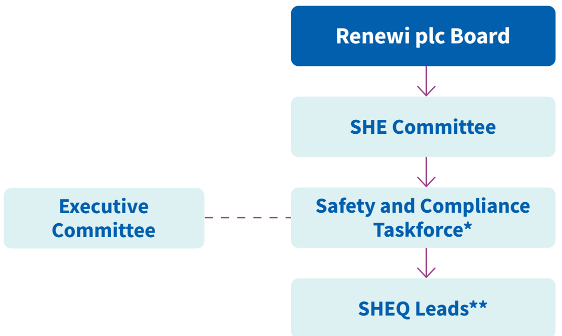
Given the high priority given by the Company to safety, health and environmental performance, the SHE (Safety, Health and Environment) Committee has continued its role to stimulate and orient the actions and policies relating to the further improvement of this priority.

The Committee met four times during the year. By invitation, the meetings were regularly attended by the Chief Executive Officer, the Group SHEQ Director and Divisional Managing Directors.

During the year the Committee intensified its contacts in the operations field in general and with the employees of Group SHEQ and divisional SHEQ Directors in particular.

Work on adopting the International Sustainability Rating System (ISRS) continued through the year – it is considered the structural backbone for a lasting and continued safety improvement. Safety awareness and operational standards are improving, however there is not yet a downward trend in non-compliance incidents compared to the previous year.

SHE corporate governance framework



*The Safety and Compliance Taskforce meet monthly to review performance and progress against the SHEQ Strategy Plan. Membership includes Divisional MDs, the CEO and the Group SHEQ Director, and divisional SHEQ Directors. The Safety and Compliance Taskforce is focused on accountability and ensuring the execution of the SHEQ Strategy Plan.
**The team of SHEQ Leads comprises the Group SHEQ Director, divisional SHEQ Directors and the Group SHEQ team.

Additionally, significant steps forward have been taken in the structuring and follow through of our environmental performance, allowing identification and prioritisation of improvement opportunities.

Looking ahead, the SHE Committee will be overseeing the improvements to vehicle safety equipment and continuing to monitor the rollout of ISRS, including Life Saving Critical standards and Safety Leadership, which are on track for FY24.

SAFETY, HEALTH AND ENVIRONMENT PERFORMANCE

During the year, the Committee has monitored performance in mitigating safety, health and environmental risks, and reviewed the root cause of significant events. Though the total recordable incidents and medical treatment case numbers have improved, there was an increase in both the Lost Time Injury Frequency Rate and Total Recordable Incident Rate, as illustrated by the table below. ISRS should ensure comprehensive and robust systems and standards are in place to systematically improve safety performance.

In December, we had a tragic fatality of a colleague and the injury of another at the Westpoort site. Investigations by Renewi and the authorities are ongoing, and immediate site safety improvements were put in place to ensure such an incident cannot happen again. To further improve safety across all Renewi sites, additional site traffic safety actions and investments were planned.

Type of incident	FY2021/22	FY2022/23	% change
Medical Treatment Cases	109	**103**	-5.5%
Restricted Work Cases[3]	67	**68**	+1.5%
Lost Time Incidents	137	**140**	+2.2%
Fatalities	-	**1**	+100%
Total Recordable Incidents	313	**311**	-0.6%
Lost Time Injury Frequency Rate (LTIF)[1]	9	**9.3**	+3.3%
Total Recordable Incident Rate (TRIR)[2]	20.6	**20.8**	+1%

1. Lost Time Injury Frequency Rate (LTIF) is the number of lost time injuries occurring per 1 million man hours worked.
2. Total Recordable Incident Rate (TRIR) is the total recordable incidents per 1 million man hours worked.
3. Restricted Work Cases is number of cases when a person is so injured that they cannot perform their normal duties.

ROLLOUT OF ISRS

Work on adopting the ISRS continued throughout the year. Working groups and committees were introduced for the various elements and an implementation plan was produced. The Committee also had oversight of ISRS training programmes and ISO targets. The rollout of ISRS is on target, with the implementation of key element standards on track for completion and finalisation in FY24.

FIRE PREVENTION INVESTMENTS

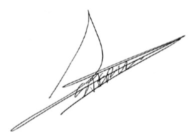
There have been a number of investments in fire prevention, such as thermal inspection equipment, detection cameras and automatic extinguishing systems, as well as the implementation of fire standard improvements. These improvements have meant that less major fires have occurred during the year; however, the incidences of minor fires did not reduce, in part due to the growing use of batteries as well as better incident reporting.

DRIVER AND VEHICLE SAFETY

The importance of driver and vehicle safety is highly important to the Committee. There have been initiatives aimed at driver skills and attitude throughout the year. A review of the fleet safety equipment has also taken place, and the Committee is pleased to report that an investment programme is under way to fit existing fleet vehicles with sound, light and camera systems, which have been identified as useful in improving the safety of some of the newer fleet vehicles.

ENVIRONMENTAL PERMIT CONTROLS

The Committee worked closely with the Executive Committee during FY22 to design reporting dashboards and improve environmental permits compliance and non-conformity information. Enhanced reporting systems were implemented in FY23, which align with the application of ISRS. The introduction of the reporting systems will enable additional preventative and improvement measures where necessary, in order to comply with current and future regulations.



Luc Sterckx
Chair of the SHE Committee
25 May 2023

Audit Committee Report

On behalf of the Board, I am pleased to present the Audit Committee Report for the year ended 31 March 2023.

KATLEEN VANDEWEYER
Chair of the Audit Committee

COMMITTEE MEMBERSHIP AND FY23 COMMITTEE MEETING ATTENDANCE

Katleen Vandeweyer (Chair)	2 (2)
Neil Hartley	4 (4)
Luc Sterckx	4 (4)
Jolande Sap	3 (4)
Marina Wyatt	1 (1)

Bracketed figures indicate maximum potential attendance of each Director. Katleen Vandeweyer was appointed in December 2022 and Marina Wyatt stepped down from the Committee in July 2022.

ROLE OF THE COMMITTEE

The primary objective of the Audit Committee is to assist the Board in fulfilling its corporate governance responsibilities relating to the Group's corporate reporting, risk management systems, internal controls and any other matters referred to it by the Board.
This covers:

- monitoring the integrity of the financial statements including annual and half-yearly reports;
- reviewing and challenging the consistency and appropriateness of and changes to significant accounting policies, the methods used to account for significant or unusual transactions, and appropriate estimates and judgements;
- keeping under review the adequacy and effectiveness of internal financial controls and internal control and risk management systems;
- reviewing the adequacy of procedures for detecting fraud and ensuring that appropriate arrangements are in place to allow for company employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters;
- monitoring and review of the effectiveness of the internal audit function in the context of the overall risk management system;
- the appointment, terms of engagement, effectiveness, objectivity and independence of the external auditors and the nature and scope of the audit;
- the development and implementation of policy on the engagement of the external auditor to supply non-audit services; and
- reviewing the methodology and approach for reporting in support of strategy set by the Board in relation to sustainability and climate change.

For terms of reference go to renewi.com/audit

The Audit Committee assists the Board in fulfilling its responsibilities relating to the Group's corporate reporting including sustainability and climate change, risk management and financial controls and the internal and external audit functions.

The report is intended to provide shareholders with an insight into key areas considered, together with how the Committee has discharged its responsibilities. This includes details of the significant accounting matters and issues in relation to the Group's financial statements that the Committee has assessed during the year and how these were addressed, and our process for concluding that this Annual Report is fair, balanced and understandable. The other primary responsibilities of the Committee, including ensuring that the external auditor is independent and effective, ensuring that the Group has an effective internal control framework and reviewing the effectiveness of the Group's internal audit function, are also detailed over the following pages.

The Committee met four times during the year. The timing of meetings coincides with key intervals in the Group's reporting and audit cycle. Regular attendees at Audit Committee meetings include the Chief Financial Officer, the Group Financial Controller, the Group Tax Manager, the Internal Audit Director and the external auditors. Other attendees who attend as required include the Chief Information Officer, Sustainability leads, other senior personnel and other advisers to the Company.

Katleen Vandeweyer
Chair of the Audit Committee
25 May 2023

COMMITTEE ACTIVITIES DURING FY23

At its meeting in May 2022, the Committee considered corporate governance compliance, taxation and the FY22 financial statements. At this meeting there was continued focus on the macroeconomic outlook and the high inflationary environment and the challenges it posed to the preparation of the FY22 financial statements with regard to additional disclosures and the forecast modelling for going concern and viability statements. The November 2022 meeting was concerned primarily with the interim results, Group risk management and internal control compliance, and internal audit performance. The February 2023 meeting considered preparation of the FY23 financial statements and all other year-end accounting matters and treatments, review of the external auditor's plan and strategy, review of the non-trading and exceptional items policy, year-end risk management planning and the internal audit plan for the new financial year. A further meeting in March 2023 dealt specifically with sustainability matters, discussing the revised methodology for carbon reporting and the recycling rate, considering limited assurance options for scope 1 and scope 2 emissions. This meeting also considered the next steps for compliance with new regulations around the Corporate Sustainability Reporting Directive and the requirements of International Sustainability Standard Board, both of which will be applicable for subsequent reporting periods.

FINANCIAL STATEMENTS AND SIGNIFICANT ACCOUNTING MATTERS

During the year and prior to the publication of the Group's results for the half year and full year, the Committee assessed whether suitable accounting policies had been adopted, that management had made appropriate estimates and judgements and disclosures were appropriate. The Committee reviewed the main issues as noted below, challenging management at various stages during the year.

After reviewing the reports from management, challenging the key judgements and estimates and assessing the risks identified, the Committee is satisfied that the Financial Statements address these areas, both in respect of the amounts reported and the disclosures made. The Committee has also reviewed the significant assumptions used for determining the value of assets and liabilities and provided appropriate challenge to ensure these are sufficiently robust. The Committee has discussed these issues with the external auditors during the audit planning process and at the finalisation of the year-end audit.

The table is not a complete list of all the Group's accounting issues, judgements, estimates and policies but highlights the most significant ones in the period. The accounting treatment of all significant issues and judgements was subject to audit by the external auditor as set out in their Independent Auditor's Report.

ISSUE	REVIEW
Onerous contracts in UK Municipal These provisions are judgemental and based on management's best estimates including long-term forecasts along with a number of assumptions given the long-term nature of the contracts.	Given the significant provisions reflected in earlier years, reviews of expected future cash flows and assumptions on a contract-by-contract basis are discussed with management with appropriate challenge as part of the interim and year-end procedures. Following these discussions, the Committee concluded that the total level of provisions and the associated disclosures included in the financial statements were appropriate at 31 March 2023, noting that there have been releases for some provisions and increase for others. The amendment to IAS 37 Onerous Contracts – Costs of Fulfilling a Contract was effective from 1 April 2022. The impact of this change was reviewed by the Committee during the March 2022 year end. The Committee has considered the disclosure given to this matter in Section 1 Basis of preparation in the financial statements, including the statement that, as permitted by the amendment, there has been no restatement of comparative information. Further to a more in-depth review of the East London contract in UK Municipal and recent legal advice, management have determined that it was incorrect to recognise a lease on the adoption of IFRS 16 in 2019. Given the values involved it is appropriate to recognise a prior year adjustment and amend the 1 April 2021 opening balance sheet. The Committee reviewed the adequacy of the disclosure included in the financial statements.
Presentation of underlying performance and other alternative performance measures Management continues to consider latest FRC guidelines on alternative performance measures to ensure that the Annual Report and Accounts have been prepared in line with best practice.	The Group's performance measures continue to include some metrics which are not defined or specified under IFRS reporting and the Group discloses non-trading and exceptional items separately due to their size or incidence to enable a better understanding of performance. Based on a review of the supporting papers from management, the Committee considers that these items have been appropriately classified and are in line with the non-trading and exceptional items policy which is reviewed annually by the Committee. The Committee also considered disclosure of the Group's alternative performance measures and noted that these are set out in detail in note 8.3 in the financial statements together with reconciliations of adjusted performance measures to statutory results.

Audit Committee Report CONTINUED

ISSUE	REVIEW
Acquisition accounting The Group has completed a signification acquisition in the year with the purchase on 1 August 2022 of 100% of the share capital of GMP Exploitatie B.V. and its subsidiaries for a cash consideration of €53.5m.	The assessment of purchase price allocation is a complex area involving significant estimates and judgements. Consequently, management engaged external advisory support to determine the fair value of assets acquired on 1 August 2022. The Committee reviewed the adequacy of the disclosure included in the financial statements.
Impairment considerations The Group has a significant value of goodwill and other intangible assets. As part of the normal impairment testing the Group has sufficient headroom on the carrying values of its goodwill and therefore did not recognise any impairments.	Impairment testing is inherently subjective as it includes assumptions in calculating the recoverable amount of the cash generating unit being tested. Cash flow projections include discount rates that reflect the appropriate risk, long-term growth rates and future profitability. The annual impairment review is submitted to the February meeting with a further update to the May meeting once final March information is available. The Committee has reviewed the papers prepared by management which also include downside modelling and sensitivity analysis and concluded that there is sufficient headroom across all cash-generating units. The goodwill note in the financial statements includes the key assumptions used in the value in use calculations and references sensitivity to changes in assumptions.
Landfill related provisioning Landfill provisions, due to their nature, are judgemental as they are subject to a number of factors including changes in legislation and uncertainty over timing of payments.	The annual review of provisions in discussions with management has considered the assumptions used including discount rates and the period of liability and has confirmed these are reasonable and appropriate. Further to the FRC Corporate Reporting Review, external advice has been obtained with regard to the discount rate methodology and the final March 2023 values. In light of the FRC observations a number of enhancements have been made to disclosures which the Committee have reviewed and concluded that the disclosures as included in note 4.10 in the financial statements are appropriate.
Other provisions The Group has a number of open legal and environmental matters.	The Committee regularly monitors disputes and claims with a summary of all open litigations and disputes a standing agenda item at all meetings. Independent legal advice is received as appropriate and reviewed in respect of the larger claims. The Committee discussed with management the March 2023 European Commission determination that no State Aid had been provided to the Group and that it was appropriate to release the €15.1m provision. The Committee concurred with management's assessment that appropriate provisions are held with adequate disclosure given in the contingent liability note in the Annual Report and Accounts.
Accounting for various tax-related matters The most significant judgements for tax relate to deferred tax asset recognition and uncertain tax positions.	During the year, the Committee received verbal and written reports from senior management on all tax related matters. An uncertain tax position has arisen in the period. The Committee has reviewed management's papers of the provision reflected in the financial statements and the additional disclosure setting out the maximum exposure. The Group has recognised a significant deferred tax asset. The Committee has reviewed the Group's considerations on future profitability to evaluate the judgement that it is appropriate to reflect deferred tax assets with regard to the UK and Dutch businesses and considered the disclosures given in the financial statements.

GOING CONCERN AND VIABILITY

The Committee is required to make an assessment of the going concern assumptions for the Group and the basis of the Viability Statement before making a recommendation to the Board. A comprehensive going concern assessment has been presented to the Committee which included a review of medium-term cash flow modelling over an 18-month period to 30 September 2024. As well as a base case scenario setting out current expectations of future trading, a downside scenario has been prepared. In addition, a reverse stress test calculation has been undertaken to consider the point at which covenants may be breached. The Committee reviewed the detailed paper and cash flow analysis and challenged management on the assumptions and judgements of the continued cash generation of the Group and the compliance with covenants.

After careful consideration, the Committee has confirmed to the Board that sufficient headroom exists and that the adoption of the going concern principle remains appropriate.

The Committee also considered a paper and outputs from the financial modelling prepared by management in respect of the longer-term Viability Statement to be included in the Annual Report and Accounts. The Committee discussed with management the risks, sensitivities and mitigations for the modelled scenarios. The period to be used for the viability modelling was discussed and it was concluded that a three year period was appropriate based on the Group's business model and associated risks and market practice. The Committee concluded that the longer-term viability statement was appropriate and approved for recommendation to the Board.

FAIR, BALANCED AND UNDERSTANDABLE

As part of its review of the FY23 Annual Report and Accounts, the Committee considered whether the report, taken as a whole, was fair, balanced and understandable and that it provided the information necessary for shareholders to assess the Company's position, performance, business model and strategy. To assist with this assessment, the Committee reviews an assessment completed by management to illustrate the fair, balanced and understandable aspects of the Annual Report and Accounts and a summary of the review and approval processes involved. Following consideration of these items at the May 2023 meeting and their consideration of all developments in the year, the Committee is satisfied that the key events and issues, both positive and negative, have been adequately reflected and referenced in the Annual Report and Accounts.

INTERACTION WITH THE FINANCIAL REPORTING COUNCIL (FRC)

In December 2022, following a review of the Company's Annual Report and Accounts to 31 March 2022 in accordance with Part 2 of the FRC Corporate Reporting Review Operating Procedures, the Company received a request for information letter from the FRC raising one question on discount rates used for provisions, along with certain further recommended improvements for the report and accounts. Following the Company's response, the FRC confirmed closure of the enquiry in a letter received in February 2023. The letter requested certain enhancements to disclosures, including key assumptions in determining provisions, any adjustments to risk free rates from bond yields and further sensitivity analysis related to inflation. These requests have been incorporated in the 31 March 2023 Annual Report and Accounts. In addition, the further observations for improvements about the report and accounts have been taken into consideration in the 2023 Annual Report and Accounts.

During the year the FRC's Audit Quality Review team reviewed BDO LLP's audit of the company's 2022 Annual Report and Accounts. This inspection was completed in early May 2023 and the final inspection report review has been shared with us by the FRC. We have discussed the findings with our external auditors and a number of improvements on process have already been put in place and have been fully operational for the 2023 audit.

EXTERNAL AUDITORS

Following the competitive tender carried out in 2019 and the shareholder approval at the 2020 AGM, BDO LLP was appointed as the Company's statutory external auditor for the year ended 31 March 2021. The Committee holds private meetings with the auditors in the absence of management and the Audit Committee Chair also maintains regular contact with the audit partner throughout the year.

In order to ensure the effectiveness of the external audit process, BDO LLP conducts an audit risk identification process at the start of the audit cycle. This plan is presented to the Audit Committee for its review and approval and for the FY23 audit, the key audit matters and significant risks identified included revenue recognition, landfill provisions, onerous contract provisions, provisions for litigation and claims and management override including presentation of non-trading and exceptional items. Other areas of focus for this year included acquisition accounting given the large acquisition in Commercial Netherlands in the year, consideration of inflation given the high inflationary environment and areas of taxation including deferred tax recognition and uncertain tax positions.

The Committee reviews the performance and effectiveness of the external auditors in performing the audit by carrying out an assessment across a number of stakeholders looking across various aspects of the process. Taking into account feedback from the business and the Committee's own experiences of working with BDO LLP during the year, the Committee is satisfied that the external auditors are providing an effective audit.

For the Committee and the Board, the objectivity of the Group's external auditors is key. The Committee reviews the independence of the auditors on an annual basis. BDO LLP's rotation rules require the lead audit partner and key partners involved in the audit to rotate every five years. BDO LLP is required to confirm to the Committee that it has the appropriate independence and no matters of concern were identified by the Committee. The Committee's responsibility to monitor and review the objectivity and independence of the external auditor is supported by a non-audit services policy. Specified services may be provided by the external auditor subject to a competitive bid process, other than in situations where it is determined by the Committee that the work is closely related to the audit or when a significant benefit can be obtained from work previously conducted by the external auditor. The approval process of any new engagement remains in place, with the CFO able to approve any new engagement up to the value of €25,000, with anything in excess of that limit requiring Committee approval. During the year €0.3m of non-audit services were provided by BDO (2022: €0.2m). The total audit fees, as disclosed in note 3.2 of the financial statements, amounted to €2.1m (2022: €1.7m).

At the February 2023 meeting, the Committee discussed the provision of non-audit fees of €2,200 from a separate BDO firm which had not received all pre-approvals in line with the non-audit services policy. The Committee acknowledged this breach against the Ethical Standard and confirmed that it did not threaten the independence of BDO LLP, noting that sufficient mitigation actions had been put in place to prevent a re-occurrence. During the year, tax and other professional services have also been provided to the Group by the audit firms Deloitte, PwC, EY and KPMG.

INTERNAL AUDIT

The internal audit function is an independent and objective function which aims to improve Renewi's overall control framework and evaluate and improve the design and effectiveness of control processes. Reviews of financial processes and cycles are carried out and investigation activities are performed on control failures to identify root cause and provide recommendations for resolution and prevention. The Committee monitors and reviews the effectiveness of its work and approves its annual plan.

Following the restrictive nature imposed by the Covid-19 pandemic in recent years, the internal audit programme in FY23 returned to fully on-site reviews. The detailed findings from all reviews are presented to and considered by the Committee. Any necessary actions and improvements are acted upon by local divisional teams with revisits from internal audit as required and regular follow-up at monthly business review meetings. Consistent with previous years, internal audit services from suitably qualified external providers were also engaged during the year.

There has been further enhancement of the key control framework during the year with compliance reporting consistently above 95%.

The Committee is provided with updates on the implementation of agreed management actions and overall control environment progress at each meeting.

ACCOUNTABILITY AND AUDIT

The responsibilities of the Directors and the auditors in relation to the financial statements are set out on page 161.

RISK MANAGEMENT

The Group Risk Management framework, major risks and the steps taken to manage these risks are outlined on pages 86 to 99.

INTERNAL CONTROL RESPONSIBILITY

The system of internal control is based on a continuous process of identifying, evaluating and managing risks, including the risk management processes outlined on pages 86 to 91. The Board of Directors has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. The Board recognises that internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can therefore only provide reasonable and not absolute assurance against material misstatements, losses, and the breach of laws and regulations.

EFFECTIVENESS OF THE RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

In addition to the Board's ongoing internal control monitoring process, it has also conducted an annual effectiveness review of the Group's risk management and internal control systems in compliance with Provision 29 of the UK Corporate Governance Code. This covered risk management systems and all significant material controls including financial, operational and compliance controls.

Specifically, the Board's review included consideration of changes in the risk universe and the Group's ability to respond to these through its review of business risk register controls and improvement action plans. It also reviewed the six-monthly certification by divisional management to ensure that appropriate internal controls are in place as well as reports by internal audit and external auditors.

The main elements of the internal control and risk management frameworks, which contribute towards continuous monitoring, are as follows:

- A defined schedule of matters for decision by the Board
- Group manuals and guidance setting out financial and accounting policies, minimum internal financial control standards and the delegation of authority over items such as capital expenditure, pricing strategy and contract authorisation
- A comprehensive planning and budgeting exercise
- Performance is measured monthly against plan, prior year and latest forecast results with explanations sought for significant variances. Key performance indicators are also used to provide early warning of potential additional risk factors
- Monthly meetings with the divisional management teams to discuss performance and plans
- Appointment and retention of appropriately experienced and qualified staff to help achieve business objectives
- An annual risk-based internal audit plan approved by the Committee. Summaries of audit findings and the status of action plans to remedy any significant failings are discussed at Group Board and Committee meetings on a regular basis
- A monthly key control framework is in operation in all Divisions and functions with a summary of compliance reported to the Group Board monthly
- A range of quality assurance, safety and environmental management systems are in use across the Group. Where appropriate, these are independently certified to internationally recognised standards and subject to regular independent auditing
- Prompt review by the Committee of any fraudulent activity or whistle-blowing reports with appropriate action and follow up
- Where weaknesses in the internal control system have been identified through the monitoring processes outlined above, plans for strengthening them are put in place and action plans regularly monitored until complete. The Board confirms that no material weaknesses were identified during the year and therefore no remedial action is required in relation to them

FINANCIAL REPORTING

In addition to the general risk management and internal control processes described above, the Group has implemented internal controls specific to the financial reporting process and the preparation of the annual consolidated financial statements. The main control aspects are as follows:

- Formal written financial policies and procedures applicable to all business units
- A detailed reporting calendar including the submission of detailed monthly accounts for each business unit, in addition to the year-end and interim reporting process
- Detailed management review to Board level of both monthly management accounts and year-end and interim accounts
- Consideration by the Board of whether the Annual Report is fair, balanced and understandable
- Biannual certification by divisional Managing and Finance Directors and Executive Directors on compliance with appropriate policies and accuracy of financial information
- The Committee receives regular reports from the Group Tax Manager on the Group's tax policy, tax management and compliance

ANTI-CORRUPTION AND ANTI-BRIBERY

The Renewi Code of Conduct and Reporting and Investigation Protocol has operated throughout the year and integrity reporting is a standing item at all Committee meetings. a standing item at all committee meetings.

Nomination Committee Report

On behalf of the Board, I am pleased to present the Nomination Committee Report for the year ended 31 March 2023.

BEN VERWAAYEN
Chair of the Nomination Committee

COMMITTEE MEMBERSHIP AND FY23 COMMITTEE MEETING ATTENDANCE

Ben Verwaayen (Chair)	4 (4)
Allard Castelein	4 (4)
Marina Wyatt	3 (3)
Jolande Sap	4 (4)
Luc Sterckx	4 (4)
Neil Hartley	4 (4)
Katleen Vandeweyer	1 (1)

Bracketed figures indicate maximum potential attendance of each Director. Katleen Vandeweyer was appointed in December 2022 and Marina Wyatt stepped down from the Committee in July 2022.

ROLE OF THE COMMITTEE

- Review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board and make recommendations to the Board with regard to any changes
- Give full consideration to succession planning for Directors and other senior executives and, in particular, for the key roles of Chairman and Chief Executive Officer
- Keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace
- Identify and nominate, for the approval of the Board, candidates to fill Board vacancies as and when they arise
- Recommend the election and re-election by shareholders of Directors under the annual re-election provisions, having due regard to their performance and contribution in light of the knowledge, skills and experience required and the need for progressive refreshing of the Board
- Review the results of the annual Board performance evaluation process

For terms of reference go to renewi.com/nomco

The Committee met four times during the year and details of members' attendance are shown opposite. The Committee was particularly focused on the recruitment of a new Chief Financial Officer and a new Non-Executive Director/Chair of the Audit Committee as well as senior management succession planning.

DIVERSITY AND INCLUSION

Renewi is committed to offering a rewarding, diverse and inclusive working environment. With regard to gender diversity, the target that has been set is to increase the percentage of women across Renewi, including in the senior leadership team, to 25% by 2025.

With the appointment of Annemieke den Otter to the position of Chief Financial Officer in June 2022 and Katleen Vandeweyer, who replaced Marina Wyatt as a Non-Executive Director and Chair of the Audit Committee in December 2022, female representation at Board level is 37.5%.

Renewi first established a dedicated Diversity and Inclusion (D&I) Board in 2021. It is chaired by the Chief Executive Officer and comprises a diverse group of Renewi colleagues who meet regularly to discuss D&I initiatives and plans and monitor progress against targets and objectives. Employee representatives are invited to join the D&I Board to enable the contribution of opinions and ideas from across the whole workforce.

The main aims and achievements of the D&I Board during the year included:

1. Progress towards achieving our target of 25% women working at Renewi with 30% of women in leadership roles by 2025
   - To date these figures stand at 20% with 24% of women in leadership roles

2. Inclusion: making sure everyone feels included and heard
   - From our employee Pulse surveys, 82% of all Renewi employees believe that Renewi is an inclusive employer
   - 74% of all employees agree that they and their colleagues are treated equally by management

3. Communication: ensuring everyone understands what D&I is, what Renewi stands for and what Renewi is doing to become a diverse and inclusive employer
   - 86% of our employees have seen and heard about diversity and inclusion at Renewi

4. Embrace and celebrate our diverse workforce
   - Our second annual Diversity Day across Renewi was held

on 4 October 2022 with the theme of cultural celebrations
- Internal communications were provided and information was provided to managers on how to support team members that participate in the feast of Ramadan

5. Work on unconscious bias
- During the year an Unconscious Bias training programme was run for hiring managers and HR Business Partners in the Netherlands, Belgium and the UK, with further rollout to all managers planned for FY24

TALENT ACQUISITION AND DEVELOPMENT

Given the tight labour market there were some challenges in filling vacancies, but over the course of 2022, Renewi hired 940 colleagues, of which 20% were internal hires. This was greatly assisted by targeted social media campaigns, improved HR processes and insourcing of most recruitment activities and investment in employer branding.

During talent reviews across the Group, 38 young people were identified as having the potential to fulfil a future leadership role. A programme has been designed to help them develop the skills and qualities to position themselves as future leaders of Renewi. In addition, the Renewi leadership programme, LEAD, continued to offer training, development and support for managers across all Divisions. This will include safety leadership training for our leaders in all Divisions and functions.

In January 2023, a programme of 'meet and greet' lunches with the Board was established. The purpose of these is to connect specific groups of Renewi employees, whether based on functional specialism, potential leadership, long service or other characteristics with Board members through informal, engaging and open conversation. These interactions are informative for the Board, recognise the contribution such specific groups can make and are intended to motivate and inspire.

Further details are set out in the Care for People section on pages 66 to 71.

SUCCESSION PLANNING

As reported last year, Toby Woolrych left the Board as Chief Financial Officer on 31 March 2022 and was replaced by Annemieke den Otter on 1 June 2022. It was also announced last year that Non-Executive Director and Chair of the Audit Committee, Marina Wyatt, would be stepping down from the Board at the conclusion of the AGM on 14 July 2022.

Following an extensive search for her successor, Katleen Vandeweyer was appointed to the Board as a Non-Executive Director and Chair of the Audit Committee on 1 December 2022. The selection process, assisted again by search consultants Heidrick & Struggles, included a comprehensive shortlisting process followed by interviews by Committee members, the CEO and Group HR Director. Other than their assistance in recruiting both Annemieke den Otter and Katleen Vandeweyer, search consultants Heidrick & Struggles also assisted with the search for a small number of below Board positions.

A short introductory question and answer interview with Katleen Vandeweyer is set out on page 119.

Biographical details of Katleen and the other members of the Board and Executive Committee can be found on pages 106 to 109 and are also available on the Company website.

Any new Director appointed to the Board is subject to election by shareholders at the first opportunity after their appointment. All Directors are also required under the Company's Articles of Association to stand for re-election at each AGM.

Succession plans were reviewed in the year and action plans prioritised to ensure a potential pipeline of internal candidates for senior positions within the Group.

BOARD EVALUATION

The FY22 review of Board and Committee effectiveness as reported last year was undertaken with the use of an externally facilitated structured questionnaire facilitated by the Company Secretary. Key findings from the FY22 review and subsequent actions are detailed below.

FINDING	ACTION
Clearer communications around primary strategic sustainability focus and purpose of the business	• Investor relations focus • Improved recycling rate and targets • Improved CDP Climate change ranking
Development of closer engagement with all stakeholders to drive the circular economy	• Renewi's ongoing Mission75 programme to generate ideas and co-innovate • Board lunch meetings with employee teams to drive debate and actions • Customer focus initiatives
Ongoing promotion of diversity and inclusion objectives throughout the Group	• Appointment of Annemieke den Otter and Katleen Vandeweyer to the Board • Ongoing initiatives through the Diversity and Inclusion Board

Customer Care, Amersfoort

FY23 EVALUATION

It was determined that the FY23 evaluation would again be carried out via a structured questionnaire survey of the Directors and the Company Secretary. After a shortlisting process undertaken by the Chairman and Company Secretary, it was agreed that this be facilitated for a second year by Gould Consulting, with whom the Group has no other commercial relationship.

Gould Consulting is fully compliant with the Chartered Governance Institute's Code of Practice for Independent Board Reviewers, published in January 2021.

Having considered the results and themes which had emerged from the evaluation, the Board agreed specific FY23 action plans across three main areas:
- Development of the Renewi culture and way of working, centred around safety, health and environmental performance
- Wider active engagement with all stakeholders to focus the Board agenda and support the drive for a circular economy
- Broadening of Renewi's influence to contribute to European and UK sustainability and climate change policy

The evaluation also identified a number of areas of focus to further enhance Board performance. These included taking time for the entire Board to plan and structure the annual agenda and to create space to discuss specific business topics in even greater detail.

Following the review, which was supplemented by individual discussions with the Directors by the Chairman, the Board concluded that, along with its Committees, it had continued to operate effectively during the year and that each Director had continued to demonstrate commitment to their role and performed capably. The Senior Independent Director led the review of the Chairman's performance with the other Directors. The Board is therefore able to recommend the election and re-election of all those Directors standing at the forthcoming AGM.

Ben Verwaayen
Chairman
25 May 2023

Board tenure

	Male	Female	Total
1–3 years	1	2	3
3–5 years	2	1	3
5–7 years	2	-	2

Background/experience of Non-Executive Directors

	Male	Female	Total
Energy/chemicals	1	-	1
Politics/socio-economics	-	1	1
Telecoms/digital	1	1	2
Transport	1	-	1
Private equity/investment	1	0	1

Nationality

	Number	Board member
Dutch	5	Ben Verwaayen, Allard Castelein, Jolande Sap, Otto de Bont, Annemieke den Otter
Belgian	2	Luc Sterckx, Katleen Vandeweyer
UK	1	Neil Hartley

Directors' Remuneration Report

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2023.

NEIL HARTLEY
Chair of the Remuneration Committee

COMMITTEE MEMBERSHIP AND FY23 COMMITTEE MEETING ATTENDANCE

Neil Hartley (Chair)	3 (3)
Allard Castelein	2 (3)
Luc Sterckx	3 (3)

Bracketed figures indicate maximum potential attendance of each Director.

ROLE OF THE COMMITTEE

- Determines the Group's policy on remuneration and monitors its implementation
- Reviews and sets performance targets for incentive plans
- Sets the remuneration of the Group's senior management
- Approves the specific remuneration package for the Chairman, each of the Executive Directors and below Board members of the Executive Team
- Determines the terms on which LTIP, Deferred Annual Bonus and Sharesave awards are made to employees
- Determines the policy for and scope of pension arrangements for the Executive Directors and below Board members of the Executive Team

For terms of reference go to renewi.com/remco

This Report, prepared by the Remuneration Committee on behalf of the Board, takes full account of the UK Corporate Governance Code and the latest Investment Association (IA) Principles of Remuneration and Institutional Shareholder Services (ISS) UK and Ireland Proxy Voting Guidelines. It has been prepared in accordance with the provisions of the Companies Act 2006 (the Act), the Listing Rules of the Financial Conduct Authority and the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Companies (Miscellaneous Reporting) Regulations 2018 and the Companies (Directors' Remuneration Policy and Directors' Remuneration Report) Regulations 2019. The Act requires the Auditor to report to the Group's shareholders on the audited information within this Report and to state whether in their opinion those parts of the Report have been prepared in accordance with the Act. The Auditor's opinion in this regard is set out on page 169 and those aspects of the Report that have been subject to audit are clearly marked.

SUMMARY

The key elements of the Directors' Remuneration Report are outlined below.

- **Annual Statement.** Summarises performance and reward in the year ended 31 March 2023 and the proposed changes to the Remuneration Policy which, subject to shareholder approval, will be operated for the year ending 31 March 2024
- **Remuneration Policy.** Details the Remuneration Policy, which will be put to shareholders at the 2023 AGM, given that the 2020 Policy is reaching the end of its three-year life
- **Annual Report on Remuneration.** Details how the Remuneration Policy was implemented during the year ended 31 March 2023 and how the Committee intends the new Policy to apply for the year ending 31 March 2024

WORK OF THE COMMITTEE DURING THE YEAR

The Committee met three times during FY23 and details of members' attendance at meetings are shown above. The main Committee activities during the year (full details of which are set out in the relevant sections of this Report) included:

- agreeing the performance against the targets and payout for the FY22 annual bonus awards;
- setting the performance targets for the FY23 annual bonus;
- agreeing the vesting levels for the 2019 LTIP awards which vested in 2022;
- agreeing the award levels and performance targets for the 2022 LTIP awards;

Commercial Waste NL,
Nieuwegein

- agreeing Executive Director base salary increases and the Chairman's fee from 1 April 2023;
- appointing Mercer Limited as the new independent advisers to the Committee after a tendering process;
- considering regulatory/disclosure developments and shareholder views during FY23;
- reviewing the Remuneration Policy, agreeing proposed changes and consulting with shareholders; and
- ongoing liaison with the SHE Committee to ensure alignment on ESG targets.

In addition, the Committee has considered how the Remuneration Policy and practices are consistent with the six factors set out in Provision 40 of the 2018 UK Corporate Governance Code:

- **Clarity.** Our policy is well understood by our senior team and employees more generally and has been clearly articulated
- **Simplicity.** The Committee is mindful of the need to avoid overly complex remuneration structures which can be misunderstood and deliver unintended outcomes. As such, our executive remuneration policies and practices are as simple to communicate and operate as possible, while ensuring that they are aligned to our strategy
- **Risk.** Our Remuneration Policy is based on: (i) a combination of both short- and long-term incentive plans based on financial, non-financial and share price-linked targets; (ii) a combination of cash and equity (in terms of both deferred bonus and LTIP awards); and (iii) a number of shareholder protections (i.e. bonus deferral, shareholding guidelines, malus/clawback provisions) which have been designed to mitigate the impact of inappropriate risk-taking
- **Predictability.** Our incentive plans are subject to individual caps, with our share plans also subject to market standard dilution limits. The scenario charts in the Remuneration Policy illustrate how the rewards potentially receivable by our Executive Directors vary based on performance and share price growth
- **Proportionality.** There is a clear link between individual awards, delivery of strategy and our long-term performance. In addition, the structure of our short- and long-term incentives, together with the structure of the Executive Directors' service contracts, ensures that poor performance is not rewarded
- **Alignment to culture.** Renewi's focus on making valuable products from waste, meeting the growing need to deal with waste sustainably and cost-effectively, is fully supported through the metrics in both the annual bonus and long-term incentive which measure how we perform against main KPIs that underpin the delivery of our strategy

Annual Statement

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 March 2023. I have summarised below the key decisions the Committee has taken during the year and provided an explanation of the context in which they were made.

FY23 PERFORMANCE, DECISIONS AND REWARD OUTCOMES

FY23 annual bonus

Profit and net debt/leverage targets were exceeded, contributing to the financial target element of the bonus measures.

Personal targets were also largely met. This resulted in bonus awards of 115% and 118% of the base salaries of the Chief Executive Officer and Chief Financial Officer respectively. These represented 77% and 79% of the maximum bonus potential for the Chief Executive Officer and Chief Financial Officer respectively.

Further details are set out on page 152.

2020 LTIP vesting in 2023

The Long-Term Incentive Plan (LTIP) granted in 2020 was designed to incentivise and reward the achievement of Earnings Per Share (EPS) growth, Total Shareholder Return (TSR), the recycling rate based on the Company's sustainability plan (recycling rate) and, for Executive Directors only, Return on Capital Employed (ROCE) over the three-year performance period to 31 March 2023. Save for the recycling target all targets were exceeded, resulting in 96.25% vesting. Further details are set out on page 153.

Use of Remuneration Committee discretion

Annemieke den Otter joined the Board as Chief Financial Officer on 1 June 2022. The Committee used its judgement to determine the composition of Annemieke's remuneration and benefits package within the limits defined by the Remuneration Policy. Details of her remuneration are set out on page 151. The Committee did not exercise discretion on Director remuneration in any other way during the year.

Policy Review

As the current Remuneration Policy is reaching the end of its three-year life, the Committee reviewed the Remuneration Policy holistically during the year with the assistance of independent advisers and taking into account feedback previously received from shareholders.

The Committee believes that the Policy continues to be effective in rewarding our Executive Directors and notes the high level of shareholder support received when the Policy was introduced in 2020 and in subsequent votes on its implementation.

As such, only minor changes have been made to the Remuneration Policy. One minor change includes the removal of a monetary cap of benefits to allow the Committee the flexibility to ensure that the Executive Directors have access to the same benefits available to the wider workforce. For the avoidance of doubt, no material changes to benefit provision are planned and if any substantial benefits were to be introduced for Executive Directors, this would be done in consultation with shareholders.

For details of the Remuneration Policy Review see page 143.

Implementing the Policy for FY23

In respect of the implementation of the Remuneration Policy for FY23:

- On 1 April 2023, the Chief Executive Officer's base salary was increased by 8% in line with the wider workforce rate of increase. The Chief Financial Officer's base salary was increased by 4% in light of her recent appointment
- The Executive Directors continue to receive a cash supplement in lieu of pension of 12.5% of salary (in line with the local workforce)
- The annual bonus will continue to have a maximum opportunity of 150% of base salary for both the Chief Executive Officer and Chief Financial Officer. Performance metrics will continue to have a majority financial weighting and will be disclosed retrospectively following the end of the financial year
- LTIP grants for Executive Directors will continue to be set at levels no greater than the equivalent value of 150% and 120% of the base salaries of the Chief Executive Officer and Chief Financial Officer respectively Performance metrics will continue to be based on EPS, ROCE, relative TSR and a key sustainability measure (the Group's recycling rate)
- To simplify the supplementary fees for the Board, the Senior Independent Director's fee will be aligned to that of Committee chair increases to £10,012
- Non-Executive Director base fees are increased by 5.8% in line with the average Executive Committee increase rate. There will be no increase to the Chairman's fee

LOOKING FORWARD

At the 2022 AGM, the Annual Statement and Annual Report on Remuneration received the support of more than 98.32% of votes cast. The Committee would like to thank shareholders for their continued support and asks that they similarly support the 2023 Directors' Remuneration Report and new Remuneration Policy AGM resolutions.

Neil Hartley
Chair of the Remuneration Committee
25 May 2023

Directors' Remuneration Policy

The principal objective of the Remuneration Committee is to design and implement a Remuneration Policy that promotes the long-term success of the Company. The Committee seeks to ensure that the senior executives are fairly rewarded in light of the Group's performance, taking into account all elements of their remuneration package. A significant proportion of executive remuneration is performance-related, comprising an annual bonus and a Long-Term Incentive Plan. The fixed proportion of remuneration comprises basic salary, benefits and a payment in lieu of pension.

POLICY SCOPE

The Policy applies to the Chairman, Executive Directors and Non-Executive Directors.

POLICY DURATION

Given that the current Directors' Remuneration Policy Report (approved at the AGM on 16 July 2020, receiving 95.12% support) will shortly reach the end of its three-year life, a new policy will be put to shareholders for approval at the 2023 AGM and shall apply from such approval. Subject to approval, the new Policy will apply from that date for a maximum of three years until the AGM in 2026.

CHANGES FROM THE CURRENT POLICY

The Committee believes that the Policy continues to be effective in rewarding our Executive Directors and therefore, have not made any fundamental changes.

As such, only minor changes have been made to the Remuneration Policy. One minor change includes the removal of a monetary cap of benefits to allow the Committee the flexibility to ensure that the Executive Directors have access to the same benefits available to the wider workforce. For the avoidance of doubt, no material changes to benefit provision are planned and if any substantial benefits were to be introduced for Executive Directors, this would be done in consultation with shareholders.

POLICY TABLE

OPERATION	OPPORTUNITY	PERFORMANCE METRICS
BASE SALARY: To pay a competitive basic salary to attract, retain and motivate the talent required to operate and develop the Group's businesses		
Base salaries are generally reviewed on an annual basis or following a significant change in responsibilities. Salary levels are reviewed by reference to companies of similar size and complexity within the UK and Continental Europe reflecting Renewi's growing presence across Europe. The Committee also has regard to individual and Group performance and changes to pay levels across the Group.	For Executive Directors, it is anticipated that salary increases will normally be in line with those of salaried employees as a whole. In exceptional circumstances (including, but not limited to, a material increase in job size or complexity or a material market misalignment), the Committee has discretion to make appropriate adjustments to salary levels to ensure they remain market-competitive.	None.
PENSION: To provide an opportunity for executives to build up a provision for income on retirement		
Executive Directors may receive a pension contribution or cash allowance in lieu of pension.	A maximum employer contribution of 12.5% of basic salary in line with the local workforce rate. The Committee reserves the discretion to review this rate in line with movements to the workforce rate.	None.
BENEFITS: To provide market-competitive benefits		
Benefits include life assurance, medical insurance, tax advisory services, income protection and car/travel allowances. Executive Directors are also eligible to participate in Renewi's Working from Home policy which provides a nominal allowance per day. Executive Directors may also be eligible to any new benefit introduced for the wider employee workforce in their local market.	There is no defined maximum. Benefits are set at reasonable levels in order to be market competitive for the relevant local jurisdiction and are dependent on individual circumstances. The Committee retains discretion to approve additional benefits in exceptional circumstances (e.g. relocation or expatriation).	None.
ALL-EMPLOYEE SHARE SCHEMES: To encourage Group-wide share ownership		
Executive Directors may participate in all-employee share scheme arrangements on the same terms offered to employees.	The maximum opportunity will not exceed the relevant jurisdictional limits, where applicable.	None.

Directors' Remuneration Report CONTINUED

OPERATION	OPPORTUNITY	PERFORMANCE METRICS
ANNUAL BONUS: To motivate senior executives to maximise short-term performance and help drive initiatives that support long-term value creation		
Performance measures, targets and weightings are set at the start of the year. The maximum bonus is payable only if all performance targets are met in full. 50% of any bonus is awarded in shares, with half vesting immediately and the other half deferred into an award over Renewi plc ordinary shares which vests after three years. Dividend equivalents may accrue over the relevant vesting period of deferred share awards to the extent awards vest. **Malus & clawback:** The Committee may at its discretion not pay bonuses/reduce deferred share awards and/or recover bonuses which have been paid or shares which have vested under deferred share awards in the following circumstances: misstatement of the Company's financial results, an error in calculating the vesting result, misconduct, material corporate failure, material risk management failure, serious reputational damage or material loss caused by the participant's actions.	150% of salary.	Executive Director performance is assessed by the Committee on an annual basis by reference to Group financial performance (e.g., profit or cash flow measures) (majority weighting) and the achievement of personal or strategic objectives (minority weighting). Bonus targets are generally calibrated with reference to the Group's budget for the year. The Committee has the discretion to adjust the formulaic bonus outcomes both upwards (within the plan limits) and downwards, to ensure that payments are a true reflection of performance over the performance period, e.g., in the event of unforeseen circumstances outside management control.
LONG-TERM INCENTIVE PLAN (LTIP): To motivate and retain senior executives and managers to deliver the Group's strategy and long-term goals and to help align executive and shareholder interests		
Executive Directors and senior employees may be granted awards annually, as determined by the Committee. The vesting of these awards is subject to the attainment of performance conditions. Awards are in the form of Renewi plc ordinary shares. Dividend equivalents may accrue over the vesting period to the extent that awards vest. Awards made under the LTIP have a performance and vesting period of at least three years. If no entitlement has been earned at the end of the relevant performance period, then the awards will lapse. A two-year post-vesting holding period applies to LTIP awards granted to Executive Directors. **Malus & clawback:** The Committee may at its discretion decide that LTIP awards are reduced and/or clawback vested LTIP awards in the following circumstances: misstatement of the Company's financial results, an error in calculating the vesting result, misconduct, material corporate failure, material risk management failure, serious reputational damage or material loss caused by the participant's actions.	150% of salary.	Vesting of LTIP awards will be subject to continued employment and financial, strategic, environmental and/or share price-related performance targets measured over a period of at least three years. In addition to the Group achieving the financial/share price targets, the Committee must satisfy itself that the recorded outcome is a fair reflection of the underlying performance of the Group. Threshold performance will result in vesting of no more than 25% of maximum under each element. The Committee has discretion (within the limits of the scheme) to adjust the formulaic performance outcomes to ensure that payments fairly reflect underlying performance over the period. Adjustments may be upwards (subject to a maximum of 100%) or downwards.
SHAREHOLDING GUIDELINES: To align executive and shareholder interests		
The Committee recognises the importance of Executive Directors aligning their interests with shareholders through building up significant shareholdings in the Group. Executive Directors are required to retain 100% (net of tax) of any LTIP, annual bonus awarded in shares which vest immediately and deferred bonus shares acquired on vesting (net of tax) until they reach the ownership guideline.	**In employment:** 200% of salary. **Post employment:** 200% of salary up until the second anniversary of cessation. Own shares purchased, shares acquired through buyout awards and share awards granted prior to the 2020 AGM will be excluded from the post-employment guideline.	None.

NOTES TO THE POLICY TABLE

Use of discretion

The Committee may apply discretion as detailed below. Under each element of remuneration, a full description of how discretion can be applied is set out in line with UK reporting requirements.

To ensure fairness and align executive remuneration with individual and underlying Company performance the Committee may adjust up or down (including to zero) the outcome of the annual bonus and LTIP or the performance measures of inflight awards under either plan. Any adjustments in light of 'non-regular events' (including, but not limited to, corporate events (including Rights Issues), changes in the Group's accounting policies, minor or administrative matters, internal promotions, external recruitment and terminations of employment) are expected to be made on a 'neutral' basis – i.e., adjustments will be designed so that the event is not expected to be to the benefit or the detriment of participants. Adjustments to incentives to ensure that outcomes reflect underlying performance may be made in exceptional circumstances to help ensure outcomes are fair to shareholders and participants.

Performance measurement selection

The measures used in the annual bonus are selected annually to reflect the Group's main business and strategic priorities for the year and capture both financial and non-financial objectives. Group financial performance targets relating to the annual bonus plan are based around the Group's annual budget, which is reviewed and approved by the Board prior to the start of each financial year. Underlying profit before tax and cash-related targets are typically used as the key financial performance measures in the annual bonus plan because they are clear and well understood measures of Group performance.

Performance targets are reviewed annually and set to be stretching and achievable, taking into account the Group's resources, strategic priorities and the economic environment in which the Group operates. Targets are set taking into account a range of internal and external reference points, including the Group's strategic plan and broker forecasts for both the Group and sector peers. The Committee believes that the performance targets are stretching, and that to achieve maximum outcomes requires truly outstanding performance.

The Committee considers the combination of three-year EPS growth, ROCE improvement, share price growth and ESG (recycling rate) target to be key indicators of long-term success for the Group. These measures are transparent, visible and motivational to participants, balance growth and returns, and provide good line-of-sight for executives and alignment with shareholders.

Remuneration policy for our senior leaders

The Group's approach to annual salary reviews is broadly consistent across the Group, with consideration given to the scope of the role, level of experience, responsibility, individual performance and pay levels for comparable roles in comparable companies. The broader Remuneration Policy across the Group is also consistent with that set out in this Report for the Executive Directors. For example, remuneration is linked to Group and individual performance in a way that is ultimately aimed at reinforcing the delivery of shareholder value. Senior employees generally participate in an annual bonus scheme with a similar structure to that described for the Executive Directors. Opportunities and specific performance conditions vary by organisational level, with business area specific metrics incorporated where appropriate. Members of the Executive Committee and other senior managers may participate in the LTIP on a similar basis to, but at lower levels than Executive Directors. Such awards may be on the same terms as those granted to Executive Directors or they may differ in respect of vesting periods, holding periods and performance targets (i.e., the targets used and/or whether performance targets apply for some or all of the awards). All UK employees are eligible to participate in the Sharesave Scheme on the same terms although other all-employee share arrangements may be introduced if considered appropriate.

APPROACH TO RECRUITMENT REMUNERATION

External appointments

In the cases of hiring or appointing a new Executive Director, the Committee may make use of any of the existing components of remuneration, as described in the Policy Table. The maximum limits for variable pay (excluding buyouts) will be as for existing Executive Directors.

In determining the appropriate remuneration for a new Executive Director, the Committee will take into consideration all relevant factors (including the overall quantum and nature of remuneration, and the jurisdiction from which the candidate is being recruited) to ensure that all such arrangements are in the best interests of Renewi and its shareholders.

The Committee may also make an award in respect of a new appointment to buy out remuneration arrangements forgone on leaving a previous employer on a comparable basis, in addition to providing the normal remuneration elements. In constructing a buyout, the Committee will consider all relevant factors including time to vesting, any performance conditions attached to awards, and the likelihood of those conditions being met. Any such buyout awards will typically be made under the existing annual bonus and LTIP schemes, although the Committee may exercise the discretion available under the FCA Listing Rule 9.4.2 R to make awards using a different structure. Any buy-out awards would normally have a fair value no higher than that of the awards forgone and would normally be payable no earlier.

Internal appointments

In cases of appointing a new Executive Director by way of internal promotion, the Committee will determine remuneration in line with the policy for external appointees. Where an individual has contractual commitments made prior to promotion to the Board, the Group will continue to honour these. Incentive opportunities for below Board employees are typically no higher than for Executive Directors, but measures may vary to ensure they are relevant to the role.

Non-Executive Director recruitment

In recruiting a new Non-Executive Director, the Committee will use the policy as described in the Policy Table. A base fee in line with the prevailing rate for Board membership would be payable, with additional fees payable for acting as Senior Independent Director or Chair of a Committee, as appropriate.

SERVICE CONTRACTS AND EXIT PAYMENT POLICY

Executive Director service contracts, including arrangements for early termination, are carefully considered by the Committee. The Committee has agreed that the policy with regard to the notice period for Executive Directors is one year's written notice from the Group (or less if required by local employment law) and one year's notice from the individual (or less if required by local employment law). The contracts provide for an obligation to pay salary plus

Directors' Remuneration Report CONTINUED

contractual benefits for any portion of the notice period waived by the Group where permitted by local employment law. The Group has the ability to pay such sums in instalments, requiring the Director to mitigate loss (for example, by gaining new employment) over the relevant period.

Executive Director	Effective date of service contract	Notice period (Company)	Notice period (individual)
Otto de Bont	1 April 2019	12 months	6 months*
Annemieke den Otter	1 June 2022	12 months	6 months*

*Both Executive Directors are Dutch residents and Dutch law limits the maximum notice they can be required to provide.

If employment is terminated by the Group, the departing Executive Director may have a legal entitlement (under statute or otherwise) to certain payments, which would be met. In addition, the Committee retains discretion to settle any other amounts reasonably due to the Executive Director, for example to meet the legal fees incurred by the Executive Director in connection with the termination of employment, where the Group wishes to enter into a settlement agreement (as provided for below) and the individual must seek independent legal advice.

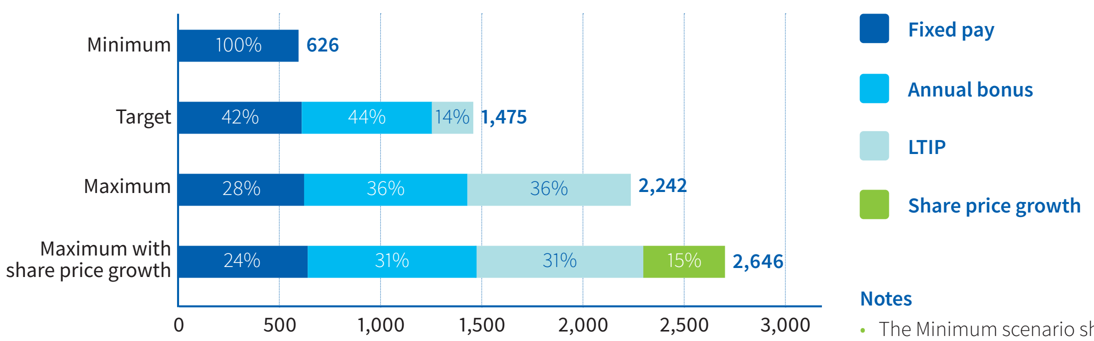
In certain circumstances, the Committee may approve new contractual arrangements with departing Executive Directors including (but not limited to) settlement, confidentiality, restrictive covenants and/or consultancy arrangements. These will be used sparingly and only entered into where the Committee believes that it is in the best interests of the Group and its shareholders to do so.

When considering exit payments, the Committee reviews all potential incentive outcomes to ensure they are fair to both shareholders and participants. The table on the following page summarises how the awards under the annual bonus and LTIP are typically treated in different circumstances, with the final treatment remaining subject to the Committee's discretion.

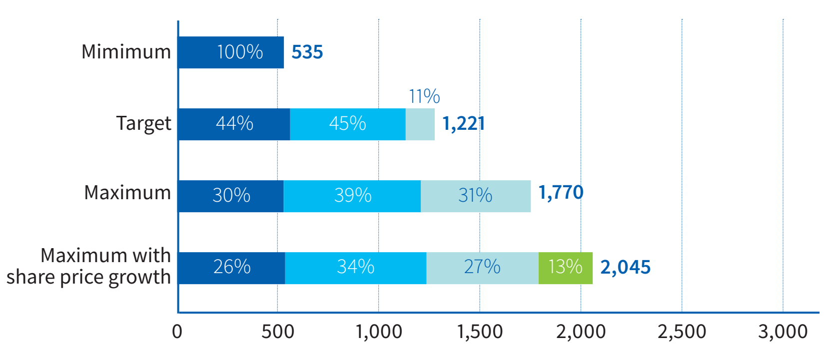
Pay scenario charts

The charts below provide an estimate of the potential future reward opportunities for the Executive Directors, and the potential split between the different elements of remuneration under four different performance scenarios: Minimum, Target, Maximum and Maximum with share price growth. Potential reward opportunities are based on the Remuneration Policy, applied to basic salaries as at 1 April 2023. The projected values exclude the impact of any dividends.

Chief Executive Officer (€000)



Chief Financial Officer (€000)



Notes

- The Minimum scenario shows basic salary, pension and estimated benefits (i.e. fixed remuneration). These are the only elements of the Executive Directors' remuneration packages that are not at risk
- The Target scenario reflects fixed remuneration as above, plus a target bonus of up to 80% of maximum and threshold LTIP vesting of 25%
- The Maximum scenario reflects fixed remuneration plus full payout of all incentives based on the normal bonus maximum and LTIP grant policy
- The Maximum with share price growth scenario is as per Maximum but with a 50% share price growth assumption

TREATMENT OF AWARDS ON EXIT

SCENARIO	TIMING OF VESTING	TREATMENT OF AWARDS
Annual Cash Bonus		
'Good leaver' – i.e., ill-health, disability, death, retirement (with Group consent) or any other reasons the Committee may determine in its absolute discretion.	Normal payment date, although the Committee has discretion to accelerate.	Cash bonuses will only be paid to the extent that Group and personal objectives set at the beginning of the year have been achieved. Any resulting bonus will generally be pro-rated for time served during the year.
Change of control.	Immediately.	Performance against targets will be assessed at the point of change of control and any resulting bonus will generally be pro-rated for time served.
Any other reason.	Not applicable.	No bonus is paid.
Deferred Annual Bonus (DAB)		
'Good leaver' – i.e., ill-health, disability, death, retirement (with Group consent) or any other reasons the Committee may determine in its absolute discretion.	Normal payment date, although the Committee has discretion to accelerate.	Any outstanding DAB awards will generally be pro-rated for time served.
Change of control.	Immediately.	Any outstanding DAB awards will generally be pro-rated for time served. In the event of a change of control, awards may alternatively be exchanged for new equivalent awards in the acquirer where appropriate.
Any other reason.	Not applicable.	Awards lapse.
Long-Term Incentive Plan (LTIP)		
'Good leaver' – i.e., ill-health, disability, death, retirement (with Group consent) or any other reasons the Committee may determine in its absolute discretion.	Normal vesting date, although the Committee has discretion to accelerate.	Any outstanding LTIP awards will generally be pro-rated for time served and performance, subject to the Committee's discretion.
Change of control.	Immediately.	Any outstanding LTIP awards will generally be pro-rated for time served and performance, subject to the Committee's discretion. In the event of a change of control, awards may alternatively be exchanged for new equivalent awards in the acquirer where appropriate.
Any other reason.	Not applicable.	Awards lapse.

NON-EXECUTIVE DIRECTORS

The Non-Executive Directors do not have service contracts as their terms of engagement are governed by letters of appointment. These letters and the Company's Articles of Association make provision for annual renewal at each AGM. Details of the Non-Executive Directors' terms of appointment are shown in the table opposite. The appointment and re-appointment and the remuneration of Non-Executive Directors are matters reserved for the full Board.

The Non-Executive Directors are not eligible to participate in the Group's performance-related incentive plans and do not receive any pension contributions.

Non-Executive Director	Initial agreement date	Renewal date
Ben Verwaayen (Chairman)	8 March 2020	1 August 2023
Allard Castelein	10 November 2016	1 August 2023
Jolande Sap	13 March 2018	1 August 2023
Luc Sterckx	3 August 2017	1 August 2023
Neil Hartley	17 January 2019	1 August 2023
Katleen Vandeweyer	12 October 2022	1 August 2023

Non-Executive Directors' fees are capped in the Company's Articles of Association at an aggregate of £750,000.

Directors' Remuneration Report CONTINUED

Details of policy on fees paid to Non-Executive Directors are set out in the table below:

OBJECTIVE	OPERATION	OPPORTUNITY	PERFORMANCE METRICS
To attract and retain Non-Executive Directors of the highest calibre with broad commercial and other experience relevant to the Group.	Fee levels are reviewed annually, with any adjustments effective 1 April each year. The fee paid to the Chairman is determined by the Committee and fees to Non-Executive Directors are determined by the Board. Additional fees are payable for additional responsibilities – e.g., acting as Senior Independent Director and as Chair of the Board's Committees and subsidiary company Supervisory Boards. Fee levels are reviewed by reference to companies of similar size and complexity within the UK and Continental Europe reflecting Renewi's growing presence across Europe. The required time commitment and responsibilities are taken into account when reviewing fee levels. As such, the Committee reserves the flexibility to pay additional fees in the event that a Director's expected time commitment is significantly exceeded in any year. Non-Executive Directors may receive benefits necessary to carry out their duties (including travel and office support, together with any associated tax liability that may arise).	Non-Executive Director fee increases are applied in line with the outcome of the review. Fees in respect of the year under review, and for the following year, are disclosed in the Annual Report on Remuneration. It is expected that any increases to Non-Executive Director fees will normally be in line with those for salaried employees. However, in the event that there is a material misalignment with the market or a change in the complexity, responsibility or time commitment required to fulfil a Non-Executive Director role, the Board has discretion to make an appropriate adjustment to the fee level.	None.

EXTERNAL APPOINTMENTS

The Committee acknowledges that Executive Directors may be invited to join Supervisory Boards or become Non-Executive Directors of other quoted companies which have no business relationship with the Group and that these duties can broaden their experience and knowledge to the benefit of the Group. Executive Directors are limited to holding one such position, and the policy is that fees may be retained by the Director, reflecting the personal risk assumed in such appointments. The Chief Financial Officer, Annemieke den Otter holds one such position. Her Supervisory Board directorship of ForFarmers N.V attracts an annualised fee of €50,500.

CONSIDERATION OF CONDITIONS ELSEWHERE IN THE GROUP

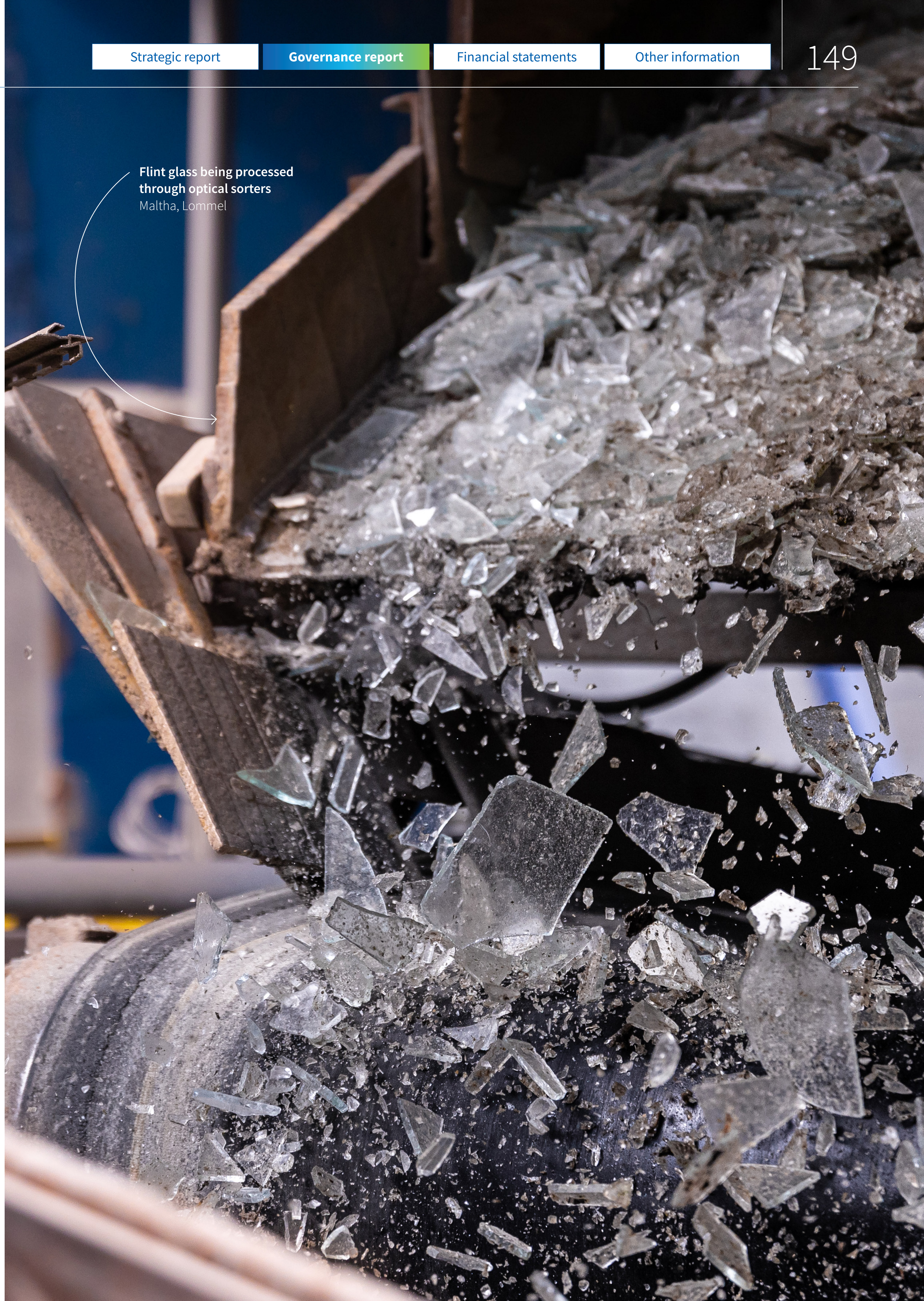
Although the Committee does not consult directly with employees on Executive Remuneration Policy, the Committee does consider general basic salary increases across the Group, remuneration arrangements and employment conditions for the broader employee population when determining Remuneration Policy for the Executive Directors. In compliance with the 2018 UK Corporate Governance Code, Jolande Sap is the designated Non-Executive Director with the responsibility of assisting the Board with workforce engagement and reporting.

CONSIDERATION OF SHAREHOLDER VIEWS

When determining executives' remuneration, the Committee takes into account views of shareholders and best practice guidelines issued by institutional shareholder bodies. The Committee seeks feedback from shareholders on Remuneration Policy and arrangements and commits to undergoing shareholder consultation in advance of any significant Remuneration Policy changes. The Committee will continue to monitor trends and developments in corporate governance and market practice to ensure that the structure of the executive remuneration remains appropriate. Further details of the votes received in relation to last year's Remuneration Report and the 2020 Remuneration Policy are provided below:

	ANNUAL REPORT ON REMUNERATION 2022 AGM		REMUNERATION POLICY 2020 AGM	
	Total number of votes	% of votes cast	Total number of votes[1]	% of votes cast
For (including discretionary)	40,067,792	98.32%	435,428,674	95.12%
Against	684,333	1.68%	22,337,973	4.88%
Total votes cast (excluding withheld votes)	**40,752,125**	**100%**	**457,766,647**	**100%**
Votes withheld	14,904	–	245,442	–

1. Actual votes cast, prior to July 2021, 1 for 10 share consolidation.



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Maltha, Lommel

Annual Report on Remuneration

The following section provides details of how our Remuneration Policy will be implemented during the year ending 31 March 2024 and how it was implemented during the financial year ended 31 March 2023.

IMPLEMENTATION OF REMUNERATION POLICY FOR FY24

Basic salary

In reviewing salaries this year, the Committee was mindful of the inflationary pressures impacting our employees in certain markets. The Company has approached the salary review holistically and as such our average workforce salary increase for 2023 is higher than in prior years at c.8%. The Company was also able to award all employees (excluding those in Belgium where separate provisions were made) an additional one-off payment of €250 to address the cost of living pressures.

In recent years, the Executive Directors' annualised basic salaries have been increased in line with the general workforce rate of increase. In this time, the Committee has been impressed with the CEO's leadership of the Company where we have seen significant growth in the share price, which almost tripled within this period. In this time, the Group has embarked upon several initiatives to improve the business. First, the focus has shifted from the collection of waste to the production of low carbon secondary materials, with investments in new advanced sorting and treatment production capacity, allowing for better returns. Second, the Renewi 2.0 programme is well under way, has resulted in improvements within the Company in terms of process simplification, customer-focus and employee engagement. In recognition of his contribution and after reviewing market analysis, the Committee has decided to increase the CEO's salary by 8% to €538,746. This is commensurate with the average range applied across the workforce.

Annemieke den Otter has settled in well since her appointment last June. Given her recent appointment, the Committee decided to increase her salary by 4% to €457,600. This reflects an increase below the average workforce rate.

The Committee will continue to keep abreast of the workforce experience when making decisions for the Executive Directors. However, it is the Committee's intention that both Executive Directors will receive salary increases in 2024 that are no higher than the workforce average.

	1 April 2022	1 April 2023	% increase
Otto de Bont	€498,839	€538,746	8%
Annemieke den Otter[1]	€440,000	€457,600	4%

[1]Annemieke den Otter joined the Company as Chief Financial Officer on 1 June 2022.

PENSION

Executive Directors will continue to receive a cash supplement in lieu of pension of 12.5% of salary in line with the local workforce.

ANNUAL BONUS

The maximum annual bonus for Executive Directors for FY24 will remain unchanged at 150% of salary with 50% payable in shares, with half of those vesting immediately and the other half after three years. The majority of the bonus will be based by reference to Group financial performance and the remainder on the achievement of personal or strategic objectives including ESG-related targets as indicated below.

The specific targets are deemed to be commercially sensitive but will be disclosed retrospectively in the FY24 Annual Report.

Bonus targets	Weighting	Performance targets
Underlying Profit Before Tax	40%	Based on performance against expected Budget outcome
Leverage Ratio	20%	Based on net debt to EBITDA covenant level
Safety	15%	Reduction in long-term injury frequency rate
Personal Objectives	25%	Linked to strategic goals and operational performance

LTIP

LTIP awards for 2023 will be considered at the time of grant over shares equal in value to no more than 150% of salary for the Chief Executive Officer and 120% of salary for the new Chief Financial Officer. The performance conditions will continue to be based on EPS, ROCE, relative TSR and the Group's recycling rate as follows (final targets of which will be disclosed at time of grant):

Performance metric	Stet	Performance targets
EPS	25%	25% of this part of an award vests for EPS growth
ROCE	25%	25% of this part of an award vests for an improvement in ROCE
Relative TSR	25%	25% of this part of an award vests for TSR
Recycling rate	25%	25% of this part of an award vests for an increase in recycling rate

For any shares to vest, the Committee will also need to satisfy itself that the recorded outcome is a fair reflection of the overall performance of the Group over the period. Awards will vest on the third anniversary of grant and will be subject to a further two-year holding period.

CHAIRMAN AND NON-EXECUTIVE DIRECTOR FEES

Non-Executive Director base fees and Committee Chair fees were increased on 1 April 2023 in line with the average increase applied to the Executive Committee, this being less than the average workforce rate of increase. Further to benchmarking carried out with the assistance of the Committee's remuneration consultants the Senior Independent Director's fee was recalibrated to be commensurate with the fee paid for chairing a Board Committee. The Group Chairman elected to waive any fee increase.

Base fees	Fee from 1 April 2022	Fee from 1 April 2023	% Increase
Chairman	£160,429	£160,429	–
Non-Executive Director	£53,442	£56,542	5.8%
Chair fee for Audit/Remuneration/ SHE Committees	£9,463	£10,012	5.8%
Senior Independent Director additional fee	£6,680	£10,012	49.8%[1]

1. Following benchmarking review to align Senior Independent Director fee with that of Committee Chair fee.

SINGLE TOTAL FIGURE OF REMUNERATION FOR EXECUTIVE DIRECTORS (AUDITED)

The table below sets out a single figure for the total remuneration received by each Executive Director for the year ended 31 March 2023 and the prior year.

	OTTO DE BONT		ANNEMIEKE DEN OTTER[1]	
	FY22 €000	FY23 €000	FY22 €000	FY23 €000
Basic salary	479	**499**	–	**367**
Taxable benefits[2]	20	**20**	–	**8**
Pension[3]	60	**62**	–	**46**
Other[4]	12	**12**	–	**11**
Total fixed remuneration	571	593	–	432
Single-year variable[5]	719	**574**	–	**433**
Multiple-year variable[6,7]	959	**1,347**	–	**–**
Total variable remuneration	1,678	**1,921**	–	**433**
Total	2,249	**2,514**	–	**865**

1. Annemieke den Otter was appointed to the Board on 1 June 2022.
2. Taxable benefits comprise car allowance and medical insurance. E14K and E8K allowance for Mr de Bont and Mrs den Otter respectively.
3. Cash supplement in lieu of pension contribution of 12.5% of base salary.
4. Includes life assurance and accident insurance.
5. Payment for performance during the year under the annual bonus including any deferred annual bonus. (See following sections for further details).
6. Based on the estimated value of LTIPs granted in 2020 to Otto de Bont assuming 100% vesting, dividend equivalent shares and a three-month share price to 31 March 2023 of £6.50. The value of LTIP awards for FY22 was based on 100% vesting and a three-month share price to 31 March 2022 of £6.77 and included dividend equivalents. The actual value of the awards at vesting for Otto de Bont was £813,990.
7. The impact of share price movements on the vesting of the LTIP awards, based on the average three-month share price to 31 March 2023 (£6.50) and the £2.58 (adjusted for the 1 for 10 share consolidation) share price at grant and ignoring dividend equivalents, is as follows:

Otto de Bont	
Shares granted	180,322
Value of awards expected to vest (180,322 shares granted x £6.50 x 100% vesting)	£1,172,093
Face value at grant of proportion of awards expected to vest (180,322 shares granted x £2.58 x 100% vesting)	£465,230
Impact of share price movement on vesting value	£706,862

SINGLE TOTAL FIGURE OF REMUNERATION FOR NON-EXECUTIVE DIRECTORS (AUDITED)

The table below sets out a single figure for the total remuneration received by each Non-Executive Director for the year ended 31 March 2023 and the prior year.

	BASE FEE		ADDITIONAL FEES		TOTAL FIXED REMUNERATION[1]	
	FY22 €000	FY23 €000	FY22 €000	FY23 €000	FY22 €000	FY23 €000
Ben Verwaayen (Chairman)	188	**184**	–	**–**	188	**184**
Allard Castelein[2]	61	**61**	7	**8**	68	**69**
Luc Sterckx[3]	60	**61**	11	**11**	71	**72**
Katleen Vandeweyer[4]	-	**20**	11	**4**	–	**24**
Jolande Sap	60	**61**	–	**–**	60	**61**
Neil Hartley[5]	60	**61**	11	**15**	71	**76**
Former Directors						
Marina Wyatt[6]	60	**20**	11	**4**	71	**24**

1. Non-Executive Directors receive fixed remuneration only (i.e. no variable remuneration is payable or has been paid).
2. Allard Castelein's additional fee is in respect of his role as Senior Independent Director.
3. Luc Sterckx's additional fee is in respect of his role as Chair of the SHE Committee.
4. Katleen Vandeweyer was appointed to the Board on 1 December 2022 and her additional fee is in respect of her role as the Chair of the Audit Committee.
5. Neil Hartley's additional fee is in respect of his role as the Chair of the Remuneration Committee and also for his role as Chair of the Audit Committee for the four month interregnum between Marina Wyatt's departure and Katleen Vandeweyer's appointment.
6. Marina Wyatt stepped down from the Board and as Chair of the Audit Committee on 14 July 2022.
7. At an exchange rate of €1:£0.849 for FY22 and €1:£0.870 for FY23.

Directors' Remuneration Report CONTINUED

INCENTIVE OUTCOMES FOR THE YEAR ENDED 31 MARCH 2023

Performance-related annual bonus in respect of FY23 performance

The annual bonus was measured against underlying profit before tax (40% weighting), net debt/EBITDA leverage ratio (20% weighting), ESG (Safety) performance (15%) and the achievement of personal objectives (25% weighting). Actual performance against the targets set for each of these elements is shown below.

FINANCIAL ELEMENT OUTCOMES

The financial targets and corresponding potential outcomes for the Executive Directors' FY23 annual bonus are shown below.

Measure	Weighting	FY23 final outcome	Threshold	Maximum	Actual bonus payout (% of max)
Underlying profit before tax	40%	€104.3m	€68.9m	€94.8m	100%
Leverage ratio	20%	1.83x	2.5x	<2.05%	100%

Underlying profit before tax is set based on the Group's expected budget outcome for the year as adjusted for disposals and acquisitions in the year. All non-Euro denominated entity values are converted to Euros at the budgeted rate of exchange and actual performance is also measured at this constant exchange rate. The leverage ratio is based on the net debt to EBITDA covenant level as determined in the main banking facilities.

ESG element outcomes

As safety is the Group's first value and priority a collective safety target is included as part of the annual bonus targets. This includes a goal to reduce significant incidents. Due to the tragic fatality of a colleague during the year, as reported in the SHECo report, no payout for this element of bonus was awarded.

Personal element outcomes

The personal performance measures were based on individual objectives, as detailed below.

Executive Director	Target	Weighting	Score	Committee assessment of performance
Otto de Bont	1. Group safety	8.33%	0%	Some improvements but outweighted by fatality
	2. Strategy development	8.33%	8.33%	Good progress made on value drivers. Innovation pipeline and related investments on stream. Increased sand and gravel production at Mineralz & Water. Paro acquisition. Divisional growth plans.
	3. Talent management	8.33%	8.33%	New CFO and Audit Chair appointed. Improved succession planning. Engagement eNPS score increased.
		25%	**16.67%**	**66.68% of max**
Annemieke den Otter	1. Simplify financial reporting	5%	3.75%	Good progress made.
	2. Renewi 2.0 and Digital Core programmes	5%	3.75%	Milestone achievements and steady progress.
	3. Cost and cash management	5%	2.5%	Initial process improvements made.
	4. Strategy development and investor relations	5%	3.75%	Good progress made on value drivers. Innovation pipeline and related investments on stream. New investor relations focus.
	5. Engagement/talent management	5%	5%	Strengthening of finance function, including internal promotions and transfers.
		25%	**18.75%**	**75% of max**

FY23 annual bonus

Financial targets were met with Group profit before tax achieving a maximum payout for a 100% performance. The leverage ratio also resulted in a maximum payout. The ESG (safety) target was not met. The personal targets were partially met, resulting in a bonus award of 76.67% and 78.75% of the maximum for the Chief Executive Officer and Chief Financial Officer respectively. The Committee is satisfied that these outcomes are a fair reflection of the performance achieved over the year and the experience of the Group's shareholders and other stakeholders.

Overall bonus outcomes

Executive Director	Financial element bonus outcome (% of total)	Safety element bonus outcome (% of total)	Personal element bonus outcome (% of total)	Overall bonus outcome (% of salary/€)
Otto de Bont	60%	0%	16.67%	115%/€573,690
Annemieke den Otter	60%	0%	18.75%	118%/€433,125

50% of the bonus will be payable in cash and the other 50% will be deferred into Renewi Shares. 50% of these shares will vest immediately whilst the remaining 50% will vest after a further -year holding period.

2020 LTIP VESTING IN 2023

Otto de Bont holds an LTIP award over 180,322 shares made on 27 July 2020 which will vest in 2023 based on three-year performance to 31 March 2023. Vesting is dependent on three-year adjusted underlying EPS, relative share price performance (against the FTSE250 excluding investment trusts), ROCE and performance against the Group's waste recycling target. The vesting schedules, targets and the performance against targets are set out below.

Measure	Weighting	Targets	Actual % performance	Of this part of award (% of maximum)
EPS CAGR	25%	0% vesting below 5% p.a. 25% vesting for 5% p.a. 50% vesting for 10% p.a. 100% vesting for 15% p.a. Straight-line vesting between these points	>15%	100% (25%)
Relative TSR	25%	0% vesting below median. 25% vesting for median. 100% vesting for upper quartile. Straight-line vesting between these points	upper quartile	100% (25%)
Improvement in ROCE	25%	0% vesting below +0.5% 25% vesting for +0.5% 100% vesting for +2.0% Straight-line vesting between these points	>2%	100% (25%)
Recycling rate	25%	0% vesting for a recycling rate below 67% 25% vesting for a 67% recycling rate 100% vesting for a 70% recycling rate Straight-line vesting between these points	69.4%	85% (21.25%)
Total vesting				**96.25%**

Recycling rate assessed against consistent methodology as applied at time of original grant of award.
Share price growth is calculated using three-month average share prices immediately prior to the start and end of the performance period.

Based on the above, the vesting of the 2020 LTIP in July 2023 for Otto de Bont will be:

Executive Director	Awards granted[1]	Shares vesting based on performance	Dividend equivalent shares (estimated)	Total shares expected to vest	Estimated value at vesting (€'000)[2]
Otto de Bont	180,322	180,322	–	173,560	1,296

1. As adjusted for the 1:10 share capital consolidation following shareholder approval in July 2021.
2. Based on the average three-month share price to 31 March 2023 of £6.50 and at an exchange rate of €1:£0.870.
3. This award is subject to a further two-year post-vesting holding period.

The Committee is satisfied that this outcome is a fair reflection of the performance achieved over the performance period year and the experience of the Group's shareholders and other stakeholders.

SHARE AWARDS GRANTED IN THE YEAR (AUDITED)

Long-Term Incentive Plan

The Executive Directors were granted LTIP awards on 16 June 2022 as follows:

Executive Director	Date of grant	Basis of award	Share price[1]	Face value[2]	Number of shares
Otto de Bont	16 June 2022	150% of salary	£6.80	€735,737	94,131
Annemieke den Otter	16 June 2022	37% of salary[3]	£6.80	€159,698	20,432

1. Based on the three-day average dealing price prior to the grant date.
2. At an exchange rate of €1:£0.870.
3. Percentage agreed as part of joining arrangements.

Performance targets are as follows:

Performance metric	Weighting	Performance targets
EPS	25%	25% of this part of an award vests for EPS growth of 5% p.a. increasing pro-rata to 100% vesting for EPS growth of 15% p.a. or more
ROCE	25%	25% of this part of an award vests for an improvement in ROCE of 0.5% increasing pro-rata to 100% vesting for an improvement in ROCE of 2% or more
Relative TSR	25%	25% of this part of an award vests for TSR equal to median increasing pro-rata to 100% vesting for TSR equal to upper quartile or above against the FTSE 250 (excluding investment trusts)
Recycling rate	25%	25% of this part of an award vests for a recycling rate of 70% increasing pro-rata to 100% vesting for a recycling rate of 73% or more

For any shares to vest, the Committee will also need to satisfy itself that the recorded outcome is a fair reflection of the overall performance of the Group over the period. Awards will vest on the third anniversary of grant and will be subject to a further two-year holding period.

Directors' Remuneration Report CONTINUED

DEFERRED ANNUAL BONUS (DAB)

Otto de Bont was granted awards under the Renewi plc Deferred Annual Bonus Plan on 16 June 2022 as follows:

Executive Director	Date of grant	2021/22 annual bonus	Basis of award[1]	Share price[2]	Face value[3]	Number of shares
Otto de Bont	16 June 2022	€719k	25%	£6.80	€179,598	22,978 shares vesting immediately
			25%	£6.80	€179,598	22,978 shares vesting after three years

1. 50% of the bonus is awarded in shares, with half vesting immediately and the other half deferred into an award over Renewi plc shares which vest after three years.
2. Based on the three-day average dealing price prior to the grant date.
3. At an exchange rate of €1:£0.870.

PAYMENTS MADE TO PAST DIRECTORS MADE IN THE YEAR (AUDITED)

No termination payments were made to past Directors during the year.

RELATIVE IMPORTANCE OF SPEND ON PAY

The table shows the percentage change in total employee pay expenditure and shareholder distributions from the financial year ended 31 March 2022 to the financial year ended 31 March 2023.

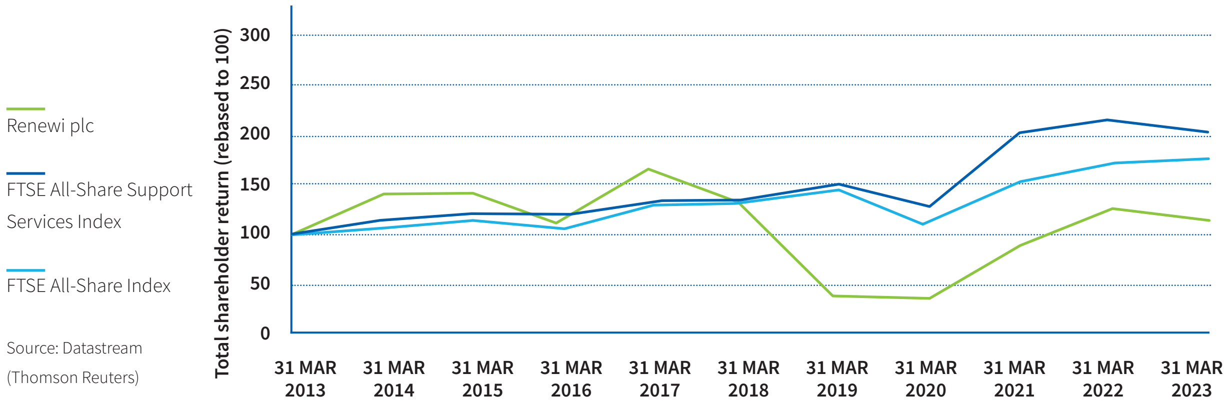
	FY22 €m	FY23 €m	% change
Distribution to shareholders	–	–	0%
Employee remuneration	402.5	433.2	7.6%

PAY FOR PERFORMANCE

The graph shows the TSR of Renewi plc over the 10-year period to 31 March 2023. While there is no comparator index or group of companies that truly reflects the activities of the Group, the FTSE Support Services sector has been selected as a comparator index as it is the sector in which Renewi is classified and is an index against which the performance of the Group is judged. The FTSE All-Share Index is also presented. The table below the graph details the Chief Executive Officer's single figure remuneration and actual variable pay outcomes over the same period.

Historical TSR performance

Growth in value over 10 years of a hypothetical £100 invested at 31 March 2013.



CEO single figure remuneration over the 10 years to 31 March 2023

	PETER DILNOT[1]							OTTO DE BONT[3]		
Executive Director	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Chief Executive Officer single figure of remuneration (€000)	1,015	1,155	1,456	1,100	1,685	753	1,244	1,017	2,249	2,514
Annual bonus outcome (% of maximum)	66%	47%	69%	48%	88%	0%	88%	65%	100%	77%
LTIP vesting outcome (% of maximum)	0%	0%	0%	0%	21.5%	0%[2]	43.3%	22.5%	100%	96%

1. Peter Dilnot was appointed as Chief Executive Officer on 1 February 2012 and resigned on 31 March 2019.
2. Although 23% of the 2016 LTIP awards vested in 2019, Peter Dilnot's LTIP awards lapsed upon his resignation.
3. Otto de Bont was appointed as Chief Executive Officer on 1 April 2019.

PERCENTAGE CHANGE IN DIRECTORS' REMUNERATION

The table below shows the percentage change in Director remuneration (excluding pension and long-term incentives) from the prior year compared to the average percentage change in remuneration for all UK-based employees and a new Group wide employee set. This new grouping reflects the experience of the vast majority of employees within Renewi whilst the UK-based peer employee group was used in previous years and provides a robust basis for year on year comparison. From next year onwards, we will remove the UK-based peer group as we will have sufficient year on year data for comparisons going forward.

	FY21–22			FY22–23		
	Base salary	Benefits	Annual bonus	Base salary	Benefits	Annual bonus
Executive Directors						
Otto de Bont	7%	-18%	57%	4%	2%	-20%
Annemieke den Otter	n/a	n/a	n/a	n/a	n/a	n/a
Non-Executive Directors						
Ben Verwaayen	7%	n/a	n/a	0%	n/a	n/a
Allard Castelein	7%	n/a	n/a	4%	n/a	n/a
Neil Hartley	7%	n/a	n/a	9%	n/a	n/a
Jolande Sap	6%	n/a	n/a	4%	n/a	n/a
Luc Sterckx	22%	n/a	n/a	4%	n/a	n/a
Katleen Vandeweyer	n/a	n/a	n/a	n/a	n/a	n/a
UK employees	4%	n/a	5%	7%	n/a	-11%
Groupwide employees	n/a	n/a	n/a	9%	n/a	-34%

CEO PAY RATIO

The CEO pay ratio data for FY23 is presented below (with prior year data). The data shows how the CEO's single figure remuneration for FY23 (as taken from the single figure remuneration table) compares to equivalent single figure remuneration for full-time equivalent UK employees ranked at the 25th, 50th and 75th percentile. The increase in ratio is explained by the CEO transition from divisional management to Board and increased LTIP awards and recent successful vesting.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY23	Option B	86 : 1	71 : 1	51 : 1
FY22	Option B	63 : 1	41 : 1	45 : 1
FY21	Option B	33 : 1	31 : 1	19 : 1
FY20	Option B	41 : 1	38 : 1	23 : 1

No components of pay and benefits have been omitted for the purpose of the above calculations. Option B (UK gender pay gap data) was selected, given that this method of calculation was considered to be the most efficient and robust approach in respect of gathering the required data. The respective quartile salary and total pay and benefits numbers are as follows:

	SALARY			TOTAL PAY AND BENEFITS		
Year	25th percentile	Median	75th percentile	25th percentile	Median	75th percentile
FY23	€27,603	€33,221	€46,072	€29,259	€35,214	€48,837
FY22	€33,869	€53,642	€47,200	€35,945	€55,083	€55,473
FY21	€27,762	€30,147	€47,918	€30,557	€33,086	€53,052
FY20	€28,175	€30,596	€48,632	€31,013	€33,579	€53,843

Directors' Remuneration Report CONTINUED

To provide a more robust comparison, data on a more Group wide employee basis is shown below, representing the workforce in our principal countries of operations of the Netherlands, Belgium and the UK. For this set of employees data is based on basic salary and benefits excluding bonus and share awards.

Year	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
FY23	53 : 1	53 : 1	43 : 1

	SALARY			TOTAL PAY AND BENEFITS		
Year	25th percentile	Median	75th percentile	25th percentile	Median	75th percentile
FY23	€35,532	€35,271	€44,416	€40,176	€47,491	€57,910

DIRECTORS' INTERESTS (AUDITED)

The interests of the Directors and persons closely associated in the ordinary shares of the Group during the year and as at 25 May 2023 were as shown below. Details of Directors' interests in shares and options under the long-term share schemes are set out in the sections below.

	Ordinary shares at 1 April 2021[1]	Ordinary shares at 31 March 2023 and 25 May 2023
Otto de Bont	102,874	184,731
Allard Castelein	–	–
Neil Hartley	–	–
Jolande Sap	–	–
Luc Sterckx	28,500	28,500
Ben Verwaayen	–	–
Annemieke den Otter	–	15,000
Katleen Vandeweyer	–	–

1. Restated to reflect the 1:10 share consolidation in July 2021.

DIRECTORS' SHAREHOLDINGS (AUDITED)

The table below shows the shareholding of each Executive Director, against their respective shareholding requirement as at 31 March 2023.

	Owned outright or vested	Unvested but subject to holding period	Unvested and subject to performance conditions	Vested but not exercised	Exercised during the year	Unvested and subject to continuous employment	Shareholding requirement (% of salary)	Current shareholding[1] (% of salary)	Requirement met?
Otto de Bont	184,731	106,112	393,384	–	–	–	200%	258%	Achieved
Annemieke den Otter	15,000	–	20,432	–	–	–	200%	24%	In progress

1. Shareholdings were calculated using the number of outright shares, at £6.07, as percentage of salary as at 31 March 2023.

DIRECTORS' INTERESTS IN SHARE AWARDS

The Executive Directors have been made the following conditional awards under the Renewi Deferred Annual Bonus Plan:

	Outstanding awards at 31 March 2022	Awards made during the year[1]	Awards lapsed during the year	Awards vested during the year	Outstanding awards at 31 March 2023	Date of award	Share price on date of award (£)	Restricted period end
Otto de Bont	65,085	–	–	–	65,085	22.06.20	2.78	22.06.25[2]
	18,229	–	–	–	18,229	23.07.21	5.42	23.07.24
	–	22,798	–	22,798	–	16.06.22	6.80	16.06.22
	–	22,798	–	–	22,798	16.06.22	6.80	16.06.25

1. 50% of awards vesting immediately and 50% vest after three years.
2. Under legacy Scheme Rules 50% of award is released three years after the date of award, 25% after four years and the remaining 25% after five years.

The Executive Directors have been made the following conditional awards of shares under the Renewi Long-Term Incentive Plan:

	Outstanding awards at 31 March 2022	Awards made during the year	Awards lapsed during the year	Awards vested during the year[1]	Outstanding awards at 31 March 2023[2]	Date of award	Share price on date of award (£)	Performance period end	Restricted period end[3]
Otto de Bont	116,710	–	–	120,235	–	03.06.19	3.45	31.03.22	03.06.22
	180,322	–	–	–	180,322	27.07.20	2.58	31.03.23	27.07.23
	118,131	–	–	–	118,131	23.07.21	5.24	31.03.24	23.07.24
	–	94,931	–	–	94,931	16.06.22	6.80	31.03.25	16.06.25
Annemieke den Otter	–	20,432	–	–	20,432	16.06.22	6.80	31.03.25	16.06.25

1. 100% of the 2019 LTIP award vested in 2022. The award held by Otto de Bont was increased by an additional 3,525 shares in respect of dividend equivalents.
2. The performance conditions relating to the vesting of outstanding awards are shown on page 153.
3. A two-year post-vesting holding period applies.

The highest closing mid-market price of the ordinary shares of Renewi plc during the year was £8.51 and the lowest closing mid- market price during the year was £4.89. The mid-market price at the close of business on 31 March 2023 was £6.07.

OTHER INTERESTS

None of the Directors had an interest in the shares of any subsidiary undertaking of the Group or in any significant contracts of the Group.

ADVICE PROVIDED TO THE COMMITTEE DURING THE YEAR

FIT Remuneration Consultants LLP (FIT) served as independent advisers to the Remuneration Committee during the year up to 31 November 2022. Their total fees for the provision of remuneration services to the Committee in FY23 were €9,204 (£8,012) charged on a time and materials basis. FIT provided no other services to the Group. Mercer Ltd was appointed by the Remuneration Committee in December 2022 to provide independent advice on Remuneration Policy including executive remuneration following a tender process. Their total fees for the provision of remuneration services to the Committee in FY23 were €57,183 (£49,750) charged on a time and materials basis. Mercer Ltd provides no other services to the Group.

Mercer Ltd is a member of the Remuneration Consultants Group and is a signatory to the Code of Conduct for Remuneration Committees Consultants which can be found at remunerationconsultantsgroup.com.

The Committee periodically undertakes due diligence to ensure that the Remuneration Committee advisers remain independent of the Group and that the advice provided is impartial and objective. The Committee is satisfied that the advice provided is independent.

By order of the Board

Neil Hartley
Chair of the Remuneration Committee
25 May 2023

Other disclosures

THE COMPANY'S ARTICLES OF ASSOCIATION
Many of the matters described below are governed by the Company's Articles of Association and also by current legislation and regulations. The Articles can be viewed on the Company website at renewi.com.

STRATEGIC REPORT
The Strategic report set out on pages 4 to 103 provides a fair review of the Group's business for the year ended 31 March 2023. It also explains the objectives and strategy of the Group, its competition and the markets in which it operates, the principal risks and uncertainties it faces, the Group's financial position, key performance indicators and likely future developments of the business.

The Strategic report was approved by a duly authorised committee of the Board on 25 May 2023 and signed on its behalf by the Company Secretary.

DIRECTORS' REPORT
The Directors' Report comprises pages 104 to 161. The Directors' Report was approved by a duly authorised committee of the Board on 25 May 2023 and signed on its behalf by the Company Secretary.

OTHER INFORMATION
Apart from the details of the Company's Long-Term Incentive Plan, as set out in the Directors' Remuneration Report on pages 140 to 157, no further information requires disclosure for the purposes of complying with the Financial Conduct Authority's Listing Rule 9.8.4C.

DIRECTORS
The composition of the Board at the date of this report can be found on pages 106 to 107. Directors' biographical details are also shown on pages 106 to 107.

Annemieke den Otter was appointed Chief Financial Officer on 1 June 2022 following the resignation of Toby Woolrych on 31 March 2022 and was elected by shareholders at the 2022 AGM. Katleen Vandeweyer was appointed as a Non-Executive Director and Chair of the Audit Committee on 1 December 2022, following Marina Wyatt's stepping down from those positions at the conclusion of the 14 July 2022 AGM. Katleen Vandeweyer will be seeking election by shareholders at the forthcoming AGM. All other Directors served on the Board throughout the financial year under review and will be seeking re-election at the AGM.

APPOINTMENT AND REPLACEMENT OF DIRECTORS
The Company's minimum requirement is to appoint at least two Directors. The appointment and replacement of Directors may be made as follows:
- The Company's members may, by ordinary resolution, appoint any person who is willing to act to be a Director
- The Board may appoint any person who is willing to act to be a Director. Any Director so appointed shall hold office only until the next AGM and shall then be eligible for election
- Each Director shall retire from office at every AGM but may be re-appointed by ordinary resolution if eligible and willing
- The Company may, by special resolution, remove any Director before the expiry of his or her period of office or may, by ordinary resolution, remove a Director where special notice has been given and the necessary statutory procedures are complied with
- A Director must vacate their office if any of the circumstances in Article 100 of the Articles of the Company arise

POWERS OF DIRECTORS
The business of the Company is managed by the Board, which may exercise all the powers of the Company, whether relating to the management of the business of the Company or not. This power is subject to any limitations imposed on the Company by legislation. It is also limited by the provisions of the Articles and by any directions given by special resolution of the members of the Company. Specific provisions relevant to the exercise of powers by the Directors include the following:
- **Pre-emptive rights and new issues of shares.** Under the Companies Act 2006 (the Act), the directors of a company are, with certain exceptions, unable to allot any equity securities without express authorisation, which may be contained in a company's Articles or given by its shareholders in a general meeting. In addition, under the Act, the Company may not allot shares for cash (otherwise than pursuant to an employee share scheme) without first making an offer to existing shareholders to allot such shares to them on the same or more favourable terms in proportion to their respective shareholdings, unless this requirement is waived by a special resolution of the Company's shareholders. The Company received authority at the last AGM to allot shares for cash on a non-pre-emptive basis up to a maximum nominal amount of £4,002,996. This authority lasts until the earlier of the AGM in 2023 or 30 September 2023
- **Repurchase of shares.** Subject to authorisation by shareholder resolution, the Company may purchase all or any of its own shares in accordance with the Act and the Listing Rules. Any shares that have been bought back may be held as treasury shares or, if not so held, must be cancelled immediately upon completion of the purchase, thereby reducing the amount of the Company's issued share capital. The Company received authority at the last AGM to purchase up to 8,005,993 ordinary shares. This authority lasts until the earlier of the AGM in 2023 or 30 September 2023
- **Borrowing powers.** The Directors are empowered to exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the Company's assets, provided that the aggregate amount of borrowings of the Group outstanding at any time does not exceed the limit set out in the Articles, unless sanctioned by an ordinary resolution of the Company's shareholders

DIRECTORS' INDEMNITIES
As at the date of this report, the Company has granted indemnities to the extent permitted by law, in respect of certain liabilities incurred as a result of carrying out the role of a Director of the Company. The indemnities are qualifying third-party indemnity provisions for the purposes of the Companies Act 2006.

In respect of those liabilities for which the Directors may not be indemnified, the Company maintained a Directors' and Officers' liability insurance policy throughout the financial year and has renewed that policy.

CORPORATE GOVERNANCE
The Board is fully committed to high standards of corporate governance. Details relating to the Company's compliance with the UK Corporate Governance Code for the financial year are given in the Corporate Governance and Directors' Remuneration Reports on pages 112 to 157.

SUSTAINABILITY
Renewi plc is a leading international waste-to-product company. Information on sustainability matters, including those on environment, social, community and employment policies, and health and safety, are set out in the Strategic report from page 4.

Further information about the Company's approach to carbon avoidance and the benefits of sustainable waste management, including disclosures on Streamlined Energy and Carbon Reporting (SECR) and Task Force on Climate-related Financial Disclosures (TCFD), can also be found in the Sustainability Review, which will be available on the Company's website.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)
The Group's TCFD disclosure is provided in a readily identifiable and accessible format for all interested stakeholders and can be found on pages 59 to 65 of the Strategic report.

RESULTS AND DIVIDENDS
The Group's Consolidated Income Statement, which appears on page 172 and note 2 to the financial statements, shows the contribution to revenue and profits made by the different segments of the Group's business. The Group's profit for the year was €66.6m (2022: profit of €75.4m). The Directors are not recommending a final dividend (2022: 0 pence) be paid. Having determined not to pay an interim dividend (2022: 0 pence), the total dividend for the year is nil pence per share (2022: 0 pence). The Board has announced it expects to be in a position to pay a dividend for FY24.

GOING CONCERN AND VIABILITY
After making enquiries, the Directors have formed the view, at the time of approving the financial statements, that the Company and Group have adequate resources to continue to operate and that the Group's business is a going concern. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Taking account also of the Company's current position and principal risks, the Board sets out on page 100 how it has assessed the prospects of the Company. In compliance with the provisions of the UK Corporate Governance Code, the Board also confirms that it has a reasonable expectation that the Company and the Group will be able to continue in operation and meet their liabilities as they fall due over the three-year period ending 31 March 2026.

SHARE CAPITAL
The Company's share capital comprises ordinary shares of £1.00 each par value.

Renewi plc's ordinary shares were admitted to trading on Euronext Amsterdam on 30 January 2020. No new shares were placed in connection with the application for that secondary listing and the Company continues to remain listed on the premium segment of the Official List in London.

Following shareholder approval at the 2021 AGM, on 19 July 2021 Renewi undertook a consolidation of its share capital on the basis of 1 new ordinary share with nominal value of £1.00 for every 10 existing ordinary shares of 10 pence.

As at 31 March 2023 and as at the date of this report, there were 80,250,295 ordinary £1.00 shares in issue.

PRINCIPAL RIGHTS AND OBLIGATIONS ATTACHING TO SHARES
- **Dividend rights.** The Company may, by ordinary resolution, declare dividends but may not declare dividends in excess of the amount recommended by the Directors. The Directors may also pay interim dividends. No dividend may be paid other than out of profits available for distribution. Payment or satisfaction of a dividend may be made wholly or in part by distribution of assets, including fully paid shares or debentures of any other company. The Directors may deduct from any dividend payable to a member all sums of money (if any) payable by such member to the Company in respect of their ordinary shares
- **Voting rights.** On a poll, every shareholder who is present in person or by proxy or represented by a corporate representative has one vote for every share held by that shareholder. In the case of joint holders of an ordinary share, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding. The deadline for appointing proxies to exercise voting rights at any general meeting is set out in the notice convening the relevant meeting. The Company is not aware of any agreements between holders of its shares that may result in restrictions on voting rights
- **Return of capital.** In the event of the liquidation of the Company, after payment of all liabilities and deductions taking priority, the balance of assets available for distribution will be distributed among the holders of ordinary shares according to the amounts paid up on the shares held by them. A liquidator may, with the sanction of a special resolution of the shareholders and any other sanction required by law, divide among the shareholders in kind the whole or any part of the Company's assets or vest the Company's assets, but no shareholder may be compelled to accept any assets upon which there is any liability

SHARE RESTRICTIONS
There are no limitations under the Company's Articles of Association that restrict the rights of members to hold the Company's shares. Certain restrictions may, from time to time, be imposed on the transfer of the Company's shares by laws and regulations such as insider trading laws. In limited situations, as permitted by the Articles, the Board may also decline to register a transfer. The Company is not aware of any agreements between holders of its shares that may result in restrictions on the transfer of securities.

EMPLOYEE SHARE SCHEMES – CONTROL RIGHTS
The Company operates a number of employee share schemes. Under some, ordinary shares may be held by trustees on behalf of employees. Employees are not entitled to exercise directly any voting or other control rights in respect of any shares held by such trustees. Trustees have full discretion to vote or abstain from voting at general meetings of the Company in respect of such shares.

Other disclosures CONTINUED

RETAIL BONDS

As at 31 March 2023, the Company had in issue two retail bonds: the first, comprising €75m 3.00% guaranteed notes due 19 July 2024; and the second, comprising €125m 3.00% guaranteed notes due 23 July 2027. There are no restrictions under the instruments governing these notes that restrict the rights of investors to hold or transfer them. The Company is not aware of any agreements between the holders of the notes that may result in restrictions on their transfer.

CHANGE OF CONTROL – SIGNIFICANT AGREEMENTS

The Group's principal financing instruments at 31 March 2023 are a €470m banking facility, consisting of a €400m multi-currency revolving credit facility with seven major banks and €70m of European Private Placement (EUPP) loans. The facility contains an option for those lenders to declare by notice that all sums outstanding under that agreement are repayable immediately in the event of a change of control of the Company. Any such notice may take effect no earlier than 30 days from the change of control and, if exercised at 31 March 2023, would have required the repayment of €102.5m (FY22: €15.0m) in principal and interest relating to the revolving credit facility, along with a make-whole payment amounting to €0.0m (FY22: €0.7m).

The Group's European Investment Bank (EIB) financing instrument of €40m requires notice to be given if a change of control event has occurred or is likely to occur, and subsequently they may cancel any unutilised loan amounts and demand prepayment of any loan outstanding, along with accrued interest and other amounts accrued. As at 31 March 2023 the unutilised loan amount was €15.0m (FY22: n/a) and the loan outstanding and interest accrued was €25.3m (FY22: n/a).

The Group's retail bonds issued in July 2019 and July 2021 require notice to be given to bondholders within seven business days of a change of control following which the holders have an option to seek repayment at a 1% premium, within 60 days of that notice. Such repayment must be made within 10 business days of the expiry of the option period. If exercised at 31 March 2023, repayment of €204.1m (FY22: €307.0m) in principal and interest would have been required.

The rules of the Company's employee share plans provide that awards and options may vest and become exercisable on a change of control of the Company.

RESEARCH AND DEVELOPMENT

The Group spent €204k (FY22: €203k) on research and development in the year. This related to a research and development of the products at our Coolrec business, an award-winning full range recycler and secondary raw materials supplier. You can read more about the work at Coolrec, and its partnership with Playmobil, in the Strategic Report.

POLITICAL DONATIONS

No donations were made by the Group for political purposes during the financial year (FY22: £nil).

NOTIFIABLE INTERESTS

The Company has been notified of direct and indirect interests in voting rights equal to or exceeding 3% of the ordinary share capital of the Company as set out in the table below.

	NOTIFICATIONS RECEIVED UP TO 25 MAY 2023	
	Number of shares	% issued capital
Avenue Europe International Management LP	6,615,426	8.24
Coast Capital Management	4,819,283	6.01
SPICE ONE Investment Cooperatief U.A.	4,482,393	5.59
Black Rock inc.	3,187,584	3.97
Janus Henderson Investors	2,451,499	3.06

INVESTOR RELATIONS

Renewi has an active investor relations programme to engage with institutional investors, analysts, press and other stakeholders.

The Company uses a number of channels to do this including its AGM, face-to-face meetings, roadshows, analyst workshops, videos, presentations, reports and its corporate website.

ANNUAL GENERAL MEETING

Notice of the AGM of the Company to be held at the offices of Ashurst LLP, The London Fruit & Wool Exchange, 1 Duval Square, London, E1 6PW on Thursday, 13 July 2023 at 11.00am will be made available to shareholders, together with a form of proxy, and will also be available on the Company's website at renewi.com. Details on how to participate will be made available to shareholders and will also be available on the Company's website at renewi.com.

The Directors consider that all the AGM resolutions are in the best interests of the Company, and they recommend unanimously that all shareholders vote in favour, as they intend to in respect of their own shareholdings.

By order of the Board

Philip Griffin-Smith
Company Secretary
25 May 2023
Renewi plc, Registered in Scotland no. SC077438

Directors' responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with UK adopted international accounting standards and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements and have elected to prepare the Company financial statements in accordance with UK adopted international accounting standards. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group and Company for that period.

In preparing these financial statements, the Directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business; and
- prepare a Directors' Report, a Strategic report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Group's performance, business model and strategy.

WEBSITE PUBLICATION

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

DIRECTORS' RESPONSIBILITIES PURSUANT TO DTR4 OF THE UK LISTING RULES

The Directors confirm to the best of their knowledge:
- The financial statements have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group and Company
- The Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and Company, together with a description of the principal risks and uncertainties that they face

DIRECTORS' STATEMENT AS TO THE DISCLOSURE OF INFORMATION TO AUDITORS

All of the current Directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the auditors are unaware.

By order of the Board

Philip Griffin-Smith
Company Secretary
25 May 2023
Renewi plc, Registered in Scotland no. SC077438

FINANCIAL STATEMENTS

Secondary material
Commercial Waste NL, Minerals from demolition waste, used as a secondary material for the construction industry

Independent auditor’s report to the members of Renewi plc

OPINION ON THE FINANCIAL STATEMENTS

In our opinion:

- the financial statements give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 31 March 2023 and of the Group’s profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Renewi Plc (the ‘Parent Company’) and its subsidiaries (the ‘Group’) for the year ended 31 March 2023 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Parent Company Balance Sheet, the Parent Company Statement of Changes in Equity, the Parent Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and as regards the Parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

BASIS FOR OPINION

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

Independence

Following the recommendation of the audit committee, we were appointed by the Directors on 22 October 2020 to audit the financial statements for the year ended 31 March 2021 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is three years, covering the years ended 31 March 2021 to 31 March 2023. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

During the year we became aware of a breach of the FRC’s Ethical Standard relating to a permitted non-audit service performed by BDO Belgium to a controlled subsidiary of Renewi plc, which was not reported as a non-audit service in FY2022. Consequently, this did not receive Audit Committee pre-approval of Audit Partner approval, as required, and as such was a breach of Paragraph 5.40 of the FRC’s Ethical Standard. Our assessment of the breach is that our independence has not been compromised as the service was performed by a team in a separate BDO firm, the fees for the service are insignificant (€2.2k), the service was permitted under the Ethical Standard and the service did not give rise to any self-review or management threats. We therefore believe that actual threats to independence were insignificant, and this inadvertent breach did not compromise our independence as auditors for FY2022 and that the objective, reasonable and informed third party would also concur with this conclusion.

CONCLUSIONS RELATING TO GOING CONCERN

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

Our evaluation of the Directors’ assessment of the Group and Parent Company’s ability to continue to adopt the going concern basis of accounting included:

- Review of the Directors’ going concern assessment, forecasts and forecast covenants compliance for the Group and Parent Company for a period of at least 12 months from the date of approval of the financial statements;
- Evaluation of the relevance and reliability of the underlying data used to make the assessment, including consideration of consistency of the data used for other forecasts by management in preparation of the financial statements and review of historical accuracy of forecasts;
- Understood and challenged the Directors’ rationale for selection of assumptions and changes in assumptions from prior periods, as well as considering if alternative assumptions should be included in sensitivity analysis. Key assumptions within the going concern models include expectations of recyclate prices and volumes of waste; and
- Consideration of the completeness of sector and macro-economic factors, and their effect on expected covenant compliance and cash flows, in the base, downside and reverse stress tested models. In particular, we considered inflation, impact of energy costs, impact of Renewi 2.0 cost savings, interest rates and volume reduction.

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

In relation to the Parent Company’s reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors’ statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

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

OVERVIEW

Coverage

- 87% (2022: 90%) of Group profit before tax
- 91% (2022: 98%) of Group revenue
- 91% (2022: 94%) of Group total assets

Key audit matters

	2023	2022
Revenue recognition	●	●
Valuation of onerous contract provisions	●	●
Valuation of landfill provisions	●	●
Provision for ongoing legal matters*		●

Provision for ongoing legal matters is no longer considered to be a key audit matter due to the decision of the European Commission on 3 March 2023 that State Aid was not provided by the Belgian Walloon Region to Renewi Valorisation and Quarry NV, therefore the largest provision recognised for ongoing legal matters was released as disclosed in note 3.3 to the financial statements. The remaining provisions are relating to significantly lower exposure matters in terms of possible economic outflow.

Materiality

Group financial statements as a whole

- €6.20m (2022: €6.51m) based on 5% (2022: 5%) of underlying earnings before interest and tax (EBIT).

AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group’s system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

We identified components which we considered to be of individual financial significance based on their contribution to the Group’s earnings, those which were significant due to risk and those remaining components on which we required procedures to be performed to provide us with the evidence to conclude on the group financial statements as a whole. Our scoping and number of components is as follows:

	NUMBER OF COMPONENTS	
	FY23	FY22
Full scope components	6	6
Audit of one or more account balances	3	3
Total	**9**	**9**

The 6 significant components contributed 91% of Group profit before tax (on absolute basis), 90% of revenue and 78% total assets. These components were subject to full scope audit procedures by the following teams:

- Commercial Waste Netherlands, Commercial Waste Belgium, ATM and Group Central Services – Eindhoven completed by BDO member firm component auditors.
- UK Municipal – completed by BDO LLP component auditor.
- Group Central Services – Milton Keynes completed by BDO LLP group team.

We also instructed BDO member firms to perform specified procedures, designed by the Group audit team to address risks of material misstatement, on certain key balances in entities that formed part of non-significant components.

Our involvement with component auditors

For the work performed by component auditors, we determined the level of involvement needed in order to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. Our involvement with component auditors included the following:

- Regular progress calls with all component audit teams present to discuss audit approach and then subsequently audit progress and evaluation of procedures performed on key audit matters;
- Issued group audit instructions to components auditors, detailing

Independent auditor's report to the members of Renewi plc CONTINUED

the scope of their work, significant and elevated risks and component materiality;

- Review of group reporting submissions from components;
- In person all-teams planning day to direct component audit teams' planning and discuss risks identified;
- Group audit team performed a detailed review of the component auditors' working papers to determine if sufficient and appropriate audit evidence had been obtained; and
- Attended physical clearance meetings for each significant component, together with local management and the component auditor.

The Group audit team also performed audit procedures on elements of certain specific risks including determination of discount rate used in calculation of onerous contract provisions and landfill provisions; stand back on management override of controls and presentation of non-trading and exceptional items within Statement of Comprehensive Income and impact of inflation across the financial statements.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- Review of the minutes of Board and Audit Committee meeting and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out in the Strategic Report may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in the Directors' going concern assessment and viability assessment.

We also assessed the consistency of management's disclosures included as Other Statutory Information on page 158 with the financial statements and with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks and related commitments.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Revenue recognition – Section 3.1 We consider that there is a risk that revenue recognition is inappropriate as there may be incentive for management to meet market and investor expectations. This incentive could lead to manipulation of revenue recognised, by manual journals or bias in estimates of value and volume of deferred revenue (unprocessed waste) at year end. Deferred revenue is recognised in a number of components as performance obligations are completed after billing and cut-off could be inappropriately applied. As there is some judgement involved in the valuation of this deferred revenue, we considered revenue recognition to be a key audit matter.	Our procedures included the following: **We tested the operating effectiveness of controls relating to the following:** • Determining that weight registrations cannot be deleted; • Obtaining assurance over accuracy of calibration of weigh registrations; and • Checking that interfaces between weight registrations and accounting system are accurately capturing information. **Other detailed procedures included:** • Evaluated the scope, competence and objectivity of management's external experts, who measure the mass balance of unprocessed waste at year end; • Attended waste counts at a number of locations and verified that these were appropriately reflected in deferred revenue calculations; • Assessed if conversion rates for volumes/density were appropriate by comparison to external sources; • Agreed prices of waste sold & collected to underlying supporting documentation or contracts to provide assurance of accuracy and valuation of deferred revenue; • Selected manual journals to revenue outside of expectation and verified to supporting documentation; • Selected a sample of transactions either side of the year end and agreed to supporting documentation to check that revenue has not been recognised prior to performance obligation being satisfied; and • Performed analytical procedures to identify, among other matters, inconsistencies in gross profit margin achieved in prior periods compared to that reported in March 2023. **Key observations:** Based on the testing completed, we are satisfied that revenue recognition was appropriate for the year ended 31 March 2023.

KEY AUDIT MATTER	HOW THE SCOPE OF OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of onerous contract provisions **Carrying value €141.9m, – Section 4.10** Provisions are recognised for onerous contracts which involve significant estimation uncertainty and can be susceptible to significant value changes based on small changes in assumptions. The provisions are based on medium-long term time horizons (5 – 17 years) and are often influenced by market factors that are outside of management's control (eg recyclate prices or cost inflation). We considered the valuation of these provisions and associated disclosure to represent a key audit matter.	Our procedures included the following: • Obtained the onerous contract models used to determine the carrying value of provisions and applied our own proprietary data analytics tools to interrogate the accuracy and integrity of those models; • Discussed with divisional management the process used to update onerous contract model assumptions, to understand the rigour and expertise involved in building up the cash flow forecasts; • Assessed the appropriateness of discount rates used by comparison with government bond yields over a consistent timeframe, benchmarking and assistance of our internal valuation experts; • Considered management's forecasting ability in light of actual outturn versus historical forecasting; • Considered the consistency of onerous contract modelling with the forecasts used in other areas; • Corroborated assumptions used in the models, including forecast tonnage with historical actuals and recyclate pricing on variable revenue streams to recently achieved levels as well as corroboration of inflation assumptions to published expectations of inflation; • Performed sensitivity analysis on key inputs (notably recyclate pricing, discount rates and volumes of waste processed), in order to understand how sensitive the model is to these inputs; and • Considered the appropriateness of the sensitivity disclosures included in the notes to the financial statements in connection with the onerous contracts in line with the requirements of the applicable accounting framework. **Key observations:** Based on the testing performed, we believe that the Group's estimate of the onerous contract provision falls within an acceptable range as at 31 March 2023 and that the related disclosures are appropriate.
Valuation of landfill provisions **Carrying value €164.5m, – Section 4.10** The Group incurs constructive and legal obligations for restoration and aftercare activities for landfill sites in a number of locations. The estimation of future costs involves uncertainty, and the time period for these costs ranges up to 60 years, therefore the effect of the time value of money is material. The restoration and environmental remediation activities are governed by certain legislative requirements which vary between location and stage of operation of the landfill site. The estimation of these provisions, together with the related disclosure, was considered to be a key audit matter due to the significant value of the provisions and significant judgements and assumptions made by management to determine: • The future costs; • The nature and timing of the costs; and • The discount rate to apply to calculate the provisions.	Our procedures included the following: • Evaluated the scope, competence and objectivity of management's external experts, who assist with determining cost estimates and volumes; • Compared previous forecast assumptions to actual costs incurred to assess the ability of management to accurately forecast closure costs; • With the assistance of our internal valuations experts we evaluated the discount rates used and verified data to government bond yields. We also compared the discount rates to external market research; • Assessed the appropriateness of differences in assumptions between landfill sites including timing of costs considered; • Enquired with our external auditor's experts to identify if there were any regulatory updates that could impact the provisions as well as benchmarking cost assumptions in order to determine if these were within an appropriate range; • Considered completeness of disclosure, including sensitivity of provisions to changes in key assumptions and the estimation uncertainty involved in the determination of the discount rate in line with the requirements of the applicable accounting framework. **Key observations:** Based on the procedures performed, we believe that the Group's estimate of the landfill provisions falls within an acceptable range at 31 March 2023 and that the related disclosures are appropriate.

Independent auditor's report to the members of Renewi plc CONTINUED

OUR APPLICATION OF MATERIALITY

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	GROUP FINANCIAL STATEMENTS		PARENT COMPANY FINANCIAL STATEMENTS	
	2023 €M	2022 €M	2023 €M	2022 €M
Materiality	6.20	6.51	5.35	13.00
Basis for determining materiality	5% underlying EBIT	5% underlying EBIT	98% of Group materiality	2% of net assets
Rationale for the benchmark applied	The Group is profit-seeking, therefore a profit-based measure is considered to be most appropriate.		Materiality was capped at 98% of Group materiality to take into account component aggregation risk.	Net assets is considered to be the primary measure that shareholders would review in assessing the performance of the Parent Company.
Performance materiality	4.30	4.56	3.40	9.10
Basis for determining performance materiality	70% of overall materiality.		70% of overall materiality.	
Rationale for the percentage applied for performance materiality	The percentage applied was determined after consideration of factors including the level of past misstatements, value of brought forward adjustments, management's attitude toward proposed adjustments and number of accounts that are subject to estimation.			

Component materiality

For the purposes of our Group audit opinion, we set materiality for each significant component of the Group, apart from the Parent Company whose materiality is set out above, based on a percentage of between 19% and 89% (2022: 18% and 86%) of Group materiality dependent on the size and our assessment of the risk of material misstatement of that component. Component materiality ranged from €1.2m to €5.5m (2022: €1.2m to €5.6m). In the audit of each component, we further applied performance materiality levels of 70% (2022: 70%) of the component materiality to our testing to ensure that the risk of errors exceeding component materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of €0.24m (2022: €0.13m). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CORPORATE GOVERNANCE STATEMENT

The Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit

Going concern and longer-term viability	• The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 100; and • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 100.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 135; • Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 120; • The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 120; and • The section describing the work of the audit committee set out on page 132.

OTHER COMPANIES ACT 2006 REPORTING

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below. .

Strategic report and Directors' report	In our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Corporate governance statement	In our opinion, based on the work undertaken in the course of the audit the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in this information. In our opinion, based on the work undertaken in the course of the audit information about the Parent Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules. We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the Parent Company.
Matters on which we are required to report by exception	We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or • the Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made; or • we have not received all the information and explanations we require for our audit.

Independent auditor's report to the members of Renewi plc CONTINUED

EUROPEAN SINGLE ELECTRONIC FORMAT (ESEF)

The Annual Report and Accounts of Renewi plc, have been prepared in single electronic reporting format (ESEF), pursuant to the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018, supplementing Directive 2004/109/EC of the European Parliament and the Council. The requirements to be met are set out in the aforementioned delegated regulation (these requirements are hereinafter referred to as: the RTS on ESEF).

In our opinion, the Annual Report and Accounts, made up in XHTML format, including the tagged consolidated financial statements as included in the reporting package by Renewi plc, have been prepared in all material aspects in accordance with the RTS on ESEF.

Management is responsible for preparing the Annual Report and Accounts, including the financial statements, in accordance with the RTS on ESEF, whereby management combines the various components in a reporting package. Our responsibility is to obtain reasonable assurance for our conclusion on whether the Annual Report and Accounts in this reporting package, is in accordance with the requirements. We have taken into consideration what is stated in Alert 43.

Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the annual financial report in XHTML-format;
- Obtaining the reporting package and performing validations to determine whether the reporting package containing the inline XBRL instance document and XBRL extension taxonomy files have been prepared in accordance with the technical specifications; and
- Examining the information related to the consolidated financial statements in the reporting package to determine whether all required taggings have been applied and whether they are in accordance with the RTS on ESEF.

RESPONSIBILITIES OF DIRECTORS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

Non-compliance with laws and regulations

Based on our understanding of the Group and the industry in which it operates, discussion with management, internal Legal Counsel, internal audit and those charged with governance and obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations we have considered the significant laws and regulations to be:

- UK adopted international accounting standards
- UK, Dutch & Belgian tax legislation
- Listing Rules of the Financial Conduct Authority;
- The Companies Act 2006; and
- EU regulation regarding landfill and related taxes.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be:

- Health & Safety regulations
- Employment law; and
- Bribery Act.

Our procedures in respect of the above included:

- Review of minutes of meetings of those charged with governance for material instances of non-compliance with laws and regulations;
- Review of internal audit reports ("Integrity reports") during the year to identify material reports of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for material instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit to assist with quantification of uncertain tax positions, deferred and current tax positions; and
- Engaged local, external legal professionals to provide information on latest laws or regulations that could impact the Group.

Fraud

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

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Involvement of forensic specialists in the audit to assist in our risk assessment relating to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

We have considered the incentives and opportunities of management to carry out fraudulent financial reporting (including override of controls) and determined that the principal risks relate to management bias in determining accounting estimates and judgements (the most significant of which are outlined in our key audit matters above) and through the recording of inappropriate journal entries.

Our procedures in respect of the above included:

- Testing of a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Detailed verification of consolidation level journal entries through enquiry with management and corroboration to supporting documents where relevant; and
- Assessing significant estimates made by management for bias, refer to key audit matters 2 and 3 for detail on audit procedures relating to the most significant estimates.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members (including component engagement teams) who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit. For component engagement teams, we also reviewed the result of their work performed in this regard.

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

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

USE OF OUR REPORT

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

Mark Cardiff
Senior Statutory Auditor
For and on behalf of BDO LLP, Statutory Auditor
London, UK
25 May 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Income Statement

For the year ended 31 March 2023

		2023			2022		
	Note	Underlying €m	Non-trading & exceptional items €m	Total €m	Underlying €m	Non-trading & exceptional items €m	Total €m
Revenue	2,3.1	**1,892.3**	**–**	**1,892.3**	1,869.2	–	1,869.2
Cost of sales	3.3	**(1,530.0)**	**(28.6)**	**(1,558.6)**	(1,512.5)	0.1	(1,512.4)
Gross profit (loss)		**362.3**	**(28.6)**	**333.7**	356.7	0.1	356.8
Administrative expenses	3.3	**(229.4)**	**17.1**	**(212.3)**	(223.1)	(9.7)	(232.8)
Operating profit (loss)	2	**132.9**	**(11.5)**	**121.4**	133.6	(9.6)	124.0
Finance income	5.4	**9.8**	**0.9**	**10.7**	9.3	0.2	9.5
Finance charges	5.4	**(39.0)**	**–**	**(39.0)**	(38.2)	(0.1)	(38.3)
Share of results from associates and joint ventures	4.4	**–**	**–**	**–**	0.5	–	0.5
Profit (loss) before taxation		**103.7**	**(10.6)**	**93.1**	105.2	(9.5)	95.7
Taxation	3.4	**(28.1)**	**1.6**	**(26.5)**	(26.4)	6.1	(20.3)
Profit (loss) for the year		**75.6**	**(9.0)**	**66.6**	78.8	(3.4)	75.4
Attributable to:							
Owners of the parent		**71.9**	**(9.0)**	**62.9**	77.9	(3.4)	74.5
Non-controlling interests	5.9	**3.7**	**–**	**3.7**	0.9	–	0.9
		75.6	**(9.0)**	**66.6**	78.8	(3.4)	75.4

Earnings per share	Note	2023 cents	2022 cents
Basic	3.5	**79**	93
Diluted	3.5	**79**	93
Underlying basic	3.5	**90**	98
Underlying diluted	3.5	**90**	98

The notes on pages 177 to 246 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2023

	Note	2023 €m	2022 €m
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign subsidiaries		**2.5**	(0.2)
Fair value movement on cash flow hedges	5.5	**3.7**	16.5
Deferred tax on fair value movement on cash flow hedges	3.4	**0.7**	(1.9)
Share of other comprehensive income of investments accounted for using the equity method	4.4	**0.3**	0.5
		7.2	14.9
Items that will not be reclassified to profit or loss:			
Actuarial (loss) gain on defined benefit pension schemes	7.2	**(15.5)**	10.5
Deferred tax on actuarial (loss) gain on defined benefit pension schemes	3.4	**3.8**	(2.4)
		(11.7)	8.1
Other comprehensive (loss) income for the year, net of tax		**(4.5)**	23.0
Profit for the year		**66.6**	75.4
Total comprehensive income for the year		**62.1**	98.4
Attributable to:			
Owners of the parent		**58.4**	97.5
Non-controlling interests		**3.7**	0.9
Total comprehensive income for the year		**62.1**	98.4

The notes on pages 177 to 246 are an integral part of these consolidated financial statements.

Consolidated Balance Sheet

As at 31 March 2023

	Note	31 March 2023 €m	Restated* 31 March 2022 €m
Assets			
Non-current assets			
Goodwill and intangible assets	4.1	**636.3**	592.8
Property, plant and equipment	4.2	**617.9**	553.6
Right-of-use assets	4.3	**253.1**	213.8
Investments	4.4	**14.8**	14.3
Loans to associates and joint ventures	4.4	**0.2**	–
Financial assets relating to PPP contracts	4.5	**123.4**	135.7
Derivative financial instruments	5.5	**1.2**	0.4
Defined benefit pension scheme surplus	7.2	**–**	8.6
Other receivables	4.8	**3.7**	5.1
Deferred tax assets	3.4	**35.6**	41.6
		1,686.2	1,565.9
Current assets			
Inventories	4.7	**25.2**	22.5
Investments	4.4	**10.9**	11.1
Loans to associates and joint ventures	4.4	**0.8**	0.9
Financial assets relating to PPP contracts	4.5	**7.6**	7.7
Trade and other receivables	4.8	**289.6**	269.3
Derivative financial instruments	5.5	**0.4**	6.6
Current tax receivable		**1.5**	0.9
Cash and cash equivalents – including restricted cash	5.2	**62.7**	63.6
		398.7	382.6
Assets classified as held for sale	6.3	**0.6**	3.3
		399.3	385.9
Total assets		**2,085.5**	1,951.8
Liabilities			
Non-current liabilities			
Borrowings	5.3	**(681.6)**	(509.9)
Derivative financial instruments	5.5	**(2.6)**	(14.6)
Other non-current liabilities	4.9	**(34.7)**	(36.2)
Defined benefit pension schemes deficit	7.2	**(9.3)**	(6.3)
Provisions	4.10	**(298.2)**	(262.9)
Deferred tax liabilities	3.4	**(46.4)**	(47.0)
		(1,072.8)	(876.9)
Current liabilities			
Borrowings	5.3	**(66.8)**	(148.2)
Derivative financial instruments	5.5	**(1.9)**	(0.1)
Trade and other payables	4.9	**(521.8)**	(528.4)
Current tax payable		**(31.2)**	(24.2)
Provisions	4.10	**(43.7)**	(32.1)
		(665.4)	(733.0)
Total liabilities		**(1,738.2)**	(1,609.9)
Net assets		**347.3**	341.9
Issued capital and reserves attributable to the owners of the parent			
Share capital	5.9	**99.8**	99.5
Share premium	5.9	**474.1**	473.8
Exchange reserve	5.9	**(12.2)**	(14.9)
Retained earnings	5.9	**(224.5)**	(223.5)
		337.2	334.9
Non-controlling interests	5.9	**10.1**	7.0
Total equity		**347.3**	341.9

* The comparatives have been restated due to a prior period adjustment as explained in section 1 Basis of preparation.

The notes on pages 177 to 246 are an integral part of these consolidated financial statements.

The Financial Statements on pages 172 to 246 were approved by the Board of Directors and authorised for issue on 25 May 2023. They were signed on its behalf by:

Ben Verwaayen
Chairman

Annemieke den Otter
Chief Financial Officer

Consolidated Statement of Changes in Equity

For the year ended 31 March 2023

	Note	Share capital €m	Share premium €m	Restated* Exchange reserve €m	Restated* Retained earnings €m	Non-controlling interests €m	Restated* Total equity €m
Balance at 31 March 2022 – as reported		**99.5**	**473.8**	**(15.0)**	**(227.1)**	**7.0**	**338.2**
Impact of prior year adjustment (section 1)		**–**	**–**	**0.1**	**3.6**	**–**	**3.7**
Balance at 31 March 2022 – restated		**99.5**	**473.8**	**(14.9)**	**(223.5)**	**7.0**	**341.9**
Impact of adopting amendment to IAS 37 (section 1)	4.10	**–**	**–**	**0.2**	**(53.4)**	**–**	**(53.2)**
Balance at 1 April 2022		**99.5**	**473.8**	**(14.7)**	**(276.9)**	**7.0**	**288.7**
Profit for the year		**–**	**–**	**–**	**62.9**	**3.7**	**66.6**
Other comprehensive income (loss):							
Exchange gain on translation of foreign subsidiaries		**–**	**–**	**2.5**	**–**	**–**	**2.5**
Fair value movement on cash flow hedges	5.5	**–**	**–**	**–**	**3.7**	**–**	**3.7**
Actuarial loss on defined benefit pension schemes	7.2	**–**	**–**	**–**	**(15.5)**	**–**	**(15.5)**
Tax in respect of other comprehensive income items	3.4	**–**	**–**	**–**	**4.5**	**–**	**4.5**
Share of other comprehensive income of investments accounted for using the equity method	4.4	**–**	**–**	**–**	**0.3**	**–**	**0.3**
Total comprehensive income for the year		**–**	**–**	**2.5**	**55.9**	**3.7**	**62.1**
Dividend paid to non-controlling interests		**–**	**–**	**–**	**–**	**(0.6)**	**(0.6)**
Share-based compensation	7.3	**–**	**–**	**–**	**2.7**	**–**	**2.7**
Movement on tax arising on share-based compensation		**–**	**–**	**–**	**(0.9)**	**–**	**(0.9)**
Proceeds from exercise of employee options	5.9	**0.3**	**0.3**	**–**	**–**	**–**	**0.6**
Own shares purchased by the Employee Share Trust	5.9	**–**	**–**	**–**	**(5.3)**	**–**	**(5.3)**
Balance as at 31 March 2023		**99.8**	**474.1**	**(12.2)**	**(224.5)**	**10.1**	**347.3**
Balance at 1 April 2021 – as reported		99.5	473.6	(14.8)	(326.8)	6.1	237.6
Impact of prior year adjustment (section 1)		–	–	0.1	3.6	–	3.7
Balance at 1 April 2021 – restated		99.5	473.6	(14.7)	(323.2)	6.1	241.3
Profit for the year		–	–	–	74.5	0.9	75.4
Other comprehensive (loss) income:							
Exchange loss on translation of foreign subsidiaries		–	–	(0.2)	–	–	(0.2)
Fair value movement on cash flow hedges	5.5	–	–	–	16.5	–	16.5
Actuarial gain on defined benefit pension schemes	7.2	–	–	–	10.5	–	10.5
Tax in respect of other comprehensive income items	3.4	–	–	–	(4.3)	–	(4.3)
Share of other comprehensive income of investments accounted for using the equity method	4.4	–	–	–	0.5	–	0.5
Total comprehensive (loss) income for the year		–	–	(0.2)	97.7	0.9	98.4
Share-based compensation	7.3	–	–	–	2.5	–	2.5
Movement on tax arising on share-based compensation		–	–	–	1.3	–	1.3
Proceeds from exercise of employee options	5.9	–	0.2	–	–	–	0.2
Own shares purchased by the Employee Share Trust	5.9	–	–	–	(1.8)	–	(1.8)
Balance as at 31 March 2022		99.5	473.8	(14.9)	(223.5)	7.0	341.9

* The comparatives have been restated due to a prior period adjustment as explained in section 1 Basis of preparation.

The notes on pages 177 to 246 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2023

	Note	2023 €m	Restated* 2022 €m
Profit before tax		**93.1**	95.7
Finance income		**(10.7)**	(9.5)
Finance charges		**39.0**	38.3
Share of results from associates and joint ventures		**–**	(0.5)
Operating profit		**121.4**	124.0
Amortisation and impairment of intangible assets	4.1	**10.5**	11.1
Depreciation and impairment of property, plant and equipment	4.2	**69.5**	74.7
Depreciation and impairment of right-of-use assets	4.3	**49.1**	45.5
Impairment of investment in associate	4.4	**0.9**	1.9
Net gain on disposal of property, plant and equipment and intangible assets		**(3.0)**	(0.8)
Portfolio management and provision movements in non-trading and exceptional items	3.3	**19.9**	(1.6)
Net decrease in provisions	4.10	**(34.1)**	(6.5)
Payment related to committed funding of the defined benefit pension schemes	7.2	**(3.5)**	(3.6)
Share-based compensation	7.3	**2.7**	2.5
Operating cash flows before movement in working capital		**233.4**	247.2
Increase in inventories		**(2.1)**	(1.9)
Increase in receivables	4.8	**(12.2)**	(23.2)
Decrease in payables	4.9	**(9.5)**	(34.8)
Cash flows from operating activities		**209.6**	187.3
Income tax paid		**(21.2)**	(7.6)
Net cash inflow from operating activities		**188.4**	179.7
Investing activities			
Purchases of intangible assets		**(9.9)**	(8.4)
Purchases of property, plant and equipment		**(115.0)**	(77.6)
Proceeds from disposals of property, plant and equipment		**6.8**	4.7
Acquisition of subsidiary, net of cash acquired	6.1	**(53.5)**	–
Disposal of subsidiary and business assets net of acquisition of business assets	6,3.3	**1.1**	(1.3)
Net movements in associates, joint ventures and other short-term investments		**(1.3)**	(0.9)
Receipt of deferred consideration		**–**	0.3
Outflows in respect of PPP arrangements under the financial asset model net of capital received		**6.0**	5.8
Finance income		**10.6**	9.9
Net cash outflow from investing activities		**(155.2)**	(67.5)
Financing activities			
Finance charges and loan fees paid		**(31.3)**	(28.4)
Investment in own shares by the Employee Share Trust	5.9	**(5.3)**	(1.8)
Proceeds from share issues		**0.6**	0.2
Dividend paid to non-controlling interest		**(0.6)**	–
Proceeds from retail bonds	5.1	**–**	125.0
Repayment of retail bonds	5.1	**(100.0)**	–
Proceeds from bank borrowings	5.1	**565.0**	141.6
Repayment of bank borrowings	5.1	**(405.6)**	(312.2)
Repayment of PPP debt	5.1	**(8.1)**	(5.7)
Repayments of obligations under lease liabilities	5.1	**(47.5)**	(43.5)
Settlement of cross-currency interest rate swaps		**–**	6.4
Net cash outflow from financing activities		**(32.8)**	(118.4)
Net increase (decrease) in cash and cash equivalents		**0.4**	(6.2)
Effect of foreign exchange rate changes		**(1.3)**	1.0
Cash and cash equivalents at the beginning of the year		**63.6**	68.8
Cash and cash equivalents at the end of the year	5.2	**62.7**	63.6

* The comparatives have been restated due to a prior period adjustment as explained in section 1 Basis of preparation.

The notes on pages 177 to 246 are an integral part of these consolidated financial statements.

Notes to the financial statements

Section 1. Basis of preparation

This section provides general information about the Group and the accounting policies that apply to the consolidated financial statements as a whole. Accounting policies that are specific to a particular note are provided within the note to which they relate. This section also details the new or amended accounting standards adopted during the year as well as the anticipated impact of future changes to accounting standards that are not yet effective.

Renewi plc is a public limited company listed on the London Stock Exchange with a secondary listing on Euronext Amsterdam. Renewi plc is incorporated and domiciled in Scotland under the Companies Act 2006, registered number SC077438 and the address of the registered office is given on page 265. The nature of the Group's operations and its principal activities are set out in section 2.

The consolidated financial statements of the Group are prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

The consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments, other receivables relating to invoice finance facilities, share-based payments, plan assets within pension schemes, unlisted investments and short-term investments which are stated at fair value. The accounting policies adopted in the consolidated financial statements have been consistently applied across the periods, with the exception of the amendment to IAS 37 Onerous Contracts - Costs of Fulfilling Contract as explained later in this section. The Group has applied all accounting standards and interpretations issued relevant to its operations and effective for accounting periods beginning on 1 April 2022. The consolidated financial statements are presented in Euros and all amounts are rounded to the nearest €0.1m unless otherwise stated.

GOING CONCERN

The Directors have adopted the going concern basis in preparing these consolidated financial statements after assessing the Group's principal risks including an assessment of the impact of the ongoing high inflationary environment and the economic uncertainty arising from the invasion of Ukraine and the recent banking crisis.

The Directors have carried out a comprehensive assessment of the Group's ability to continue as a going concern. This assessment has involved the review of medium-term cash flow and covenant modelling over an 18-month period to 30 September 2024. This includes expectations on the future economic environment as well as other principal risks associated with the Group's ongoing operations.

The assessment includes a base case scenario setting out the Directors' current expectations of future trading and a plausible but severe downside scenario after applying mitigating actions to assess the potential impact on the Group's future financial performance. The key judgement in both scenarios is the level of economic disruption caused by ongoing geopolitical events.

The downside scenario includes significantly weaker macroeconomic conditions leading to a volume decline below the forecast economic outlook in all our territories in FY24 and FY25. Other downsides include a significant decline in recyclate prices from the current levels to below long-term averages and operational downtime in some of our plants. These factors reduce FY24 EBIT by 31% compared to the base case. Appropriate cash mitigating actions such as deferral of uncommitted capital expenditure and other working capital actions have been applied to our downside modelling to arrive at a plausible and mitigated downside position.

In the base case and plausible mitigated downside scenarios the Group has sufficient liquidity and headroom in its existing facilities and no covenants are breached at any of the forecast testing dates.

In addition, a reverse stress test calculation has been undertaken to consider the points at which the covenants may be breached. Underlying EBIT in FY24 would need to reduce by 44% compared to the base case including mitigating cost actions. In the opinion of the Directors there is no plausible scenario or combination of scenarios that we consider to be remotely likely that would generate this result.

Having considered all the elements of the financial projections, sensitivities and mitigating actions, the Directors confirm they have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and to meet all banking covenants.

In accordance with Provision 31 of the UK Corporate Governance Code, the Directors have also assessed the prospects and financial viability of the Company for a period longer than the 12 months required in the going concern assessment. Further details are provided in the Viability Statement on page 100.

Notes to the financial statements CONTINUED

SECTION 1. Basis of preparation CONTINUED

PRIOR YEAR RESTATEMENT

During the year, the Group has undertaken a more in depth analysis of the UK Municipal contract with East London Waste Authority (ELWA) as the contract is due to expire in December 2027. The contract is loss-making and therefore an onerous contract provision (OCP) has been recorded. At inception of this contract on 28 November 2003, a subsidiary of the Group entered a headlease arrangement for one location under the contract and then subleased it to ELWA Limited, an associate, on terms which mirrored the terms of the headlease. Prior to the disposal of the subsidiary in 2004 the headlease and sublease were novated to Renewi UK Services Limited (RUKS), a subsidiary of the Group. Upon adoption of IFRS 16 Leases from 1 April 2019, the Group accounted for the headlease as a right-of-use asset with the rental expense recorded as a repayment of the lease liability. The rental income from ELWA Limited was included within the cash flows used to measure the OCP.

During March 2023, external legal advice received clarified further the legal position in relation to the commercial substance of the lease arrangements. The legal advice stated that it is more likely than not that the sublease to ELWA Limited has taken effect as an assignment of the headlease by operation of law. The practical effect of this is the former subsidiary and ELWA Limited are directly liable for the headlease and that the novation in 2004 to RUKS was invalid. Accordingly, the Group has determined that it was not appropriate to recognise the headlease as a right-of-use asset and the lease income should not have been included in the cash flows used to measure the OCP. The Group has therefore concluded that the prior treatment was an error and that it is now appropriate to restate the 1 April 2021 opening balance sheet.

The impact is a reduction in lease liabilities of €10.1m (of which €9.4m is non-current and €0.7m is current) with a corresponding increase in OCP of €6.4m (of which €5.4m is non-current and €1.0m is current) resulting in an impact of €3.6m on retained earnings and €0.1m on the exchange reserve. The impact on the 31 March 2022 balance sheet is a reduction in lease liabilities of €9.5m (of which €8.8m is non-current and €0.7m is current) with an increase in OCP of €5.8m (of which €4.8m is non-current and €1.0m is current) resulting in an impact of €3.6m on retained earnings and €0.1m on the exchange reserve. The related right-of-use asset was fully impaired therefore there is no impact on the net book value. However, as a result of the derecognition, cost and accumulated depreciation and impairment have both been reduced by €8.9m as at 1 April 2021. The Income Statement impact for the year ended 31 March 2022 is not material and therefore has not been restated. The impact on the Cash Flow Statement for the year ended 31 March 2022 is to reduce the cash inflow from operating activities by €0.7m and reduce the cash outflow in financing activities by €0.7m. Earnings per share and alternative performance measures for the year ended 31 March 2022 are not affected as a result of this correction.

The impact on the Consolidated Balance Sheet at 31 March 2021 is not material and therefore as permitted in IAS 1 Presentation of Financial Statements a third balance sheet is not presented. The impact of the above restatements on the relevant line items in the Consolidated Balance Sheet and Statement of Changes in Equity is presented below:

Balance sheet extract	1 April 2021 (previously reported)	Restatement	1 April 2021 (restated)	31 March 2022 (previously reported)	Restatement	31 March 2022 (restated)
Total assets	1,968.0	–	1,968.0	1,951.8	–	1,951.8
Liabilities						
Non-current liabilities						
Borrowings	(689.1)	9.4	(679.7)	(518.7)	8.8	(509.9)
Provisions	(252.6)	(5.4)	(258.0)	(258.1)	(4.8)	(262.9)
Other	(142.0)	–	(142.0)	(104.1)	–	(104.1)
	(1,083.7)	4.0	(1,079.7)	(880.9)	4.0	(876.9)
Current liabilities						
Borrowings	(47.8)	0.7	(47.1)	(148.9)	0.7	(148.2)
Provisions	(38.7)	(1.0)	(39.7)	(31.1)	(1.0)	(32.1)
Other	(560.2)	–	(560.2)	(552.7)	–	(552.7)
	(646.7)	(0.3)	(647.0)	(732.7)	(0.3)	(733.0)
Total liabilities	(1,730.4)	3.7	(1,726.7)	(1,613.6)	3.7	(1,609.9)
Net assets	237.6	3.7	241.3	338.2	3.7	341.9
Issued capital and reserves attributable to the owner of the parent						
Retained earnings	(326.8)	3.6	(323,2)	(227.1)	3.6	(223.5)
Exchange reserve	(14.8)	0.1	(14.7)	(15.0)	0.1	(14.9)
Other equity	573.1	–	573.1	573.3	–	573.3
	231.5	3.7	235.2	331.2	3.7	334.9
Non-controlling interests	6.1	–	6.1	7.0	–	7.0
Total equity	237.6	3.7	241.3	338.2	3.7	341.9

SECTION 1. Basis of preparation CONTINUED

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The amendment to IAS 37 Onerous Contracts – Costs of Fulfilling a Contract, effective from 1 April 2022, clarifies that the costs of fulfilling a contract should include an allocation of other costs that relate directly to fulfilling the contract in addition to the incremental costs. As required by the pre-amended IAS 37, the Group's accounting policy previously only included incremental direct costs when measuring the costs to fulfil a contract. The Group assessed the impact of this amendment which resulted in an increase to the onerous contract provisions of €53.2m. A deferred tax asset has not been recognised on the increase in the provision due to the uncertainty of future profit streams in the UK Municipal business. The cumulative effect of initially applying the amendment has been recognised as an adjustment to the opening balance of retained earnings as at 1 April 2022 as shown in the Statement of Changes in Equity. As permitted by the amendment, the Group has not restated the comparative information.

No other accounting standards, amendments or revisions to existing standards or interpretations have been effective which had a significant impact on the Group's consolidated financial statements.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Standards and interpretations issued by the International Accounting Standards Board (IASB) are only applicable if endorsed by the UK Endorsement Board (UKEB). At the date of approval of these financial statements there were no new IFRSs or IFRS Interpretation Committee interpretations which were early adopted by the Group.

The following amendments are effective for the period beginning 1 April 2023:
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- IFRS 17 Insurance Contracts
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The following amendments are effective for the period beginning 1 April 2024:
- IFRS 16 (Amendment – Liability in a Sale and Leaseback)
- IAS 1 Presentation of Financial Statements (Amendment – Classification of Liabilities as Current or Non-current)
- IAS 1 Presentation of Financial Statements (Amendment – Non-current Liabilities with Covenants)

The Group does not expect a significant impact from any of the new accounting standards and amendments.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of Renewi plc (the Company), all its subsidiary undertakings (subsidiaries) and the Group's interests in joint ventures, associates and joint operations.

Subsidiaries are entities which are directly or indirectly controlled by the Group. Control exists where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Where there is a non-controlling interest this is identified separately from the Group's equity. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with those used by the Group. The results of subsidiaries acquired or sold during the year are included in the consolidated financial statements from or up to the date control passes. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. An associate is an entity, other than a subsidiary or joint venture, over which the Group has significant influence. Significant influence is the power to participate in the financial and operating decisions of an entity but is not in control or joint control over those policies. Investments in associates and joint ventures are accounted for using the equity method of accounting and are initially recognised at cost or, in the case of a disposal of the majority shareholding, at fair value. The cumulative post-acquisition profits or losses and movements in Other Comprehensive Income are adjusted against the carrying amount of the investment. When the Group's share of losses exceeds the carrying amount of the joint venture or associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. Accounting policies of associates and joint ventures have been adjusted where necessary to ensure consistency with the policies of the Group. Where the Group is party to a jointly controlled operation, the Group proportionately accounts for its share of the income and expenditure, assets and liabilities and cash flows on a line-by-line basis in the consolidated financial statements.

Other investments in entities that are neither associates, joint ventures nor subsidiaries are held at fair value through profit or loss except for the other unlisted investments that the Group has elected to hold at fair value through Other Comprehensive Income.

Notes to the financial statements CONTINUED

SECTION 1. Basis of preparation CONTINUED

FOREIGN CURRENCIES

The financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The results and financial position of all the Group entities that have a functional currency different from the presentation currency of the Group are translated as follows:

- monetary assets and liabilities at each balance sheet date are translated into Euros at the closing year end exchange rate;
- income and expenses in each Income Statement are translated into Euros at the average rate of exchange for the month in which they occur; and
- equity items are translated at the historical rate being the average rate of exchange in the year when the transaction occurred.

The resulting exchange differences in relation to the Sterling denominated entities are recognised in the exchange reserve in Other Comprehensive Income.

Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

In addition to the Group's presentational currency of Euros, the most significant currency for the Group is Sterling with the closing rate on 31 March 2023 of €1: £0.879 (2022: €1: £0.845) and an average rate for the year ended 31 March 2023 of €1: £0.870 (2022: €1: £0.849).

Cumulative exchange differences are recognised in the Income Statement in the year in which a non-Euro denominated subsidiary undertaking is sold.

The Group applies the hedge accounting principles of IFRS 9 Financial Instruments relating to net investment hedging to offset the exchange differences arising on foreign currency denominated borrowings with the translation of foreign operations. Net investment hedges are accounted for by recognising exchange rate movements in the exchange reserve, with any hedge ineffectiveness being charged to the Income Statement in the period the ineffectiveness arises.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The areas involving a higher degree of judgement or complexity are set out below and in more detail in the related notes. Critical estimates are defined as those that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The estimates and associated assumptions are based on factors including historical experience and expectations of future events that are considered to be relevant and reasonable. These estimates, assumptions and judgements are reviewed on an ongoing basis.

Judgements in applying the Group's accounting policies

Use of alternative performance measures – The Group uses alternative performance measures as we believe these measures provide additional useful information on the underlying trends, performance and position of the Group. These underlying measures are used by the Group for internal performance analysis and incentive compensation arrangements for employees. The term 'underlying' refers to the relevant measure being reported for continuing operations excluding non-trading and exceptional items. These include underlying earnings before interest and tax (underlying EBIT), underlying profit before tax, underlying profit after tax, underlying earnings per share and underlying EBITDA (earnings before interest, tax, depreciation and amortisation). The terms 'EBIT', 'EBITDA', 'exceptional items', 'adjusted' and 'underlying' are not defined terms under IFRS and may therefore not be comparable with similarly titled profit measures reported by other companies. These measures are not intended to be a substitute for, or superior to, GAAP measurements of profit. A full list of alternative performance measures together with reconciliations are set out in note 8.3.

Non-trading and exceptional items – In establishing which items are disclosed separately as non-trading and exceptional to enable a better understanding of the underlying financial performance of the Group, management exercise judgement in assessing the size, nature or incidence of specific items. A policy for non-trading and exceptional items is followed consistently and is submitted to the Audit Committee for annual review. See note 3.3 for further details of the costs included within this category.

Service concession arrangements – Management considered all relevant factors including the expectation by the relevant local authority who was the primary obligor, the ability of the Group to set the selling price, who performed the service, who assumed the credit risk and who had discretion in selecting suppliers. Following this assessment the Group determined that it acted as agent during the construction phase of the UK Municipal contracts. Consequently the consideration from local authorities for the operations of waste management service concessions is treated as financial assets relating to PPP contracts in accordance with IFRIC 12. Management determined that the cash flows relating to the outflows in respect of PPP arrangements under the financial asset model net of capital received are investing activities in the statement of cash flows and not operating cash flows. At the balance sheet date, the Group has financial assets relating to PPP contracts of €131.0m (2022: €143.4m). Consideration relating to financial assets is split between a service element as revenue and a repayment element, split between capital and interest receivable that is deducted from the financial asset. Further details are given in notes 3.1 and 4.5.

SECTION 1. Basis of preparation CONTINUED

Defined benefit pension scheme surplus – In relation to the prior year surplus, based on actuarial professional advice management concluded that the UK defined benefit pension scheme rules determine that upon winding up the scheme the Group has an unconditional right to a refund once all of the liabilities have been discharged and that the trustees of the scheme do not have the unilateral right to wind up the scheme, therefore any asset is not restricted and no additional liability is recognised. See note 7.2 for further details of the scheme.

ELWA headlease – Management have used judgement based on external legal advice in determining that the headlease in relation to the ELWA contract has been assigned to ELWA Limited by operation of law and therefore a novation of the headlease and sublease to RUKS in 2004 is invalid. It is therefore not appropriate for the Group to recognise the lease under IFRS 16. Consequently, the rental expense and the rental income are presented net within the onerous contract provision. Additional details are provided earlier in the prior year restatement section.

Wakefield Waste Holdings Limited joint venture - The Group has a 50.001% interest in the joint venture Wakefield Waste Holdings Limited. Upon the sale of 49.99% of this entity in 2016 the Group assessed the criteria of control considering power over the investee, exposure or rights to a variable return and the ability to use power over the investee to affect the amount of the investors returns. The Group determined that it does not meet the criteria for having control as each party jointly controls the entity and as a result it is appropriate to equity account.

There are no other critical judgements other than those involving estimates, as set out below, that have a significant effect on the amounts recognised in the Group's consolidated financial statements.

Key sources of estimation uncertainty

Landfill related provisions – The Group has landfill related provisions of €164.5m (2022: €156.9m). These provisions are long term in nature and are recognised at the net present value of the best estimate of the likely future cash flows to settle the Group's obligations. The period of aftercare post-closure and the level of costs expected are uncertain and could be impacted by changes in inflation, legislation and technology and can vary significantly from site to site. The timings of cash outflows are uncertain and have been based on management's latest expectations. A discount rate is applied to recognise the time value of money and is unwound over the life of the provision. Details of the discount rates used and sensitivity assumptions are set out in note 4.10.

Onerous contract provisions – Onerous contract provisions arise when the unavoidable costs of meeting contractual obligations exceed the cash flows expected. The Group has onerous contract provisions of €141.9m (31 March 2022 as restated: €85.7m, 1 April 2022: €138.9m adjusted for the impact of IAS 37 amendment) which have been provided for at the lower of the net present value of either exiting the contract or fulfilling our obligations under the contract. The most significant component of these provisions relates to UK Municipal PPP contracts which amount to €139.3m (31 March 2022 as restated: €83.5m, 1 April 2022: €135.3m adjusted for the impact of IAS 37 amendment). The provisions have been based on the best estimate of likely future cash flows including assumptions on inflationary increases, tonnage inputs, off-take availability and recyclates pricing. The contracts include revenue inflationary clauses which together with cost inflation are sources of estimation uncertainty. A discount rate is applied to recognise the time value of money and is unwound over the life of the provision. Further details including the discount rates used and sensitivity assumptions are set out in note 4.10.

Taxation – The recognition of deferred tax assets, particularly in respect of tax losses, is based upon management's judgement in the calculation of the probable expected taxable profits in the relevant legal entity or tax group against which to utilise the assets in the future. In respect of tax losses, the time expiry period, if any, is also taken into account in the calculation. The Group assesses the availability of future taxable profits using available long-term forecasts. The predictability of income streams is taken into consideration in the recognition of deferred tax assets. The longest period of forecasts used to calculate deferred tax recovery is eight years. This period reflects management's estimate of the higher probability profit streams due to income streams from internal receivables which are highly predictable and likely to continue for the foreseeable future. The intention is to avoid the recognition of a deferred tax asset that is not ultimately recovered. Provisions have been recognised where necessary in respect of any uncertain tax positions in the Group, including uncertainty over whether the relevant tax authority will accept the tax treatment and are based upon management's evaluation of the potential outcomes of the relevant discussions with the tax authorities. Further details on sensitivity assumptions are set out in note 3.4.

Other areas of focus

Whilst not considered to be critical accounting judgements or key sources of estimation uncertainty, the following are areas of focus for management:

Assumptions used to determine the recoverable amount of goodwill and other assets – Impairment testing of goodwill is carried out annually at a cash generating unit (CGU) level. The Group estimates the recoverable amount of a CGU using a value in use model which involves an estimation of future cash flows and applying appropriate discount and long-term growth rates. The future cash flows are derived from approved forecasts which have taken into account increasing energy prices and high inflation as a result of the events in Ukraine, specifically with regard to recovery of input volumes across different waste streams. Details of the key assumptions and sensitivity analysis are given in note 4.1. The Group assesses the impairment of tangible assets, intangible assets and investments whenever there is reason to believe that the carrying value may exceed the fair value and where a permanent impairment in value is anticipated. The determination of whether the impairment of these assets is necessary involves the use of estimates that include, but is not limited to, the analysis of the cause, the timing and expected future cash flows.

Notes to the financial statements CONTINUED

SECTION 1. Basis of preparation CONTINUED

Right-of-use assets and lease liabilities – Estimates and assumptions are made in calculating the incremental borrowing rate used to measure lease liabilities where the lease contract does not contain an implicit rate. For certain leases the determination of the lease liability is based on assumptions of the term as to whether purchase options are likely to be exercised. Further details are set out in note 5.3.

Assumptions used to determine the carrying amount of the Group's defined benefit pension schemes – The calculation of the present value of the defined benefit pension schemes is determined by using actuarial valuations based on assumptions including discount rate, life expectancy and inflation rates. The principal assumptions used to measure the schemes' liabilities, sensitivities to changes in those assumptions and future funding obligations are set out in note 7.2.

Waste disposal cost accruals – Management have used judgement in determining the value of disposal cost accruals with a carrying amount included in accruals and other payables of €51.8m (2022: €48.9m). Included in this is €21.1m (2022: €21.1m) relating to previously processed soil and other materials at ATM. The value is determined by management's best estimate after carrying out an assessment of the cost per tonne to dispose of the waste based on historical transactions, signed contracts, discussions with potential customers and knowledge of the market as in some cases, due to the nature that in some cases there is no observable market data. Management carry out sensitivity analysis on a range of potential outcomes and an increase or reduction of the cost per tonne by 10% would impact the ATM accrual by €2.1m. It is now expected that the disposal of certain components will take longer than 12 months and consequently €17.6m has been recorded as a non-current liability.

Valuation of acquisition related intangible assets – When acting as the acquirer in a business combination, the Group is required to recognise separate from goodwill all intangibles that are either separable or arise from contractual or other legal obligations. In the acquisition of GMP Exploitatie B.V. on 1 August 2022 the Group acquired permits and customer relationships with a total value of €27.6m which are explained in note 6.1. Determination of the fair value required a variety of judgemental assumptions including, but not limited to, estimates of expected cash flows and discount rates for which external specialists were engaged to provide expert assistance. If the fair value of these acquisition related intangibles was 15% different to the recorded value, the impact of the variance of €4m would be recorded in goodwill with an adjustment of c€0.5m to the annual amortisation charge of acquisition related intangibles over the next eight years.

Expected credit loss allowance – Management have used judgement to estimate how the expected credit loss allowance could be impacted by current conditions as well as forecasts of future economic conditions as a result of ongoing macroeconomic factors. For trade receivables and accrued income, in addition to using a provision matrix based on the payment profile of revenues a detailed review has been undertaken at a customer level in order to assess the likely potential of default considering the nature of the customers business and any government support measures. Further details are set out in note 4.8.

Consideration of climate change – In preparing the financial statements, the Directors have considered the impact of climate change, particularly in the context of the risks identified as part of the work on the Taskforce for Climate-related Financial Disclosures (TCFD) disclosures on pages 59 to 65. Sustainability is recognised as a growth driver for Renewi, directly aligned to its purpose to protect the world by giving life to used materials, and is considered in all key decisions across all management levels. The Directors have commenced a pilot quantitative exercise based on certain risks identified in the TCFD disclosures and now have models that greatly enhance our understanding of the potential impact of these risks on revenue and operating costs, where relevant.

Physical climate change poses risks to our operations and supply chain. However, mitigation measures are either already in place, or are in the process of being further developed. In response to increased impacts from extreme heat, we continually invest to avoid and mitigate the impact of fires as one of the greatest operational risks in the waste industry. These investments are in processes and systems of fire prevention, detection, and suppression.

Climate change is not considered to have a material adverse impact on the financial reporting judgements and estimates. In particular, the impact of climate change has been considered in respect of the following areas in both the medium and long term:
- Going concern and viability of the Group over the next three years
- Cash flow forecasts used in the impairment assessments of non-current assets including goodwill, customer contracts and deferred tax assets
- Carrying value and useful economic lives of property, plant and equipment.

The Directors are aware of the ever-changing risk of climate change and will regularly assess these risks against judgements and estimates made in preparation of the Group's financial statements.

SECTION 2. Segmental information

This section shows the performance, net assets and other information on a segmental basis. The Group's segmental reporting reflects the management structure which is aligned with the core activities of the Group.

The Group's chief operating decision maker is considered to be the Board of Directors. The Group's reportable segments are determined with reference to the information provided to the Board of Directors, in order for it to allocate the Group's resources and to monitor the performance of the Group. These segments are unchanged from March 2022 and are set out below.

Commercial Waste	**Collection and treatment of commercial waste in the Netherlands and Belgium.**
Mineralz & Water	**Decontamination, stabilisation and re-use of highly contaminated materials to produce certified secondary products for the construction industry in the Netherlands and Belgium.**
Specialities	**Processing plants focusing on recycling and diverting specific waste streams. The operations are in the UK, the Netherlands, Belgium, France and Portugal.**
Group central services	**Head office corporate function.**

The profit measure the Board of Directors uses to evaluate performance is underlying EBIT. The Group accounts for inter-segment trading on an arm's length basis.

The Commercial Waste reportable segment includes the Netherlands Commercial Waste and Belgium Commercial Waste operating segments which have been aggregated and reported as one reportable segment as they operate in similar markets in relation to the nature of the products, services, processes and type of customer. As detailed in note 6.1, the Group acquired GMP Exploitatie B.V during the year and it is included in the Netherlands Commercial operating segment.

REVENUE

	2023 €m	2022 €m
Netherlands Commercial Waste	**932.0**	896.2
Belgium Commercial Waste	**468.4**	466.9
Intra-segment	**(3.1)**	(2.6)
Commercial Waste	**1,397.3**	1,360.5
Mineralz & Water	**190.9**	193.9
Specialities	**348.6**	350.1
Inter-segment revenue	**(44.5)**	(35.3)
Revenue	**1,892.3**	1,869.2

SECTION 2. Segmental information CONTINUED

RESULTS

	2023 €m	2022 €m
Netherlands Commercial Waste	76.9	93.1
Belgium Commercial Waste	52.4	42.6
Commercial Waste	129.3	135.7
Mineralz & Water	0.5	5.8
Specialities	17.1	4.1
Group central services	(14.0)	(12.0)
Underlying EBIT	132.9	133.6
Non-trading and exceptional items (note 3.3)	(11.5)	(9.6)
Operating profit	121.4	124.0
Finance income (note 5.4)	9.8	9.3
Finance charges (note 5.4)	(39.0)	(38.2)
Finance income – non-trading and exceptional items (note 3.3)	0.9	0.2
Finance charges – non-trading and exceptional items (note 3.3)	–	(0.1)
Share of results from associates and joint ventures	–	0.5
Profit before taxation	93.1	95.7

NET ASSETS

	Commercial Waste €m	Mineralz & Water €m	Restated* Specialities €m	Group central services €m	Restated* Tax, net debt and derivatives €m	Restated* Total €m
31 March 2023						
Gross non-current assets	1,143.8	262.6	211.1	31.9	36.8	1,686.2
Gross current assets	206.6	35.2	75.0	17.9	64.6	399.3
Gross liabilities	(379.3)	(216.5)	(239.0)	(72.9)	(830.5)	(1,738.2)
Net assets (liabilities)	971.1	81.3	47.1	(23.1)	(729.1)	347.3
31 March 2022						
Gross non-current assets	1,010.8	257.5	219.3	36.3	42.0	1,565.9
Gross current assets	192.0	37.9	67.7	17.2	71.1	385.9
Gross liabilities	(399.3)	(206.4)	(180.5)	(79.7)	(744.0)	(1,609.9)
Net assets (liabilities)	803.5	89.0	106.5	(26.2)	(630.9)	341.9

* The comparatives have been restated due to a prior period adjustment as explained in section 1 Basis of preparation.

SECTION 2. Segmental information CONTINUED

OTHER DISCLOSURES

	Commercial Waste €m	Mineralz & Water €m	Specialities €m	Group central services €m	Total €m
2023					
Capital additions:					
Property, plant and equipment	86.4	13.4	15.3	2.8	117.9
Right-of-use assets	40.2	10.0	4.6	2.6	57.4
Intangible assets	–	1.7	–	7.0	8.7
Depreciation charge:					
Property, plant and equipment	49.9	13.9	4.5	1.5	69.8
Right-of-use assets	36.3	3.1	3.3	4.6	47.3
Amortisation of intangibles	5.1	0.9	1.0	3.5	10.5
Impairment charge:					
Property, plant and equipment	1.7	–	–	–	1.7
Right-of-use assets	1.0	–	1.3	–	2.3
Investment in associate	–	–	0.9	–	0.9
Reversal of impairment charge:					
Property, plant and equipment	–	–	(2.0)	–	(2.0)
Right-of-use assets	(0.5)	–	–	–	(0.5)
Non-trading and exceptional items before tax	(5.4)	(0.5)	19.2	(2.7)	10.6
2022					
Capital additions:					
Property, plant and equipment	52.0	13.0	6.6	1.7	73.3
Right-of-use assets	17.0	1.6	5.0	3.5	27.1
Intangible assets	0.1	1.7	0.1	7.4	9.3
Depreciation charge:					
Property, plant and equipment	50.6	12.8	4.6	1.3	69.3
Right-of-use assets	34.0	3.0	3.5	4.3	44.8
Amortisation of intangibles	3.2	0.6	1.7	3.3	8.8
Impairment charge:					
Property, plant and equipment	5.2	0.2	–	–	5.4
Right-of-use assets	0.7	–	–	–	0.7
Goodwill and Intangible assets	–	–	–	2.3	2.3
Investment in associate	–	–	1.9	–	1.9
Non-trading and exceptional items before tax	6.2	(2.9)	0.7	5.5	9.5

GEOGRAPHICAL INFORMATION

The Group's segment assets (non-current assets being intangible assets, property plant and equipment, right-of-use assets and investments) by geographical location are detailed below:

	2023 €m	2022 €m
Netherlands	1,110.6	985.8
Belgium	385.5	362.1
UK	5.5	6.6
France	17.4	17.4
Portugal	3.3	2.5
Hungary	–	0.1
Segment assets	1,522.3	1,374.5

Notes to the financial statements CONTINUED

SECTION 3. Operating profit and tax

This section contains the notes that relate to the results and performance of the Group during the year, along with the related accounting policies that have been applied.

3.1 REVENUE RECOGNITION

The Group applies IFRS 15 Revenue from Contracts with Customers which requires companies to apportion revenue from customer contracts to separate performance obligations and recognise revenue as these performance obligations are satisfied. The majority of the Group's revenue is generated from the performance obligation to the customer to either collect and process the waste or process the waste.

In the Commercial segment where the contract with a customer includes the collection of waste with a positive value and in the Specialities segment where a customer is paid a compensation based on the composition of the waste processed, the transaction price includes an element of non-cash consideration. This increases revenue with a corresponding increase in cost of sales for the value of the waste collected or compensation paid with no impact on operating profit.

Accounting policy

Under IFRS 15 revenue is defined as income arising in the course of the Group's waste collection and processing activities and is recognised when the control of goods or services is transferred and is allocated to individual performance obligations. Revenue represents the fair value of consideration received or receivable for goods and services provided in the normal course of business, including landfill tax but excluding sales taxes, discounts and inter-company sales. Revenue is recognised either at a point in time when the goods or services are transferred or over time. Revenue is recognised over time when the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group provides the goods or services or when there is an enforceable right to payment for performance completed to date. In most cases the Group's revenue is not subject to conditions that would imply a variable consideration. There is a limited number of contracts with variable consideration where revenue is only recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Revenue recognition criteria for the key types of services have been examined, determined and documented on a divisional level, based on the general and specific contracts with customers and are as follows:

- **Inbound revenue** relates to the collection and/or processing of waste. The transaction price is based on contractually agreed prices for collecting and processing the waste and differs depending upon the nature of the contract – contracts can be an all-in-tariff, split between rent, processing and transport or a price per tonne basis for different types of waste. Due to the very short time period between the start and completion of the performance obligations (usually on the same day), the revenue recognition and the allocation of the transaction price over performance obligations is usually straightforward and dependent on the daily collection and processing of the waste.
  - **Waste collection services:** revenue is recognised at the point in time when the waste is delivered to transfer stations or to a third-party processing facility.
  - **Waste processing services:** where the Group's revenue contracts include an obligation to process waste, revenue is recognised over time based on the percentage of the processing service or activity that has been undertaken and there is an enforceable right to payment for the performance completed. Where the waste processing has a very short cycle then revenue is recognised at the point in time when the waste is processed.
- **Outbound revenue** relates to the sale of recyclate materials and products from processing waste and the generation of power. The transaction price is agreed with the customer either in a contract or in relation to a market index and is charged based on tonnage or kilowatt hour and in some situations will include an additional charge for transport services.
  - **Sale of recyclate materials and products from processing waste:** revenue is based on contractually agreed prices and is recognised at a point in time when control of the asset is transferred to the buyer.
  - **Income from power generation:** for gas produced by processes at anaerobic digestion facilities and landfill sites revenue is recognised at a point in time based on the volumes of energy produced and an estimation of the amount to be received.
- **On-site revenue** relates to activities and services provided to the customer on their own site, mainly cleaning services at customer installations. The transaction price can be a contracted lump sum or is charged by applying a fixed price per hour, litre or item depending on the nature of the contract.
- **Other** includes charges for sundry low value packing materials, waste advisory services to support customers with waste collection and treatment activities and preservation and maintenance of waste treatment facilities.

The timing of payments from customers is generally aligned to revenue recognition and subject to agreed invoice terms. Accrued income (unbilled revenue) at the balance sheet date is recognised at fair value based on services provided and contractually agreed prices. It is subsequently invoiced and accounted for as a trade receivable and further details are set out in note 4.8. Unprocessed waste may give rise to deferred revenue, where invoices to customers are raised in advance of performance obligations being completed or require an accrual for the costs of disposing of residual waste once the Group has an obligation for its disposal. These amounts are shown in deferred revenue or accruals in the consolidated financial statements as appropriate. Further details relating to deferred revenue are given in note 4.9.

SECTION 3. Operating profit and tax CONTINUED

3.1 REVENUE RECOGNITION CONTINUED

The practical expedient available under IFRS 15 has been taken whereby any financing element of the contract has been ignored as the timing difference between the satisfaction of the obligations under the contract and the receipt of payment due under the contract are expected to be one year or less.

The Group's Private Finance Initiative/Public Private Partnership (PPP) contracts in the UK Municipal business line in the Specialities division are waste management contracts which required the building of new infrastructure and all rights to the infrastructure pass to the local authority at the termination or expiry of the contract. The Group applies IFRIC 12 Service Concession Arrangements which specifies the accounting treatment applied by concession operators. Under IFRIC 12, the operator's rights over infrastructure operated under concession arrangements should be accounted for based on having considered the extent to which the grantor (the local authority) controls the assets, over what services the operator must provide with the infrastructure, to whom it must provide them and at what price. Having considered these factors, the Group applies the 'financial asset' model to account for the infrastructure as it has an unconditional right to receive cash. The Group splits the local authority payment between a service element as revenue and a repayment element that is deducted from the financial asset. The part of the service element which covers the obligation to undertake major refurbishments and renewals to maintain the infrastructure, such that it is handed over to the local authority in good working order, is known as lifecycle and is deferred and only recognised as revenue when the service is provided. Further details are given in note 4.5.

The following tables show the Group's revenue by type of service delivered and by primary geographical markets:

By type of service	Commercial Waste €m	Mineralz & Water €m	Specialities €m	Inter-segment €m	Total €m
2023					
Inbound	**1,089.6**	**153.2**	**202.4**	**(40.0)**	**1,405.2**
Outbound	**218.0**	**37.7**	**140.0**	**(4.3)**	**391.4**
On-site	**63.6**	**–**	**–**	**(0.2)**	**63.4**
Other	**26.1**	**–**	**6.2**	**–**	**32.3**
Total revenue	**1,397.3**	**190.9**	**348.6**	**(44.5)**	**1,892.3**
2022					
Inbound	1,073.0	146.5	231.4	(31.6)	1,419.3
Outbound	212.2	47.4	116.5	(3.5)	372.6
On-site	53.1	–	–	(0.2)	52.9
Other	22.2	–	2.2	–	24.4
Total revenue	1,360.5	193.9	350.1	(35.3)	1,869.2

By geographical market	Commercial Waste €m	Mineralz & Water €m	Specialities €m	Inter-segment €m	Total €m
2023					
Netherlands	**931.2**	**159.2**	**69.3**	**(42.2)**	**1,117.5**
Belgium	**466.1**	**31.7**	**46.6**	**(2.3)**	**542.1**
UK	**–**	**–**	**188.4**	**–**	**188.4**
France	**–**	**–**	**27.1**	**–**	**27.1**
Other	**–**	**–**	**17.2**	**–**	**17.2**
Total revenue	**1,397.3**	**190.9**	**348.6**	**(44.5)**	**1,892.3**
2022					
Netherlands	895.5	152.9	55.4	(32.9)	1,070.9
Belgium	465.0	41.0	39.8	(2.4)	543.4
UK	–	–	216.3	–	216.3
France	–	–	26.3	–	26.3
Other	–	–	12.3	–	12.3
Total revenue	1,360.5	193.9	350.1	(35.3)	1,869.2

Revenue recognised at a point in time amounted to €1,670.4m (2022: €1,652.5m) with the remainder recognised over time. The majority of the Commercial Waste and Specialities revenue is recognised at a point in time, whereas for Mineralz & Water 62% of revenue (2022: 57%) is recognised over time.

Notes to the financial statements CONTINUED

SECTION 3. Operating profit and tax CONTINUED

3.2 OPERATING PROFIT

Detailed below are the key amounts recognised in arriving at the operating profit for the year:

	Note	2023 €m	2022 €m
Staff costs	7.1	**433.2**	402.5
Depreciation of property, plant and equipment	4.2	**69.8**	69.3
Impairment of property, plant and equipment	4.2	**1.7**	5.4
Depreciation of right-of-use assets	4.3	**47.3**	44.8
Impairment of right-of-use assets	4.3	**1.0**	0.7
Reversal of prior year right-of-use impairment charge	4.3	**(0.5)**	–
Amortisation of intangible assets	4.1	**10.5**	8.8
Impairment of intangible assets	4.1	**–**	2.3
Impairment of investment in associate	4.4	**0.9**	1.9
Repairs and maintenance expenditure on property, plant and equipment		**109.1**	99.7
Net gain on disposal of property, plant and equipment and intangible assets		**(3.0)**	(0.8)
Expense relating to short-term leases		**20.4**	17.4
Expense relating to low-value assets		**10.2**	9.5
Income from subleasing right-of-use assets		**(1.1)**	(0.8)
Foreign exchange		**(0.5)**	–
Non-trading and exceptional items	3.3	**11.5**	9.6
Net (credit) charge for expected credit loss allowance on trade receivables and accrued income	4.8	**(2.6)**	0.6

The total remuneration of the Group's auditors, BDO LLP and its associates for services provided to the Group during the year was:

	2023 €m	2022 €m
Audit of parent company and consolidated financial statements	**0.4**	0.4
Audit of subsidiaries pursuant to legislation	**1.7**	1.3
Audit related assurance services*	**0.3**	0.2
Fees payable to the auditors pursuant to legislation	**2.4**	1.9

*Audit related assurance services included interim review, audit of ESEF tagging and climate change limited assurance.

SECTION 3. Operating profit and tax CONTINUED

3.3 NON-TRADING AND EXCEPTIONAL ITEMS

To improve the understanding of the Group's financial performance, items which are not considered to reflect the underlying performance are presented as non-trading and exceptional items. Items classified as non-trading and exceptional are disclosed separately due to their size or incidence to enable a better understanding of performance. These include, but are not limited to, significant impairments, significant restructuring of the activities of an entity including employee associated severance costs, acquisition and disposal related transaction costs, significant fires, onerous contracts arising from restructuring activities or if significant in size, profit or loss on disposal of properties or subsidiaries as these are irregular, the impact of terminating hedge derivatives, ineffectiveness of derivative financial instruments, the impact of changing the discount rate on provisions, amortisation of acquisition related intangibles and one-off tax credits or charges. The amortisation charge on acquisition related intangible assets is excluded from underlying results due to its non-trading nature in the same way as other significant items from M&A activity are excluded. The performance of the acquired business is assessed as part of the Group's underlying revenue and EBIT. By excluding this amortisation charge there is comparability across divisions and reporting periods.

Non-trading and exceptional items are considered individually and assessed at each reporting period.

	Note	2023 €m	2022 €m
Renewi 2.0 improvement programme		**3.7**	6.6
Portfolio management activity:			
Prior year disposals		**(1.7)**	(0.7)
Disposal of business assets in the Mineralz & Water division		**(3.8)**	–
		(5.5)	(0.7)
Changes in long-term provisions:			
UK Municipal reassessment of onerous contract provisions		**27.1**	–
Changes in discount rate		**(1.7)**	(3.1)
Release of legal provision relating to the alleged State Aid claim in Belgium		**(15.1)**	–
		10.3	(3.1)
Other items:			
Reversal of prior year property, plant and equipment impairment		**(2.0)**	–
Configuration or customisation costs in cloud computing, Software as a Service arrangements		**–**	3.9
Restructuring credit – cash		**–**	(0.5)
		(2.0)	3.4
Ineffectiveness and impact of termination of cash flow hedges		**(0.9)**	(0.1)
Amortisation of acquisition intangibles	4.1	**5.0**	3.4
Non-trading and exceptional items in profit before tax		**10.6**	9.5
Tax on non-trading and exceptional items		**(1.6)**	(2.4)
Exceptional tax credit		**–**	(3.7)
Total non-trading and exceptional items in profit after tax		**9.0**	3.4

Renewi 2.0 improvement programme

Renewi 2.0 improvement programme is a significant one-off business improvement project with capital and one-off costs now of €28m, previously €40m, and as a result is considered to be exceptional. Following the transformational merger in February 2017, the goal of the Renewi 2.0 programme is to make the Group more streamlined and more efficient and improve customer experience and increase employee engagement. This is the third year of the programme which is largely complete and will achieve the targeted €20m run rate of savings in the next financial year, with the final costs of €3m to be incurred and paid in the year to March 2024. The costs of €3.7m (2022: €6.6m) of which €nil (2022: €0.1m) are recorded in cost of sales and €3.7m (2022: €6.5m) are recorded in administrative expenses.

Portfolio management activity

During the current year certain business assets in the Mineralz & Water division were sold generating a profit of €3.8m (2022: €nil). The prior year disposals credit of €1.7m (2022: €0.7m) relates to an insurance claim recovery in relation to a prior disposal. The credit recognised in the prior year includes releases of warranty provisions in relation to prior year disposals. These are all recorded in administrative expenses. The line item portfolio management and provision movements in non-trading and exceptional items in the Statement of Cash Flows includes an add back of the €5.5m credit (2022: €nil) and the line item disposal of subsidiary and business assets net of acquisition of business assets includes the cash inflow of €1.7m (2022: €nil) from portfolio management activity.

Notes to the financial statements CONTINUED

SECTION 3. Operating profit and tax CONTINUED

3.3 NON-TRADING AND EXCEPTIONAL ITEMS CONTINUED

Changes in long-term provisions
The charge of €27.1m (2022: €nil) in relation to the reassessment of UK Municipal onerous contract provisions is due to revised assumptions on both lifecycle spend and cost inflation, combined with lower volumes at the ELWA contract partially offset by the indexation of customer pricing.

The credit for changes in discount rate of €1.7m is a result of the annual reassessment of risk free rates which have impacted all long-term provisions as explained further in note 4.10. The prior year credit of €3.1m related to future cash flow funding requirements in relation to Dutch landfills as a result of changes in the discount rate as determined by the relevant Dutch Province in relation to the long-term aftercare funds. These funds are managed and under the control of the Province.

On 3 March 2023 the European Commission concluded its formal investigation and determined that the Belgian Walloon Region did not provide State Aid to the Group and therefore the provision of €15.1m has been released.

The total charge of €10.3m (2022: €3.1m credit) was split €25.6m charge (2022: €3.1m credit) to cost of sales and a credit of €15.3m (2022: €nil) to administrative expenses. The line item portfolio management and provision movements in non-trading and exceptional items in the Statement of Cash Flows reflects an add back of the charge of €25.4m (2022: €1.6m) from changes in provisions.

Other items
A reversal of a prior year property, plant and equipment impairment of €2.0m relates to the Maltha CGU within Specialities as a result of improvement in performance.

Prior year configuration or customisation costs in cloud computing, Software as a Service (SaaS) arrangements of €3.9m, related to the Group updating its accounting policy on when software can be capitalised following the IFRIC interpretation. This guidance clarified the criteria for when assets could be capitalised under IAS 38 Intangible assets in relation to SaaS arrangements and it was determined that items had been capitalised which no longer met the criteria for recognition as an asset. The costs were expensed as a one-off non-trading and exceptional item due to the size, nature and incidence as they were not considered to be reflective of underlying performance in the prior years. Since 1 April 2022 all costs relating to SaaS arrangements have been recorded in underlying EBIT.

The €0.5m restructuring credit in the prior year was a release of surplus provisions following a reassessment of the costs of the Covid-19 cost action programme in the year ended March 2021.

The total credit of €2.0m (2022: €3.4m charge) was split €2.0m credit (2022: €0.5m) in cost of sales and €nil (2022: €3.9m charge) in administrative expenses.

Items recorded in finance charges and finance income
The €0.9m credit (2022: €0.1m) relates to the ineffectiveness of the Cumbria PPP project interest rate swaps as a result of a revised repayment programme for the PPP non-recourse debt.

Amortisation of acquisition intangibles
Amortisation of intangible assets acquired in business combinations of €5.0m (2022: €3.4m) is all recorded in cost of sales.

Exceptional tax credit
Where one-off tax credits or charges are deemed significant they are classified as exceptional and outside of normal tax charges. The prior year €3.7m exceptional tax credit related to changes in UK tax rates.

SECTION 3. Operating profit and tax CONTINUED

3.4 TAXATION

This section details the accounting polices applied for tax, the current and deferred tax charges or credits in the year, a reconciliation of the total tax expense to the accounting result and the movements in deferred tax assets and liabilities.

Accounting policy
Current tax is based on taxable profit or loss for the year. Taxable profit differs from profit before tax in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years or that are never taxable or deductible. The asset or liability for current tax is calculated using tax rates that have been enacted, or substantively enacted, at the balance sheet date.

Deferred tax is recognised in full where the carrying value of assets and liabilities in the financial statements is different to the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that the taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that have been enacted, or substantively enacted, at the balance sheet date. Deferred tax is charged or credited in the Income Statement, except where it relates to items charged or credited directly to equity in which case the deferred tax is also dealt with in equity. Deferred tax liabilities are not provided on taxable temporary differences arising from investments in subsidiaries as the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority.

The Group operates primarily in the Netherlands, Belgium, the UK, France and Portugal, all of which have their own tax legislation. Deferred tax assets and liabilities have been calculated based on the substantively enacted tax rates in the relevant jurisdictions at the balance sheet date or those rates expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. The Group has available tax losses, some of which have been recognised as deferred tax assets based on management's best estimate of the ability of the Group to utilise those losses.

Notes to the financial statements CONTINUED

SECTION 3. Operating profit and tax CONTINUED

3.4 TAXATION CONTINUED

Income Statement

The tax charge based on the profit for the year is made up as follows:

	2023 €m	2022 €m
Current tax		
UK corporation tax		
– Current year	**1.0**	1.4
– Adjustment in respect of prior years	**–**	(0.9)
Overseas tax		
– Current year	**26.4**	17.1
– Adjustment in respect of prior years	**0.2**	(0.2)
Total current tax charge	**27.6**	17.4
Deferred tax		
– Origination and reversal of temporary differences in the current year	**(2.5)**	(0.8)
– Adjustment in respect of prior years	**1.4**	–
– Exceptional tax credit	**–**	3.7
Total deferred tax (credit) charge	**(1.1)**	2.9
Total tax charge for the year	**26.5**	20.3

The tax on the Group's profit for the year differs from the UK standard rate of tax of 19% (2022: 19%), as explained below:

	2023 €m	2022 €m
Total profit before taxation	**93.1**	95.7
Tax charge based on UK tax rate of 19% (2022: 19%)	**17.7**	18.2
Effects of:		
Adjustment to tax charge in respect of prior years	**1.6**	(1.1)
Profits taxed at overseas tax rates	**6.3**	5.7
Non-deductible other items	**(1.4)**	3.0
Unrecognised deferred tax assets	**2.3**	(1.8)
Exceptional tax credit	**–**	(3.7)
Total tax charge for the year	**26.5**	20.3

In October 2021 the Dutch government announced an increase in the rate to 25.8% for the period ending 31 March 2023 and subsequent periods which was enacted in December 2021. In addition, a tightening of the general interest deduction rule (also referred to as the EBITDA rule) by lowering the 30% EBITDA threshold to 20% was also enacted. As a result, Dutch deferred tax has been calculated at the substantively enacted rates depending on when the timing differences are expected to reverse.

In the UK Chancellor's Budget of 3 March 2021 it was announced that the UK corporation tax rate will increase to 25% with effect from 1 April 2023. This measure was substantively enacted on 24 May 2021. As a result, the UK deferred tax position has been calculated based on the substantively enacted rate of 25% (2022: 19% and 25%). This resulted in an exceptional tax credit of €3.7m in the prior year.

Uncertain tax positions

The Dutch Tax Authorities have issued assessments adjusting the interest rate applied for tax purposes on some intra group loans from the UK to the Netherlands. The assessments will be appealed by the Group given that the interest rate charged of 5.9% is based on a detailed transfer pricing study and the Group will continue to defend the position vigorously. A provision of €1.4m is included in the accounts as a reduction in deferred tax asset in respect of losses, as this is considered to be the most probable outcome. It is noted that the maximum exposure in respect of this topic is calculated to be €11.6m (current tax charge €2.1m, deferred tax charge €9.5m) should the Group be wholly unsuccessful in its defence.

SECTION 3. Operating profit and tax CONTINUED

3.4 TAXATION CONTINUED

Deferred tax

Deferred tax is provided in full on temporary differences under the liability method using applicable local tax rates. Deferred tax assets and liabilities are only offset where there is a legally enforceable right of offset and there is an intention to settle the balances net.

The analysis of the net deferred tax liability and the net deferred tax (credit) charge in the Income Statement is set out below:

	BALANCE SHEET		INCOME STATEMENT	
	2023 €m	2022 €m	2023 €m	2022 €m
Retirement benefit schemes	**2.4**	(0.5)	**(1.0)**	(0.8)
Tax losses	**31.1**	37.1	**(6.0)**	–
Derivative financial instruments	**0.7**	0.7	**(0.2)**	–
Accelerated capital allowances*	**(39.0)**	(33.4)	**(3.2)**	5.1
Acquisition related intangibles*	**(9.9)**	(3.8)	**1.1**	0.6
Other temporary differences	**3.9**	(5.5)	**10.4**	(7.8)
At 31 March	**(10.8)**	(5.4)	**1.1**	(2.9)

*Accelerated capital allowances and acquisition related intangibles were previously presented together.

The movement in the deferred tax balance during the year was:

	2023 €m	2022 €m
Net deferred tax (liability) asset at 1 April	**(5.4)**	0.4
Acquisitions	**(9.6)**	–
Credited (charged) to Income Statement	**1.1**	(2.9)
Credited (charged) to Other Comprehensive Income	**4.5**	(4.3)
Movement in tax arising on share-based compensation	**(0.9)**	1.3
Exchange rate changes	**(0.5)**	0.1
Net deferred tax liability at 31 March	**(10.8)**	(5.4)
Analysed in the Balance Sheet, after offset of balances within countries, as:		
Deferred tax assets	**35.6**	41.6
Deferred tax liabilities	**(46.4)**	(47.0)
Net deferred tax liability at 31 March	**(10.8)**	(5.4)

The majority (at least 80%) of the €35.6m (2022: €41.6m) deferred tax assets are expected to be recovered after more than one year and the majority (at least 80%) of the €46.4m (2022: €47.0m) deferred tax liabilities are expected to reverse after more than one year.

As at 31 March 2023, the Group had unused trading losses (tax effect) of €86.6m (2022: €93.3m) available for offset against future profits. Deferred tax assets have been recognised in respect of €31.1m (2022: €37.1m) of such losses and recognition is based on management's projections of future profits in the relevant companies. No deferred tax assets have been recognised in respect of the remaining €55.5m (2022: €56.2m) due to the uncertainty of future profit streams. In addition there are other unrecognised deferred tax assets in relation to temporary differences of €43.8m (2022: €38.6m). Tax losses may be carried forward indefinitely in the relevant companies. In terms of the two material components of the recognised losses, the Dutch fiscal unity losses of €9.6m (2022: €15.4m) are expected to be used during the next two years due to strong profit streams and losses of €7.5m (2022: €8.3m) relate to highly predictable profit streams from UK interest income on intercompany receivables. Changes in future profitability will impact the recoverability of the deferred tax assets recognised in respect of losses. A 10% decrease in profitability would result in a reduction of €3.1m in the value of the deferred tax assets.

No liability has been recognised on the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries. This is because the Group is in a position to control the timing and method of the reversal of the differences and it is probable that such differences will not give rise to a tax liability in the foreseeable future. The total temporary difference at 31 March 2023 amounted to €280.9m (2022: €243.8m) and unrecognised deferred tax estimated to arise on the unremitted earnings is €nil (2022: €nil) which would relate to taxes payable on repatriation and dividend withholding taxes levied by overseas jurisdictions. UK tax legislation relating to company distributions provides for exemption from tax for most repatriated profits, subject to certain exemptions.

Notes to the financial statements CONTINUED

SECTION 3. Operating profit and tax CONTINUED

3.5 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to the owners of the parent entity by the weighted average number of ordinary shares during the year excluding shares held by the Employee Share Trust.

Diluted earnings per share is calculated by dividing profit for the year attributable to the owners of the parent entity by the weighted average number of ordinary shares during the year plus the weighted average number of any commitments made by the Group to issue shares in the future.

Underlying basic and diluted earnings per share exclude non-trading and exceptional items, net of related tax. Non-trading and exceptional items are those items that are disclosed separately on the face of the Income Statement, because of their size or incidence, to enable a better understanding of performance. The Directors believe that adjusting earnings per share in this way enables comparison with historical data calculated on the same basis to reflect the business performance in a consistent manner and reflect how the business is managed and measured on a day to day basis.

	2023			2022		
	Basic	**Dilutions**	**Diluted**	**Basic**	**Dilutions**	**Diluted**
Weighted average number of shares (million)	**79.4**	**0.2**	**79.6**	79.7	0.4	80.1
Profit after tax (€m)	**66.6**	**–**	**66.6**	75.4	–	75.4
Non-controlling interests (€m)	**(3.7)**	**–**	**(3.7)**	(0.9)	–	(0.9)
Profit after tax attributable to ordinary shareholders (€m)	**62.9**	**–**	**62.9**	74.5	–	74.5
Basic earnings per share (cents)	**79**	**–**	**79**	93	–	93

The reconciliation between underlying earnings per share and basic earnings per share is as follows:

	2023		2022	
	Cents	**€m**	**Cents**	**€m**
Underlying earnings per share/Underlying profit after tax attributable to ordinary shareholders	**90**	**71.9**	98	77.9
Adjustments:				
Non-trading and exceptional items	**(13)**	**(10.6)**	(12)	(9.5)
Tax on non-trading and exceptional items	**2**	**1.6**	3	2.4
Exceptional tax	**–**	**–**	4	3.7
Basic earnings per share/Earnings after tax attributable to ordinary shareholders	**79**	**62.9**	93	74.5
Diluted underlying earnings per share/Underlying profit after tax attributable to ordinary shareholders	**90**	**71.9**	98	77.9
Diluted basic earnings per share/Earnings after tax attributable to ordinary shareholders	**79**	**62.9**	93	74.5

SECTION 4. Operating assets and liabilities

This section contains Balance Sheet notes showing the assets and liabilities used to generate the Group's results and the related accounting policies.

4.1 INTANGIBLE ASSETS

Accounting policy

Goodwill represents the excess of the purchase consideration over the fair value of the Group's share of the net identifiable assets at the date of acquisition and is measured at cost less accumulated impairment losses. Goodwill arising on acquisitions prior to the date of transition to IFRS (31 March 2004) has been retained at the previous UK GAAP net book value following impairment tests.

For the purpose of impairment testing, goodwill is allocated to those cash generating units (CGUs) or groups of CGUs that are expected to benefit from the synergies of the business combination. Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate a potential impairment. Any impairment is charged immediately to the Income Statement and is not reversed in a subsequent period. In conducting the impairment review on goodwill and intangibles, management is required to make estimates of pre-tax discount rates, future profitability and growth rates. The pre-tax discount rates are derived from the Group's weighted average cost of capital (WACC) which takes into account the capital structure of the Group, the cost of risk-free rate finance and the relative volatility of the equity of the Group compared to the market and is adjusted by management as considered appropriate for each CGU.

Landfill void represents the value of landfill capacity to deposit waste in two landfill sites in the Netherlands. The initial landfill void was capitalised at fair value on the acquisition of a Dutch operation in 2006 and further void has been acquired in relation to the Maasvlakte landfill site in Mineralz & Water and capitalised at cost. The assets are amortised over their estimated useful life on a void usage basis and measured at cost less accumulated amortisation. The estimated remaining useful life is up to 14 years.

Relating to the Group's software and systems development an internally generated intangible asset is recognised when an asset is created that can be identified, it is probable that the asset will generate future economic benefits that the Group controls and the development cost can be reliably measured. With regard to configuration and customisation costs incurred when implementing Software as a Service (SaaS) arrangements:

- In SaaS arrangements where the Group controls the underlying software, configuration and customisation costs are capitalised as part of bringing the identified intangible asset into use.
- Where the Group does not control the underlying software, but the related configuration and customisation costs are not distinct from access to the software, these costs are expensed over the term of the SaaS contract.
- In all other circumstances, configuration and customisation costs are recognised as an expense as incurred, except in the limited instances where these costs result in a separately identifiable intangible asset.

Other intangible assets are capitalised on the basis of the fair value of the assets acquired or on the basis of costs incurred to purchase and bring the assets into use. They are subsequently measured at cost less accumulated amortisation.

Amortisation is charged over the estimated useful life on a straight-line basis, as follows:

Contract right relating to leasehold land	Term of the lease
Contract right relating to PPP contracts in Municipal	Term of the contract
Computer software	Up to 5 years
Acquisition related intangibles:	
Waste permits and licences*	5 to 34 years
Customer relationships*	Up to 14 years

*The remaining useful life of customer relationships is based on analysis of historical churn patterns of the client base and for permits where the term is indefinite and are related to a leased site, the useful life is the remaining term of the leasehold land.

Notes to the financial statements CONTINUED

SECTION 4. Operating assets and liabilities CONTINUED

4.1 INTANGIBLE ASSETS CONTINUED

Intangible assets are analysed as follows:

	Goodwill €m	Landfill void €m	Computer software and others €m	Acquisition related intangibles €m	Total €m
Cost					
At 1 April 2021	624.8	27.3	42.4	73.7	768.2
Additions	–	1.6	7.7	–	9.3
Acquisition through business combinations (note 6.1)	–	–	–	0.3	0.3
Disposals	–	–	(9.1)	(0.1)	(9.2)
Reclassifications	–	–	(0.4)	–	(0.4)
At 31 March 2022	624.8	28.9	40.6	73.9	768.2
Additions	–	1.7	7.0	–	8.7
Acquisition through business combinations (note 6.1)	17.4	–	–	27.9	45.3
Disposals	–	–	(0.1)	(0.1)	(0.2)
Exchange rate changes	–	–	(0.5)	–	(0.5)
At 31 March 2023	**642.2**	**30.6**	**47.0**	**101.7**	**821.5**
Accumulated amortisation and impairment					
At 1 April 2021	73.2	22.0	26.5	51.6	173.3
Amortisation charge	–	1.2	4.2	3.4	8.8
Impairment charge	–	–	2.3	–	2.3
Disposals	–	–	(8.9)	(0.1)	(9.0)
At 31 March 2022	73.2	23.2	24.1	54.9	175.4
Amortisation charge	–	1.6	3.9	5.0	10.5
Disposals	–	–	(0.1)	(0.1)	(0.2)
Exchange rate changes	–	–	(0.5)	–	(0.5)
At 31 March 2023	**73.2**	**24.8**	**27.4**	**59.8**	**185.2**
Net book value					
At 31 March 2023	**569.0**	**5.8**	**19.6**	**41.9**	**636.3**
At 31 March 2022	551.6	5.7	16.5	19.0	592.8
At 1 April 2021	551.6	5.3	15.9	22.1	594.9

Of the total amortisation charge of €10.5m (2022: €8.8m), €5.0m (2022: €3.4m) related to acquisition related intangible assets which has been charged in cost of sales. Of the remaining amortisation expense of €5.5m (2022: €5.4m), €1.8m (2022: €1.3m) has been charged in cost of sales and €3.7m (2022: €4.1m) has been charged in administrative expenses.

The prior year impairment charge of €2.3m is a result of a detailed review of computer software assets.

The net book value of acquisition related intangibles of €41.9m (2022: €19.0m) includes customer relationships of €32.6m (2022: €14.6m) and permits of €9.1m (2022: €4.1m).

SECTION 4. Operating assets and liabilities CONTINUED

4.1 INTANGIBLE ASSETS CONTINUED

Goodwill impairment

Impairment testing is carried out at a CGU level on an annual basis.

The material CGUs are Netherlands Commercial Waste, Belgium Commercial Waste and Mineralz & Water. A summary of the closing net book value of goodwill by reportable segment is set out below:

	2023 €m	2022 €m
Netherlands Commercial Waste	**279.5**	262.1
Belgium Commercial Waste	**136.3**	136.3
Commercial Waste	**415.8**	398.4
Mineralz & Water	**129.5**	129.5
Specialities	**23.7**	23.7
Total goodwill	**569.0**	551.6

The Group estimates the recoverable amount of a CGU using a value in use model by projecting cash flows for the next five years together with a terminal value using a long-term growth rate. However, given a landfill closure in Mineralz & Water CGU it is more appropriate to use a 14 year model for projecting cash flows. The five year plans used in the impairment models are based on management's past experience and future expectations of performance. They also reflect the planned changes in the CGUs as a result of improvement initiatives and actions instigated in the current year. The key assumptions underpinning the recoverable amounts of the CGUs tested for impairment are forecast revenue and underlying EBIT, taking into account the increase in energy prices and other inflationary pressures as a result of recent macroeconomic developments. The forecast revenues in these models are based on management's predictions of overall market growth rates, including both volume and price. The cash flows include management's estimate of the impact of the ongoing high levels of inflation, and an assumption that recyclate prices remain at long-term averages despite the expected increased demand for these products driven by climate change-related targets and legislation. The pre-tax discount rate reflects the Group's assessment of the risks related to the CGUs and the countries in which they operate.

For each of the material CGUs, the key assumptions used in the value in use calculations are shown below:

2023	Netherlands Commercial Waste	Belgium Commercial Waste	Mineralz & Water
Revenue (% annual growth rate from year 1 to year 5)	**2.7%**	**4.1%**	**3.7%**
Underlying EBIT margin (average % of revenue for years 1 to year 5)	**6.5%**	**8.0%**	**7.3%**
Long-term growth rate*	**2.0%**	**2.0%**	**2.0%**
Pre-tax discount rate	**8.8%**	**9.6%**	**8.9%**

*For the Mineralz & Water CGU the terminal long-term growth rate of 2.0% is applied to all results with the exception of landfills where permits cease.

2022	Netherlands Commercial Waste	Belgium Commercial Waste	Mineralz & Water
Revenue (% annual growth rate from year 1 to year 5)	2.9%	3.5%	2.5%
Underlying EBIT margin (average % of revenue for years 1 to year 5)	8.0%	8.9%	7.7%
Long-term growth rate*	2.0%	2.0%	2.0%
Pre-tax discount rate	8.7%	9.7%	9.0%

*For the Mineralz & Water CGU the terminal long-term growth rate of 2.0% is applied to all results with the exception of landfills where permits cease.

A long-term growth rate of 2% is considered an appropriate representation of the long-term growth rate for the industry and in the countries in which the Group operates.

Sensitivity to changes in assumptions

The Group performs sensitivity analysis on the impairment testing by considering reasonably possible changes in the key assumptions used. This includes weaker macroeconomic conditions resulting in a volume decline, a significant decline in recyclate prices and operational downtime in some of our facilities. For all CGUs a change in discount rate of 1% demonstrated that there is still appropriate headroom and it is concluded that no reasonably possible change to this or the other assumptions would result in an impairment charge.

SECTION 4. Operating assets and liabilities CONTINUED

4.2 PROPERTY, PLANT AND EQUIPMENT

Accounting policy

Property, plant and equipment, except for freehold land and assets under construction, is stated at cost less accumulated depreciation and provision for impairment. Freehold land is not depreciated. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. The asset's residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

Where a government grant has been received in relation to an item of capital expenditure it is generally deducted from the carrying amount of the asset purchased once all the conditions have been met. However, where the grant has been received and the conditions of the grant have not been fully met then the government grant is recognised as a liability at the value of the cash received and is subsequently transferred to the asset once all conditions are fully met.

Assets other than goodwill are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. An impairment loss is recognised immediately as an operating expense and at each subsequent reporting date the impairment is reviewed for possible reversal.

Depreciation is provided to write off cost (less the expected residual value) on a straight-line basis over the expected useful economic lives as follows:

Buildings	Up to 30 years
Landfill site development costs including engineering works	Up to 30 years (over the operational life of the site)
Plant and installations	Up to 20 years
Trucks, cars and service vehicles	Up to 12 years
Other items of plant and machinery	Up to 15 years
Computer equipment	Up to 5 years
Fixtures and fittings	Up to 10 years

SECTION 4. Operating assets and liabilities CONTINUED

4.2 PROPERTY, PLANT AND EQUIPMENT CONTINUED

Property, plant and equipment are analysed as follows:

	Land and buildings €m	Landfill sites €m	Plant and machinery €m	Total €m
Cost				
At 1 April 2021	476.6	68.4	732.7	1,277.7
Additions	17.3	0.5	55.5	73.3
Acquisition through business combinations (note 6.1)	–	–	0.2	0.2
Disposals	(1.5)	(0.5)	(52.9)	(54.9)
Transferred to Assets held for sale (note 6.3)	(6.7)	–	–	(6.7)
Reclassifications	–	–	0.4	0.4
Exchange rate changes	0.1	–	–	0.1
At 31 March 2022	485.8	68.4	735.9	1,290.1
Additions	28.4	0.1	89.4	117.9
Acquisition through business combinations (note 6.1)	12.5	–	6.5	19.0
Disposals	(7.8)	(1.8)	(33.7)	(43.3)
Transferred to Assets held for sale (note 6.3)	–	–	(6.8)	(6.8)
Transferred from right-of-use asset to property, plant and equipment	0.2	–	6.8	7.0
Reclassifications	1.8	–	(0.7)	1.1
Exchange rate changes	(0.3)	–	(0.3)	(0.6)
At 31 March 2023	**520.6**	**66.7**	**797.1**	**1,384.4**
Accumulated depreciation and impairment				
At 1 April 2021	167.7	52.1	497.2	717.0
Depreciation charge	14.0	2.2	53.1	69.3
Impairment charge	0.2	–	5.2	5.4
Disposals	(1.1)	(0.4)	(49.7)	(51.2)
Transferred to Assets held for sale (note 6.3)	(4.1)	–	–	(4.1)
Exchange rate changes	0.1	–	–	0.1
At 31 March 2022	176.8	53.9	505.8	736.5
Depreciation charge	14.4	1.8	53.6	69.8
Impairment charge	0.2	–	1.5	1.7
Reversal of a prior year's impairment charge	–	–	(2.0)	(2.0)
Disposals	(5.6)	(1.5)	(31.3)	(38.4)
Transferred to Assets held for sale (note 6.3)	–	–	(6.7)	(6.7)
Transferred from right-of-use asset to property, plant and equipment	0.1	–	4.9	5.0
Reclassifications	1.8	–	(0.7)	1.1
Exchange rate changes	(0.3)	–	(0.2)	(0.5)
At 31 March 2023	**187.4**	**54.2**	**524.9**	**766.5**
Net book value				
At 31 March 2023	**333.2**	**12.5**	**272.2**	**617.9**
At 31 March 2022	309.0	14.5	230.1	553.6
At 1 April 2021	308.9	16.3	235.5	560.7

Depreciation expense of €67.4m (2022: €66.6m) has been charged in cost of sales and €2.4m (2022: €2.7m) in administrative expenses.

The current year impairment charge of €1.7m has arisen in the Netherlands Commercial division partly due to a fire at one of the sites and a detailed review of carrying value of assets including trucks. The reversal of a prior year's impairment charge relates to the Maltha CGU as a result of improved performance at a specific site. The prior year impairment charge of €5.4m related to several sites across the Commercial division following detailed reviews which included €1.4m in relation to the advanced sorting project in Belgium. The impairment charge of €1.7m (2022: €5.4m) has been charged to cost of sales and the reversal of the prior year impairment has been credited to non-trading and exceptional cost of sales.

SECTION 4. Operating assets and liabilities CONTINUED

4.2 PROPERTY, PLANT AND EQUIPMENT CONTINUED

Included within the net book value of property, plant and equipment of €617.9m (2022: €553.6m) are assets under construction of which €26.7m (2022: €16.5m) is plant and machinery and €6.1m (2022: €2.5m) is land and buildings. The net book value of plant and machinery of €272.2m (2022: €230.1m) includes €149.3m (2022: €109.7m) of plant and installations, €51.4m (2022: €55.5m) of machinery and €64.8m (2022: €59.3m) of containers.

4.3 RIGHT-OF-USE ASSETS

Accounting policy

Right-of-use assets are recognised at the lease liability commencement date and are initially measured at cost which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and initial direct costs incurred. Where the Group is contractually required to dismantle, remove or restore the leased asset at the inception of the lease the amount of the related dilapidation provision is recognised in the cost of the right-of-use asset. Where a right-of-use asset is acquired in an IFRS 3 Business combination, where appropriate, the asset value is adjusted to reflect the terms which are either favourable or unfavourable compared to market terms.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. If the lessor transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option, then the right-of-use asset is depreciated over the useful life of the underlying asset, which is determined on the same basis as those in property, plant and equipment. The lease liability is remeasured if the Group changes its assessment of whether it will exercise a purchase extension or termination option or if there is a revision to fixed lease payments. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset. The Group leases out a limited number of right-of-use assets which are classified as operating leases from a lessor perspective with the exception of a sub-lease which is classified as a finance sub-lease.

Right-of-use assets are reviewed for impairment whenever events or circumstances indicate that the carrying value may not be recoverable following the same approach as property, plant and equipment as stated in note 4.2.

SECTION 4. Operating assets and liabilities CONTINUED

4.3 RIGHT-OF-USE ASSETS CONTINUED

Right-of-use assets are analysed as follows:

	Restated* Land and buildings €m	Plant and machinery €m	Restated* Total €m
Cost			
At 1 April 2021 - restated*	135.4	178.3	313.7
Additions/modifications	9.9	17.2	27.1
Disposals	(2.2)	(6.2)	(8.4)
Exchange rate changes	0.2	–	0.2
At 31 March 2022 - restated	143.3	189.3	332.6
Additions/modifications	18.2	39.2	57.4
Acquisition through business combinations (note 6.1)	30.9	7.5	38.4
Disposals	(7.5)	(9.3)	(16.8)
Transferred from right-of-use asset to property, plant and equipment	(0.2)	(6.8)	(7.0)
Reclassifications	1.3	(2.4)	(1.1)
Exchange rate changes	(0.6)	(0.1)	(0.7)
At 31 March 2023	**185.4**	**217.4**	**402.8**
Accumulated depreciation and impairment			
At 1 April 2021 - restated*	25.6	54.3	79.9
Depreciation charge	10.4	34.4	44.8
Impairment charge	0.2	0.5	0.7
Disposals	(1.3)	(5.5)	(6.8)
Exchange rate changes	0.2	–	0.2
At 31 March 2022 - restated	35.1	83.7	118.8
Depreciation charge	11.4	35.9	47.3
Impairment charge	–	2.3	2.3
Reversal of a prior year's impairment charge	(0.5)	–	(0.5)
Disposals	(3.1)	(8.3)	(11.4)
Transferred from right-of-use asset to property, plant and equipment	(0.1)	(4.9)	(5.0)
Reclassifications	(0.3)	(0.8)	(1.1)
Exchange rate changes	(0.6)	(0.1)	(0.7)
At 31 March 2023	**41.9**	**107.8**	**149.7**
Net book value			
At 31 March 2023	**143.5**	**109.6**	**253.1**
At 31 March 2022	108.2	105.6	213.8
At 1 April 2021	109.8	124.0	233.8

*The comparatives have been restated due to a prior period adjustment as explained in section 1 Basis of preparation.

The net book value of plant and machinery right-of-use assets includes €0.9m (2022: €1.7m) of plant and installations, €97.5m (2022: €90.1m) of machinery including trucks and €11.2m (2022: €13.7m) of company cars.

Depreciation expense of €40.4m (2022: €37.3m) has been charged in cost of sales and €6.9m (2022: €7.5m) in administrative expenses.

The impairment charge of €2.3m related to €1.3m of assets in UK Municipal onerous contracts which were recorded as a utilisation of the onerous contract provision and €1.0m was charged to cost of sales in relation to the Netherlands Commercial division principally due to a plant reconfiguration which has resulted in an asset being scrapped earlier than previously expected. The prior year impairment charge of €0.7m was principally a small number of trucks in the Commercial division.

Notes to the financial statements CONTINUED

SECTION 4. Operating assets and liabilities CONTINUED

4.4 INVESTMENTS AND LOANS TO ASSOCIATES AND JOINT VENTURES

Accounting policy

Investments in associates and joint ventures are accounted for using the equity method of accounting and are initially recognised at cost or at fair value in the case of a disposal of the majority shareholding. The cumulative post-acquisition profits or losses and movements in Other Comprehensive Income are adjusted against the carrying amount of the investment. When the Group's share of losses exceeds the carrying amount of the joint venture or associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture or associate. Accounting policies of associates and joint ventures have been adjusted where necessary to ensure consistency with the policies of the Group. Where there is evidence that the investment in an associate or joint venture has been impaired the carrying value of the investment is tested for impairment in the same way as other non-financial assets.

For the other unlisted investments the Group made an irrevocable election to classify these at fair value through Other Comprehensive Income rather than profit or loss because this is considered to be more appropriate for these strategic investments. They were initially recorded at fair value and then remeasured at subsequent reporting dates with the unrealised gains and losses recognised in Other Comprehensive Income.

Short-term investments are measured at fair value through profit or loss with unrealised gains and losses recognised in the Income Statement.

Loans to associates and joint ventures are measured at amortised cost and where appropriate a 12-month expected credit loss allowance is recorded on initial recognition. If there is subsequent evidence of a significant increase in the credit risk the allowance is increased to reflect the full lifetime expected credit loss.

The carrying amount of investments and loans to associates and joint ventures are as follows:

	LOANS	INVESTMENTS				
	Loans to associates and joint ventures €m	**Joint ventures €m**	**Associates €m**	**Other unlisted investments €m**	**Short-term investments €m**	**Total investments €m**
At 1 April 2021	0.9	1.9	10.7	4.6	9.3	26.5
Additions	–	–	–	–	2.2	2.2
Transferred to Assets held for sale (note 6.3)	–	–	(0.7)	–	–	(0.7)
Share of retained profits	–	0.1	0.4	–	–	0.5
Dividend income	–	(0.5)	(0.8)	–	–	(1.3)
Fair value adjustment on cash flow hedges	–	–	0.5	–	–	0.5
Fair value movement on short-term investments	–	–	–	–	(0.4)	(0.4)
Impairment charge	–	–	(1.9)	–	–	(1.9)
At 31 March 2022	0.9	1.5	8.2	4.6	11.1	25.4
Additions	0.4	–	2.0	–	–	2.0
Repayments	(0.3)	–	–	–	–	–
Share of retained profits	–	0.5	(0.5)	–	–	–
Dividend income	–	(0.1)	(0.5)	–	–	(0.6)
Fair value adjustment on cash flow hedges	–	–	0.3	–	–	0.3
Fair value movement on short-term investments	–	–	–	–	(0.2)	(0.2)
Impairment charge	–	–	(0.9)	–	–	(0.9)
Disposals	–	(0.1)	(0.1)	–	–	(0.2)
Reclassification	–	(0.7)	0.7	–	–	–
Exchange rate changes	–	–	(0.1)	–	–	(0.1)
At 31 March 2023	**1.0**	**1.1**	**9.1**	**4.6**	**10.9**	**25.7**

Of the loans to associates and joint ventures totalling €1.0m (2022: €0.9m), €0.8m (2022: €0.9m) are current and €0.2m (2022: €nil) are non-current. Total investments are split €10.9m current (2022: €11.1m) and €14.8m non-current (2022: €14.3m).

Investments in joint ventures are held at €nil when the Group's share of losses exceeds the carrying amount. The Group has not recognised an investment value in relation to the UK Municipal Wakefield Waste Holdings Limited joint venture as there are insufficient future cash flows to support a carrying value. The Group's share of profits in the year was €3.5m (2022: €3.1m) which resulted in a cumulative profit of €4.6m (2022: €1.1m).

SECTION 4. Operating assets and liabilities CONTINUED

4.4 INVESTMENTS AND LOANS TO ASSOCIATES AND JOINT VENTURES CONTINUED

Where the associate or joint venture holds non-recourse PPP debt there is a restriction on payment of dividends, which is due to the terms of the financing facility agreements and as such requires lender approval.

Details of joint ventures and associated investments are shown in note 8.1. No joint venture or associate is considered individually material to the Group for further disclosure.

4.5 FINANCIAL ASSETS RELATING TO PPP CONTRACTS

Accounting policies and key judgements

Financial assets relating to PPP contracts are classified as financial assets at amortised cost and are initially recognised at the fair value of consideration receivable and subsequently at amortised cost. These service concession arrangements under IFRIC 12 represent the present value of the future cash flows of the contract. These cash flows are dependent on, amongst other things, tonnages, indexation, recycling rates and labour costs.

The IFRS 9 general approach is applied in relation to expected credit loss which requires an allowance to be recorded on initial recognition if appropriate and then at each reporting date an assessment is made to determine the changes in the risk of default occurring over the expected life of the financial asset. The UK Municipal division entered into PPP long-term waste management contracts with local authorities which included the infrastructure capital costs. UK local authorities have historically held a strong credit profile with the capacity to meet financial commitments and none have ever defaulted. These financial assets are assessed to have low credit risk based on low risk of default, the vital nature of the service being provided and strong financial capacity to meet contractual cash flow obligations in the near term. Adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the local authority's ability to fulfil its obligations.

The Group is the operator for one class of service concession arrangements, that of the provision of waste treatment and waste treatment facilities, and these are classified as service concession arrangements in accordance with IFRIC 12. If the Group underperforms, including failure to divert waste from landfill, the contract can be terminated before the end of its term.

The Group's UK PPP arrangements relate to the construction and operation of waste management facilities for local authorities and at the end of the concession arrangement the facility will be handed over to the local authority. The building of the facilities was governed by the engineer, procure and construct contract entered into by the Group at that time. The construction work was undertaken by third-party contractors with drawdowns of financing from the UK PPP funders used to pay the subcontractor for the construction works. The Group considered all relevant factors in the contractual arrangements between the parties to determine whether the Group acted as agent or principal during the construction phase. On the basis that the construction contractor was known to the local authority at the date of financial close and in view of the negligible credit risk taken by the Group, on balance, despite some overall risk residing with the Group for delivery of services, the Group acted as agent versus principal in the provision of construction services.

In light of these conclusions and the historical presentation of the revenue and costs associated with the construction services net in the Income Statement, we consider that the most appropriate classification of the PPP non-recourse debt cash flows in the Statement of Cash Flows is as financing outflows and capital received in relation to PPP financial assets as investing cash flows and not as operating cash flows. This classification has been consistently applied to all periods presented in the financial statements.

Notes to the financial statements CONTINUED

SECTION 4. Operating assets and liabilities CONTINUED

4.5 FINANCIAL ASSETS RELATING TO PPP CONTRACTS CONTINUED

The table below sets out the Group's interest in service concession arrangements as at 31 March 2023. There have been no changes to any of the arrangements during the year ended 31 March 2023.

Contract	Financial close	Full-Service Commencement	Contract Expiry	Interests in Special Purpose Vehicle
Argyll & Bute	September 2001	April 2003	September 2026	Renewi: 100%
Cumbria	June 2009	April 2013	June 2034	Renewi: 100%
Wakefield	January 2013	December 2015	February 2038	Renewi: 50.001% Equitix Infrastructure 4 Limited: 49.999%
Barnsley, Doncaster and Rotherham	March 2012	July 2015	June 2040	Renewi: 100%
East London Waste Authority	December 2002	August 2007	December 2027	Renewi: 20% JLEN Environmental Assets Group (UK) Limited: 80%

The movements in financial assets during the year were as follows:

	€m
At 1 April 2021	149.1
Income recognised in the Income Statement: Interest Income (note 5.4)	9.0
Advances	0.3
Repayments	(16.1)
Exchange rate changes	1.1
At 31 March 2022	143.4
Income recognised in the Income Statement: Interest Income (note 5.4)	**8.6**
Advances	**0.5**
Repayments	**(16.1)**
Exchange rate changes	**(5.4)**
At 31 March 2023	**131.0**
Current	**7.6**
Non-current	**123.4**
At 31 March 2023	**131.0**
Current	7.7
Non-current	135.7
At 31 March 2022	143.4

At 31 March 2023 and 2022 there was no expected credit loss allowance recorded in relation to the financial assets relating to PPP contracts as explained in note 5.7.

The table below reconciles the financial asset repayments to the Statement of Cash Flows:

	2023 €m	2022 €m
Capital received in respect of PPP financial assets included in outflows in respect of PPP arrangements under the financial asset model net of capital received in cash flows from investing activities	**6.6**	6.2
Interest in relation to PPP financial assets included in finance income in cash flows from investing activities	**9.5**	9.9
	16.1	16.1

SECTION 4. Operating assets and liabilities CONTINUED

4.6 CAPITAL COMMITMENTS

	2023 €m	2022 €m
Contracts placed for future intangible assets	**7.6**	2.7
Contracts placed for future capital expenditure on property, plant and equipment	**53.1**	38.6
Contracts placed for future right-of-use assets	**17.7**	38.8
Contracts placed for future capital expenditure on financial assets	**–**	0.3

4.7 INVENTORIES

Accounting policy

Inventories are stated at the lower of cost and net realisable value and are measured on a first in first out basis.

Inventories are analysed as follows:

	2023 €m	2022 €m
Raw materials and consumables	**15.0**	13.8
Finished goods	**10.2**	8.7
	25.2	22.5

In the year there was a write down of €0.1m (2022: €0.3m) of inventories to net realisable in the Commercial Waste division. The charge was recognised as a cost of sale.

4.8 TRADE AND OTHER RECEIVABLES

Accounting policy

Trade receivables and accrued income do not carry interest and are initially recognised at the transaction price and are subsequently measured at amortised cost net of impairment loss allowances. Accrued income relates to the Group's rights to consideration for work completed but not billed at the reporting date until they become unconditional, at which point they are transferred to trade receivables. Unbilled amounts arise when revenue is recognised prior to an invoice being raised to the customer; typically, this arises when supporting documentation is required to be delivered with the invoice, the invoice needs to be agreed with the customer prior to issue or revenue is recognised over time with the invoice only raised on completion of all the performance obligations.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected allowance for all trade receivables and accrued income and includes an assessment of both the current and forecast conditions at the reporting date. To measure the ECL, trade receivables and accrued income have been assessed by the divisions and grouped based on ageing. Accrued income relates to unbilled services provided and has substantially the same risk characteristics as trade receivables. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for accrued income. The ECL on trade receivables and accrued income is estimated using a provision matrix by reference to payment profiles of revenue. In addition outstanding trade receivables and accrued income are reviewed on a detailed customer by customer basis taking into account general economic conditions of the industry in which the debtor operates in, past default experience and an analysis of the current customer financial position. The Group has not seen a marked increase in trade receivable write-offs as a result of the increased energy prices and high inflationary environment however based on external data it is expected that the number of bankruptcies will increase.

For receivables other than trade receivables and accrued income the general approach under IFRS 9 is applied which requires an ECL allowance to be recorded on initial recognition if appropriate and then at each reporting date an assessment is made to determine any changes in the risk of default occurring over the expected life of the receivable.

Notes to the financial statements CONTINUED

SECTION 4. Operating assets and liabilities CONTINUED

4.8 TRADE AND OTHER RECEIVABLES CONTINUED

The Group has an invoice finance facility whereby certain of its trade receivables are sold for an upfront cash payment to a third party on a regular basis and are recognised to the extent of the Group's continuing involvement. For the trade receivables derecognised the Group has not retained substantially all the risks and rewards of ownership and control has not passed to the third party. The Group continues to recognise part of the trade receivable according to the Group's continuing exposure to the risks and rewards, the value is minimal and is determined by the extent to which the Group is exposed to any remaining late payment risk. The Group continues to perform the servicing of the receivables sold and is not authorised to use the receivables sold other than in its capacity as servicer. The value of this service is not considered material for specific disclosure.

Other receivables includes amounts recoverable under invoice finance arrangements from the third party which are classified at fair value through profit and loss. The classification is appropriate as the receivables are held within a business model which has the objective to sell contractual cash flows. Amounts owed under leases where the Group is the lessor and the terms of the lease meet the definition of a finance lease are also classified as other receivables.

Trade and other receivables are analysed as follows:

	2023 €m	2022 €m
Non-current assets		
Other receivables	**1.0**	0.9
Prepayments	**2.7**	4.2
	3.7	5.1
Current assets		
Trade receivables	**192.8**	177.8
Accrued income	**86.7**	86.2
Expected credit loss allowance	**(22.2)**	(26.0)
Trade receivables and accrued income – net	**257.3**	238.0
Other receivables	**16.6**	16.5
Prepayments	**15.7**	14.8
	289.6	269.3

The carrying amounts of trade and other receivables are denominated in the following currencies:

	2023 €m	2022 €m
Euro	**262.0**	237.3
Sterling	**31.3**	37.1
	293.3	274.4

As at 31 March 2023 the total value of trade receivables subject to the invoice finance facilities, which are derecognised and therefore not included above, was €103.3m (2022: €90.4m). The Group recognises the continuing involvement carrying amount in trade receivables of €1.2m (2022: €0.3m) and therefore the net amount of transferred assets was €102.1m (2022: €90.1m). The carrying amount of the associated liability was €1.2m (2022: €0.3m). The Group considers that the carrying amount of the continuing involvement asset and related liability equals the fair value.

The amount owed to the Group from the financial institutions providing invoice finance facilities is €10.8m (2022: €9.5m). This represents the portion of the receivable that has been sold that is not advanced but is covered by credit insurance and is included within other receivables. This classification also includes €1.0m (2022: €1.0m) relating to the net investment in leases where the Group acts as lessor of which €0.9m (2022: €0.9m) is non-current and €0.1m (2022: €0.1m) is current. No financial assets within other receivables were impaired in the current or prior year.

SECTION 4. Operating assets and liabilities CONTINUED

4.8 TRADE AND OTHER RECEIVABLES CONTINUED

The expected credit loss allowance for trade receivables and accrued income is equivalent to 8% (2022: 10%) of gross trade receivables and accrued income and the movement in the loss allowance is shown below:

	2023 €m	2022 €m
At 1 April	**26.0**	25.9
Charged to Income Statement	**0.4**	0.6
Released to Income Statement	**(2.9)**	–
Utilised	**(0.7)**	(0.6)
Exchange rate changes	**(0.6)**	0.1
At 31 March	**22.2**	26.0

The expected credit loss allowance includes €14.8m (2022: €15.4m) in relation to 100% of the gross receivable balance for the receivables relating to the terminated Derby contract in the UK Municipal business line within Specialities. There has been no change in the value of this loss allowance with the decrease from 2022 to 2023 representing a movement in foreign exchange. For both March 2023 and March 2022 this receivable is included in the category of more than 180 days past due.

The expected credit loss allowance for trade receivables and accrued income is as follows:

31 March 2023	**Current**	**More than 30 days past due**	**More than 90 days past due**	**More than 180 days past due**	**Total**
Expected loss rate %	**1%**	**6%**	**11%**	**84%**	**8%**
Gross carrying amount (€m)	**245.0**	**6.8**	**5.5**	**22.2**	**279.5**
Expected credit loss allowance (€m)	**2.5**	**0.4**	**0.6**	**18.7**	**22.2**
31 March 2022					
Expected loss rate %	2%	18%	30%	90%	10%
Gross carrying amount (€m)	237.0	3.4	2.0	21.6	264.0
Expected credit loss allowance (€m)	5.3	0.6	0.6	19.5	26.0

The increase in receivables in the Statement of Cash Flows of €12.2m differs to the balance sheet movement of €18.9m by €6.7m mainly as a result of acquisitions and disposal. The impact of assets acquired or disposed is presented in the Statement of Cash Flows within the €53.5m acquisition of subsidiary and the €1.1m disposal of subsidiary and business assets net of acquisition of business assets.

Notes to the financial statements CONTINUED

SECTION 4. Operating assets and liabilities CONTINUED

4.9 TRADE AND OTHER PAYABLES AND OTHER NON-CURRENT LIABILITIES

Accounting policy

Trade and other payables are not interest bearing and are measured initially at fair value and subsequently held at amortised cost.

Where a government grant has been received in relation to an item of capital expenditure it is generally deducted from the carrying amount of the asset purchased once all relevant conditions, such as completion of the project and an independent audit of costs, have been met. In circumstances where the grant has been received and all conditions of receipt have not been met the government grant is recognised as a liability at the value of the cash received. On satisfaction of all conditions it is subsequently transferred to plant and equipment.

Trade and other payables and other non-current liabilities are analysed as follows:

	2023 €m	2022 €m
Non-current liabilities		
Accruals and other payables	**17.6**	–
Other tax and social security payables	**10.8**	29.7
Deferred revenue	**5.2**	4.8
Government grants	**1.1**	1.7
	34.7	36.2
Current liabilities		
Trade payables	**121.2**	117.3
Accruals and other payables	**284.7**	300.8
Other tax and social security payables	**62.6**	61.3
Deferred revenue	**49.7**	48.4
Government grants	**3.6**	0.6
	521.8	528.4

The carrying amounts of trade and other payables and other non-current liabilities are denominated in the following currencies:

	2023 €m	2022 €m
Euro	**496.6**	499.0
Sterling	**59.9**	65.6
	556.5	564.6

The €17.6m (2022: €nil) non-current accrual and other payables relates to off-take of certain soil related products which are expected to take up to 18 months to clear. The non-current other tax and social security payables relate to the Dutch government tax deferrals in relation to Covid-19 which are repayable in 36 instalments from October 2021.

At 31 March 2023 the balance of interest accrued relating to total borrowings was €5.9m (2022: €7.9m) and was included within the accruals and other payables balance. This balance was after finance charges of €29.1m (2022: €29.3m) (including the finance charges impact of the interest rate swaps) net of a cash outflow of €31.3m (2022: €28.4m) (excluding €0.4m (2022: €1.6m) of loan fees) and €0.2m (2022: €nil) relating to exchange rate changes.

Deferred revenue primarily relates to waste received or collected which has not yet been processed in accordance with the performance obligations of the contracts with customers. At each month end the amount of unprocessed waste is determined and there is an adjustment to revenue with a corresponding credit to deferred revenue. Additionally, in the UK Municipal business line within Specialities deferred revenue relates to the service element of the PPP contracts known as lifecycle as explained in note 3.1. Of the deferred revenue recognised at 31 March 2022 of €53.2m (2021: €54.3m), €47.3m (2022: €50.7m) has been recognised in revenue during the year ended 31 March 2023 and €4.9m (2022: €nil) was sold as part of a disposal of business assets during the year.

The decrease in payables in the Statement of Cash Flows of €9.5m differs to the balance sheet movement of €8.1m by €1.4m as a result of capital creditors, foreign exchange, interest accruals and acquisitions and disposals.

SECTION 4. Operating assets and liabilities CONTINUED

4.10 PROVISIONS

Accounting policy

Provisions are recognised where there is a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The value of a provision is the present value of the expenditures expected to be required to settle the obligation and where the effect of the time value of money is material a discount is applied and is unwound over the life of the provision. The unwinding of the discount to present value is included within finance costs.

The Group's policies on provisions for specific areas are:

- Site restoration and aftercare provisions are recognised at the net present value (NPV) of the estimated future expenditure required to settle the Group's restoration and aftercare obligations at its landfill and mineral extraction sites. Provision is made for the Group's unavoidable costs in relation to restoration liabilities. Provision is made for the NPV of post closure costs (aftercare) as the aftercare liability arises. Costs are charged to the Income Statement based on the quantity of waste deposited in the year or recognised as a landfill site asset within property, plant and equipment and depreciated over the operational period of the site.
- Aftercare provisions relate to landfill sites in the Netherlands, Belgium and the UK. The aftercare obligations in relation to the Netherlands landfill sites are transferred to the Province in line with the legal framework which requires the Group to prepare aftercare plans which must be approved by the Province. The Group is required to provide the funds to the Province which are then administered and controlled by the Province per landfill location. The Group recognises an aftercare provision to the extent that additional contributions are required. For the landfill sites in Belgium and the UK the aftercare obligation remains with the Group.
- Onerous contract provisions are recognised at the NPV of the future cash flows when the unavoidable costs of meeting the obligation under the contract exceed the economic benefits expected to be received.
- Legal and warranty provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably measured. The value of the provision is management's best estimate of the expenditure required to settle the present obligation based on the most likely outcome.
- Provisions for restructuring costs are recognised when a detailed formal plan exists and those affected by that plan have a valid expectation that the restructuring will be carried out.
- Long-service employee awards included within Other provisions are recognised as long-term employee benefits in relation to employees in the Netherlands and Belgium in accordance with IAS 19 Employee Benefits. The valuation method is similar to defined benefit pension schemes although the cost is recognised immediately in the Income Statement. These plans are unfunded.
- The split of timings of outflows is not certain and has been estimated based on management's latest expectation.

Judgements and estimates

The discount rates are reviewed at each year end with consideration given to relevant market rates. Determining appropriate discount rates to apply to provisions is complex and a source of significant estimation uncertainty. The key input is risk free rates and movement in these rates had been relatively low in previous years. As a result of the significant volatility in both inflation and risk free rates over the last year, together with guidance issued by the regulator, the Financial Reporting Council's May 2022 thematic review on discount rates, the Group has undertaken an in depth review in determining the discount rates to be applied at 31 March 2023.

The landfill provisions are principally located in the Netherlands and Belgium. The discount rate is calculated with reference to German Government bond yields as an appropriate Eurozone country primarily due to their higher degree of liquidity compared to Dutch and Belgian Government bonds. The onerous contract provisions are principally in the UK and the discount rate is calculated with reference to UK Government bond yields. In determining the discount rate, consideration is also given to the timing of future cash flows. The cash flows used to determine the outstanding provision are risk adjusted and include annual inflation so there is no risk adjustment included within the nominal discount rate. In all cases, the final determination of rates used has taken into consideration average bond yields over the last 10 and 20 years and the market bond yields at 31 March 2023. The rates used are not materially different to the market data bond yields at 31 March 2023, differing by between 0.01% and 0.13%.

The table below sets out the range of nominal discount rates used for the significant provisions:

Type of provision	2023 %	2022 %
Landfill provisions in the Netherlands and Belgium	**2.20 to 2.30**	2.50
Landfill provisions in the UK	**3.40**	3.00
Onerous contract provisions in the UK	**3.25 to 3.75**	3.00

Notes to the financial statements CONTINUED

SECTION 4. Operating assets and liabilities CONTINUED

4.10 PROVISIONS CONTINUED

Provisions are analysed as follows:

	Site restoration and aftercare €m	Restated* Onerous contracts €m	Legal and warranty €m	Restructuring €m	Other €m	Restated* Total €m
At 1 April 2021 – restated*	157.6	87.3	25.7	3.8	23.3	297.7
Provided in the year	1.4	6.2	0.4	4.8	4.7	17.5
Released in the year	(2.6)	(4.8)	(1.3)	(0.7)	(1.8)	(11.2)
Finance charges – unwinding of discount (note 5.4)	3.9	2.3	0.1	–	0.1	6.4
Utilised in the year	(3.4)	(6.0)	(1.8)	(3.9)	(1.0)	(16.1)
Exchange rate changes	–	0.7	–	–	–	0.7
At 31 March 2022 – restated*	156.9	85.7	23.1	4.0	25.3	295.0
Impact of adopting amendments to IAS 37 (section 1)	–	53.2	–	–	–	53.2
At 1 April 2022	156.9	138.9	23.1	4.0	25.3	348.2
Acquisition through business combinations	–	–	–	–	1.3	1.3
Provided in the year	4.9	0.2	0.4	2.6	5.0	13.1
Released in the year	–	–	(15.1)	(1.5)	(3.3)	(19.9)
Disposed of in the year	–	–	–	–	(1.8)	(1.8)
Finance charges – unwinding of discount (note 5.4)	4.1	4.0	–	–	0.2	8.3
Utilised in the year	(5.5)	(17.3)	(0.9)	(2.1)	(1.5)	(27.3)
Exceptional impact of change in discount rates and reassessment of UK Municipal contracts (note 3.3)	4.3	21.3	–	–	(0.2)	25.4
Exchange rate changes	(0.2)	(5.2)	–	–	–	(5.4)
At 31 March 2023	**164.5**	**141.9**	**7.5**	**3.0**	**25.0**	**341.9**
Within one year	**11.3**	**18.9**	**4.0**	**3.0**	**6.5**	**43.7**
Between one and five years	**40.6**	**62.3**	**0.4**	**–**	**6.0**	**109.3**
Between five and ten years	**61.9**	**32.8**	**0.5**	**–**	**3.3**	**98.5**
Over ten years	**50.7**	**27.9**	**2.6**	**–**	**9.2**	**90.4**
At 31 March 2023	**164.5**	**141.9**	**7.5**	**3.0**	**25.0**	**341.9**
Within one year – restated*	5.7	10.2	4.7	4.0	7.5	32.1
Between one and five years – restated*	49.3	28.2	15.6	–	5.4	98.5
Between five and ten years	50.8	23.1	0.5	–	3.4	77.8
Over ten years	51.1	24.2	2.3	–	9.0	86.6
At 31 March 2022 – restated*	156.9	85.7	23.1	4.0	25.3	295.0

*The comparatives have been restated due to a prior period adjustment as explained in section 1 Basis of preparation.

Site restoration and aftercare

The Group's unavoidable costs have been reassessed at the year end and the NPV fully provided for. The site restoration provisions at 31 March 2023 relate to the cost of final capping and covering of the landfill and mineral extraction sites. These site restoration costs are expected to be paid over a period of up to 28 years (2022: 30 years) from the balance sheet date. Aftercare provisions cover post-closure costs of landfill sites which include such items as monitoring, gas and leachate management and licensing. For aftercare provisions relating to Dutch landfill sites where the province administers and controls the aftercare fund, payments are made to the province at predetermined dates over a period of up to 10 years. Where the Group is responsible for the aftercare the dates of payments of these aftercare costs are uncertain but are anticipated to be over a period of at least 30 years from closure of the relevant landfill site. All site restoration and aftercare costs have been estimated by management based on current best practice and technology available and may be impacted by a number of factors including changes in legislation and technology.

SECTION 4. Operating assets and liabilities CONTINUED

4.10 PROVISIONS CONTINUED

Onerous contracts

Onerous contract provisions arise when the unavoidable costs of meeting contractual obligations exceed the cash flows expected. They are provided for at the lower of the NPV of either exiting the contracts or fulfilling our obligations under the contracts. As a result of the amendment to IAS 37 for Onerous contracts, at 1 April 2022 provisions for onerous contracts have increased by €53.2m as the amendment now requires the costs of fulfilling a contract consist of both the incremental cost of fulfilling that contract and an allocation of other costs that related directly to fulfilling the contract. Prior to this amendment the Group only included incremental direct costs with an allocation of other divisional costs now included. The provisions have been calculated on the best estimate of likely future cash flows over the contract term based on the latest projections, including assumptions on inflationary increases, tonnage inputs, off-take availability and recyclates pricing. The provisions are to be utilised over the period of the contracts to which they relate with the latest date being 2040.

Legal and warranty

Legal and warranty provisions relate to legal claims, warranties and indemnities. Under the terms of the agreements for the disposal of certain businesses, the Group has given a number of warranties and indemnities to the purchasers which may give rise to payments. The Group has a liability until the end of the contractual terms in the agreements. The Group considers each warranty provision based on the nature of the business disposed of and the type of warranties provided with judgement used to determine the most likely obligation.

On 6 February 2020 the European Commission announced its decision to initiate a formal investigation in which it alleges that the Walloon Region of Belgium provided state aid to the Group in relation to the Cetem landfill. An adverse judgement would have required the Walloon Region to seek repayment from the Group and a provision of €15.1m was recognised. On 3 March 2023 the European Commission concluded its formal investigation and determined that the Belgian Walloon Region did not provide State Aid to the Group. As a result the provision has been released during the year ended 31 March 2023 and there is no longer a contingent liability.

Restructuring

The restructuring provision primarily relates to redundancy and related costs incurred as a result of restructuring initiatives. The provision is expected to be spent in the following twelve months as affected employees leave the business.

Other

Other provisions includes dilapidations €10.9m (2022: €9.1m), long-service employee awards €6.0m (2022: €7.0m) and other environmental liabilities €8.1m (2022: €9.2m). The dilapidations provisions are determined on a site by site basis using internal expertise and experience and are calculated as the most likely cash outflow at the end of the contracted obligation. The provisions will be utilised over the period up to 2072.

Sensitivities

Landfill provisions in the Netherlands and Belgium

A 0.5% change in the nominal discount rates would result in a €9m (2022: €6m) change in the provision.

In assessing the future cash flows, assumptions on inflation have been taken into account. The costs for the year from 1 April 2023 have been inflated to reflect current market pricing depending on the nature of the cost, external inflation forecasts and taking into account actual inflation experienced to date and any legal and contractual circumstances. For all subsequent periods a 2% inflation rate has been assumed in line with the ECB's monetary policy target. Further changes for costs of key items such as capping materials and water treatment may arise but they are difficult to estimate. For illustration, the impact of a further 5% increase in these key costs would lead to an increase in provisions of €5m.

Onerous contract provisions in UK Municipal

A 0.5% change in the nominal discount rates would result in a €4m (2022: €3m) change in the provision.

The onerous contract provisions are mostly linked to RPI and RPIx therefore an increase in costs should be matched by an increase in revenue, although the timing of the increases varies by contract. The inflation rates used in the models from 1 April 2023 is 11.1% and 12.6% RPIx based on actual rates at dates determined by the respective contracts and 9% CPI based on external inflation forecasts, from 1 April 2024 5.1% and 4.08% RPIx and 4% CPI based on external inflation forecasts and for later years 2.9% and 2.32% RPIx and 2% CPI in line with UK Government target inflation. We have considered the impact of a further 1% change to inflation from 1 April 2024 and this would lead to an increase in provisions of €1m.

The provisions are sensitive to the impact of future recyclate prices. We have based our assumptions for recyclate prices on our best estimate of future prices after taking into account observed prices over recent months and average prices over five years. Recyclate prices have reached record highs in the last year before normalising at levels close to the five-year averages. Prices are assumed to remain close to these normalised levels but future volatility is possible. The impact of a 20% change in paper prices and a 10% change in metal and plastics prices would lead to an increase or reduction in the onerous contract provisions of around €4m (2022: €5m).

Notes to the financial statements CONTINUED

SECTION 5. Capital structure and financing

This section outlines how the Group manages its capital structure and related financing costs. It includes cash, borrowings, derivatives and the equity of the Group. The instruments in place enable the Group to maintain the required capital structure in order to finance the activities both now and in the future.

Total net debt reflects the Group's cash and cash equivalents and borrowings including IFRS 16 lease liabilities and PPP cash and non-recourse debt. Net debt for covenant reporting includes cash and cash equivalents and finance leases previously reported under IAS 17 but excludes additional lease liabilities reported under IFRS 16 and both cash and the non-recourse debt relating to the UK PPP contracts.

5.1 MOVEMENT IN TOTAL NET DEBT

2023	Restated* At 1 April 2022 €m	Cash flows €m	Acquired (Note 6.1) €m	Other non-cash changes €m	Exchange movements €m	At 31 March 2023 €m
Bank loans and overdrafts – floating interest rates	(14.1)	(79.4)	(7.0)	(0.6)	(0.1)	(101.2)
Bank loans and private placements – fixed interest rates	(24.8)	(80.0)	–	0.2	–	(104.6)
Retail bonds	(299.2)	100.0	–	(0.3)	–	(199.5)
Lease liabilities	(219.8)	47.5	(30.7)	(52.0)	0.2	(254.8)
Debt excluding PPP non-recourse debt	(557.9)	(11.9)	(37.7)	(52.7)	0.1	(660.1)
PPP non-recourse debt	(100.2)	8.1	–	–	3.8	(88.3)
Total gross debt	(658.1)	(3.8)	(37.7)	(52.7)	3.9	(748.4)
Cash and cash equivalents – core	42.5	1.5	–	–	(0.3)	43.7
Cash and cash equivalents – restricted relating to PPP contracts	21.1	(1.1)	–	–	(1.0)	19.0
Total net debt	(594.5)	(3.4)	(37.7)	(52.7)	2.6	(685.7)
Analysis of total net debt:						
Net debt excluding PPP non-recourse net debt	(515.4)	(10.4)	(37.7)	(52.7)	(0.2)	(616.4)
PPP non-recourse net debt	(79.1)	7.0	–	–	2.8	(69.3)
Total net debt	(594.5)	(3.4)	(37.7)	(52.7)	2.6	(685.7)

*The comparatives for lease liabilities have been restated due to a prior year adjustment as explained in section 1 Basis of preparation.

2022	Restated* At 1 April 2021 €m	Restated* Cash flows €m	Other non-cash changes €m	Restated* Exchange movements €m	Restated* At 31 March 2022 €m
Bank loans and overdrafts – floating interest rates	(184.8)	170.6	(0.5)	0.6	(14.1)
Bank loans and private placements – fixed interest rates	(24.7)	–	(0.1)	–	(24.8)
Retail bonds	(174.5)	(125.0)	0.3	–	(299.2)
Lease liabilities	(237.7)	43.5	(25.6)	–	(219.8)
Debt excluding PPP non-recourse debt	(621.7)	89.1	(25.9)	0.6	(557.9)
PPP non-recourse debt	(105.1)	5.7	–	(0.8)	(100.2)
Total gross debt	(726.8)	94.8	(25.9)	(0.2)	(658.1)
Cash and cash equivalents – core	51.5	(9.8)	–	0.8	42.5
Cash and cash equivalents – restricted relating to PPP contracts	17.3	3.6	–	0.2	21.1
Total net debt	(658.0)	88.6	(25.9)	0.8	(594.5)
Analysis of total net debt:					
Net debt excluding PPP non-recourse net debt	(570.2)	79.3	(25.9)	1.4	(515.4)
PPP non-recourse net debt	(87.8)	9.3	–	(0.6)	(79.1)
Total net debt	(658.0)	88.6	(25.9)	0.8	(594.5)

*The comparatives for lease liabilities have been restated due to a prior year adjustment as explained in section 1 Basis of preparation.

SECTION 5. Capital structure and financing CONTINUED

5.1 MOVEMENT IN TOTAL NET DEBT CONTINUED

	2023 €m	Restated* 2022 €m
Net increase (decrease) in cash and cash equivalents	0.4	(6.2)
Net (increase) decrease in borrowings and lease liabilities	(3.8)	94.8
Cash flows in total net debt	(3.4)	88.6
Bank loans and lease liabilities acquired through a business combination	(37.7)	–
Lease liabilities entered into during the year	(57.4)	(27.1)
Lease liabilities cancelled during the year	5.4	1.5
Capitalisation of loan fees	0.3	1.6
Amortisation of loan fees	(1.0)	(1.9)
Exchange gain	2.6	0.8
Movement in total net debt	(91.2)	63.5
Total net debt at beginning of year	(594.5)	(658.0)
Total net debt at end of year	(685.7)	(594.5)

*The comparatives for lease liabilities and exchange gain have been restated due to a prior year adjustment as explained in section 1 Basis of preparation.

5.2 CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents include core cash balances and restricted cash at bank balances relating to PPP contracts and are held at amortised cost. The cash held in the PPP Special Purpose Vehicles (SPVs) is not freely available to the Group as the funds are restricted in accordance with the contracts entered into between the SPVs and the banks and cash can only be released to the Group when approved by the lenders. Also included in cash and cash equivalents is €4.0m (2022: €2.3m) held by non-subsidiaries which is only available to the Group in consultation with all other partners.

Cash and cash equivalents are analysed as follows:

	2023 €m	2022 €m
Cash at bank and in hand – core	43.7	42.5
Cash at bank – restricted relating to PPP contracts	19.0	21.1
Total cash and cash equivalents	62.7	63.6

The carrying amounts of cash and cash equivalents are denominated in the following currencies:

	2023 €m	2022 €m
Euro	22.2	29.8
Sterling	40.5	33.8
	62.7	63.6

Notes to the financial statements CONTINUED

SECTION 5. Capital structure and financing CONTINUED

5.3 BORROWINGS

Accounting policy

Retail bonds and bank borrowings

Retails bonds and interest bearing loans are recorded at their initial fair value which normally reflects the proceeds received, net of direct issue costs and subsequently at amortised cost. When the Group exchanges one debt instrument for another one with an existing lender and with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modifications of the terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. The terms are considered to be substantially different if the discounted present value of the cash flows under the new terms calculated using the original effective rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. Any gain or loss on extinguishment is recognised in the Income Statement.

Lease liabilities

Lease liabilities are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. The Group leases various real estate properties and items of plant, machinery and trucks for normal business operations across the divisions. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

For new contracts entered into the Group considers whether a contract is or contains a lease. A lease is defined as 'a contract that conveys the right to use an asset for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- The Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The lease liability is initially measured at the present value of the contractual payments due to the lessor over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The incremental borrowing rate is determined based on interest rates from various external financing sources and adjusted to reflect the terms of the lease and type of leased asset. It is reassessed on a regular basis. The exercise price of any purchase options are only included in the carrying value if the Group can assess with reasonable certainty that the option would be exercised.

The lease liability is subsequently measured at amortised cost and remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the Income Statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group has applied the exemption not to recognise a right-of-use asset and a lease liability where the leased assets are of a low value determined as being below €5,000 when new or when the lease duration is for 12 months of less. For these items the annual expense of lease payments is disclosed in note 3.2.

Estimates and assumptions

- Extension and termination options are included in a number of real estate and plant and machinery leases across the Group. In determining the lease term, management has considered all facts and circumstances that create an economic incentive to exercise such options. Extension options are only included in the lease term if the lease is reasonably certain to be extended or not terminated.
- The Group estimates the incremental borrowing rate by taking into account the type of right-of-use asset, the lease term and the country of operation.

SECTION 5. Capital structure and financing CONTINUED

5.3 BORROWINGS CONTINUED

Borrowings are analysed as follows:

	2023 €m	Restated* 2022 €m
Non-current borrowings		
Retail bonds	**199.5**	199.2
Bank loans and private placements – fixed interest rates	**89.6**	24.8
Bank loans – floating interest rates#	**101.1**	12.8
Lease liabilities	**208.3**	178.5
PPP non-recourse debt	**83.1**	94.6
	681.6	509.9
Current borrowings		
Retail bonds	**–**	100.0
Bank loans and private placements – fixed interest rates	**15.0**	–
Bank loans and overdrafts – floating interest rates	**0.1**	1.3
Lease liabilities	**46.5**	41.3
PPP non-recourse debt	**5.2**	5.6
	66.8	148.2

#The revolving credit facility is now included in Bank loans – floating interest rates.
*The comparatives for lease liabilities have been restated due to a prior year adjustment as explained in section 1 Basis of preparation.

European private placements, revolving credit facility, retail bond and bank loan borrowings include capitalised loan fees of €2.3m (2022: €3.2m).

The carrying amounts of borrowings are denominated in the following currencies:

	2023 €m	Restated* 2022 €m
Euro	**653.0**	552.0
Sterling	**95.4**	106.1
	748.4	658.1

*The comparatives have been restated due to a prior year adjustment as explained in section 1 Basis of preparation.

The table below details the maturity profile of non-current borrowings:

	2023			2022		
	Debt excluding PPP non-recourse debt €m	PPP non-recourse debt €m	Total debt €m	Restated* Debt excluding PPP non-recourse debt €m	PPP non-recourse debt €m	Restated* Total debt €m
Between one and two years	**215.1**	**5.7**	**220.8**	51.9	5.5	57.4
Between two years and five years	**211.6**	**18.8**	**230.4**	152.2	18.7	170.9
Over five years	**171.8**	**58.6**	**230.4**	211.2	70.4	281.6
	598.5	**83.1**	**681.6**	415.3	94.6	509.9

*The comparatives have been restated due to a prior year adjustment as explained in section 1 Basis of preparation.

Notes to the financial statements CONTINUED

SECTION 5. Capital structure and financing CONTINUED

5.3 BORROWINGS CONTINUED

Retail bonds

At 31 March 2023, the Group had two issues of green retail bonds. The green retail bonds of €75m (2022: €75m) maturing in July 2024 have an annual gross coupon of 3.00% and the green retail bonds of €125m (2022: €125m) maturing in July 2027 have an annual gross coupon of 3.00%. On 16 June 2022 the €100m green retails bonds with an annual gross coupon of 3.65% were repaid on maturity. The green retail bonds are unsecured and have cross guarantees from members of the Group. Further details are given in note 5.8.

Bank loans - fixed interest rates and floating interest rates

At 31 March 2023, the Group had a Euro denominated multicurrency green finance facility of €470m (2022: €425m) including a €400m (2022: €400.0m) revolving credit facility (RCF) and €70m (2022: €25.0m) European private placements (EUPP).

Of the RCF €30m matures on 18 May 2023, €65m matures on 18 May 2024 and €305m matures on 18 May 2025. At 31 March 2023 €102.5m (2022: €15.0m) of the RCF was drawn for borrowings in Euros with floating interest rates . The remaining €297.5m (2022: €385.0m) was available for drawing of which €48.5m (2022: €48.5m) was allocated for ancillary overdraft and guarantee facilities. The RCF qualifies as green financing as per the Green Finance Framework and is aligned to the International Capital Market Association Green Bond Principles and the Loan Market Association Green Loan Principles. There are four green KPIs which result in an interest rate margin adjustment dependent upon performance against pre-determined targets that were agreed with the Lenders. The green KPIs are non-financial and specific to the performance of the Group in the following areas: recycling and recovery rate, carbon avoidance, percentage of trucks Euro VI compliant and >3 day accident rate. The impact of the margin adjustment is insignificant and therefore the IFRS 9 Financial instruments solely principal payments and interest criteria are met and it is appropriate to account for the RCF on an amortised cost basis.

The EUPP has a maturity of December 2023 for €15m at a fixed interest rate of 2.344%, December 2025 for €10m with a fixed interest rate of 2.916% and November 2029 for the additional €45m drawn in November 2022 at a fixed interest rate of 4.676%.

In November 2022 the Group drew down a new €10m loan repayable in one lump sum on 10 November 2027 at a fixed interest rate of 4.22%. On 17 November 2022 the Group signed a finance contract with the European Investment Bank for a facility of €40m, the first tranche of €25m was drawn on 15 December 2022 at a fixed interest rate of 3.572% repayable in seven equal annual instalments commencing on 15 December 2025.

All bank loans are unsecured and have cross guarantees from members of the Group. Further details are given in note 5.8.

Lease liabilities

The Group's lease liabilities are payable as follows:

	2023			2022 – restated*		
	Minimum lease payments €m	Interest €m	Principal €m	Minimum lease payments €m	Interest €m	Principal €m
Within one year	54.5	(8.0)	46.5	47.1	(5.8)	41.3
Between one and five years	118.9	(23.4)	95.5	109.6	(17.7)	91.9
More than five years	198.2	(85.4)	112.8	155.0	(68.4)	86.6
	371.6	(116.8)	254.8	311.7	(91.9)	219.8

*The comparatives have been restated due to a prior year adjustment as explained in section 1 Basis of preparation.

For most plant and machinery leases the Group has an option to purchase the leased assets at the end of the lease term. There are no restrictions imposed by lessors to take out further debt or leases.

PPP non-recourse debt

The PPP non-recourse debt is held in three PPP companies: Argyll & Bute, Cumbria and Barnsley, Doncaster & Rotherham with maturities on 15 July 2023, 30 September 2032 and 30 June 2037 respectively. Each UK Municipal PPP company has non-recourse loan facilities which are secured by a legal mortgage over any land and a fixed and floating charge over the assets of the PPP company and the carrying amount of financial assets pledged excluding cash was €128.8m (2022: €135.6m).

In the majority of cases subsidiaries holding non-recourse PPP debt and financial assets are restricted in their ability to transfer funds to the parent in the form of cash dividends or to repay loans and advances. This is due to the terms of the financing facility agreements and lender approval is required to make such transfers.

SECTION 5. Capital structure and financing CONTINUED

5.3 BORROWINGS CONTINUED

Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations as they fall due. The Group primarily manages liquidity risk by monitoring forecast cash flows to ensure that revolving credit facility drawdowns are arranged as necessary and an adequate level of headroom is maintained. As explained in note 4.8 the Group has an invoice finance facility. The Group does not have any supplier finance arrangements. The way the Group manages liquidity risk has not changed from the previous year. Furthermore, the Group utilises its cash resources to manage its short-term liquidity.

The Group has unutilised committed borrowing facilities expiring within one year of €30.0m (2022: €nil), between one and two years of €80.0m (2022: €30.0m) and expiring more than 2 years of €169.0m (2022: €321.5m) in relation to the Euro denominated multicurrency green finance and European Investment bank facilities. The unutilised committed PPP non-recourse debt borrowing facilities of €2.2m (2022: €2.2m) expire in more than 2 years. In addition, the Group has access to €12.5m (2022: €12.5m) of undrawn uncommitted working capital facilities.

The following table analyses the Group's financial liabilities including derivative financial instruments into relevant maturity groupings. The maturities of the undiscounted cash flows, including interest and principal, at the balance sheet date are based on the earliest date on which the Group is obliged to pay and as a result will not always reconcile with the amounts disclosed in the Balance Sheet.

	Within one year €m	Between one and five years €m	Over five years €m	Total contractual cash flows €m
At 31 March 2023				
Retail bonds	6.0	217.3	–	223.3
Bank loans – Revolving credit facility, private placements and other bank loans	23.6	197.0	63.9	284.5
Bank loans – PPP non-recourse debt	11.7	44.0	72.3	128.0
Lease liabilities	54.5	118.9	198.2	371.6
PPP Interest rate swaps	0.1	1.6	1.1	2.8
Fuel derivatives	1.9	0.2	–	2.1
Trade and other payables	417.1	–	–	417.1
Financial liabilities and derivative financial liabilities	514.9	579.0	335.5	1,429.4
PPP Interest rate swaps	(0.7)	(0.7)	0.1	(1.3)
Fuel derivatives	(0.4)	–	–	(0.4)
Financial liabilities and total derivatives	513.8	578.3	335.6	1,427.7
At 31 March 2022				
Retail bonds	109.6	94.5	128.7	332.8
Bank loans – Revolving credit facility, private placements and other bank loans	2.2	41.5	–	43.7
Bank loans – PPP non-recourse debt	9.7	38.3	82.5	130.5
Lease liabilities - restated*	47.1	109.6	155.0	311.7
PPP Interest rate swaps	2.3	6.4	7.3	16.0
Fuel derivatives	0.1	–	–	0.1
Trade and other payables	411.0	–	–	411.0
Financial liabilities and derivative financial liabilities - restated*	582.0	290.3	373.5	1,245.8
Fuel derivatives	(6.6)	(0.4)	–	(7.0)
Financial liabilities and total derivatives - restated*	575.4	289.9	373.5	1,238.8

*The comparatives relating to lease liabilities have been restated due to a prior year adjustment as explained in section 1 Basis of preparation

Notes to the financial statements CONTINUED

SECTION 5. Capital structure and financing CONTINUED

5.4 NET FINANCE CHARGES

Accounting policy

Finance charges, including direct issue costs, are accounted for on an accruals basis in the Income Statement using the effective interest rate method. Also included is the charge for discount unwind of long-term provisions with further details provided in note 4.10. Interest receivable on financial assets relating to PPP contracts is added to the financial asset based on the rate implied at the start of the PPP project.

In certain circumstances, finance charges may be classified as non-trading or exceptional due to their size or incidence to enable a better understanding of the underlying net finance costs. These non-trading or exceptional income or charges include:

- The change in fair value where a derivative financial instrument does not qualify for hedge accounting.
- Ineffectiveness incurred by a derivative financial instrument that does qualify for hedge accounting.
- The gain or loss where a derivative financial instrument is terminated.

Net finance charges are analysed as follows:

	2023 €m	2022 €m
Finance charges		
Interest on borrowings*	**14.0**	15.4
Interest payable on PPP non-recourse debt	**6.9**	7.4
Lease liabilities interest	**7.8**	7.2
Unwinding of discount on provisions (note 4.10)	**8.3**	6.4
Interest charge on retirement benefit schemes (note 7.2)	**–**	0.1
Other finance costs	**2.0**	1.7
Total finance charges before non-trading and exceptional items	**39.0**	38.2
Non-trading and exceptional finance charges:		
Charge as a result of the termination of cash flow hedges (note 3.3)	**–**	0.1
Total non-trading and exceptional finance charges	**–**	0.1
Total finance charges	**39.0**	38.3
Finance income		
Interest receivable on financial assets relating to PPP contracts (note 4.5)	**(8.6)**	(9.0)
Unwinding of discount on deferred consideration receivable	**–**	(0.1)
Interest income on retirement benefit schemes (note 7.2)	**(0.2)**	–
Other finance income	**(1.0)**	(0.2)
Total finance income before non-trading and exceptional items	**(9.8)**	(9.3)
Non-trading and exceptional finance income:		
Ineffectiveness income on cash flow hedges (note 3.3)	**(0.9)**	(0.2)
Total non-trading and exceptional finance income	**(0.9)**	(0.2)
Total finance income	**(10.7)**	(9.5)
Net finance charges	**28.3**	28.8

*Interest on borrowings has been amended to include amortisation of loan fees which was previously shown separately.

SECTION 5. Capital structure and financing CONTINUED

5.5 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Accounting policy

All derivatives are initially recognised at fair value and subsequently measured at fair value at each reporting date. The fair value of a derivative financial instrument is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than one year and as a current asset or liability when the remaining maturity is less than one year.

In accordance with its treasury policy, the Group only holds derivative financial instruments to manage the Group's exposure to financial risk. The Group does not hold derivative financial instruments for trading or speculative purposes.

The exposure to financial risk includes interest risk and foreign exchange risk on the Group's variable rate borrowings and commodity risk in relation to diesel consumption. The Group manages these risks through a range of derivative financial instruments, including interest rate swaps and fuel derivatives.

Hedge accounting

Derivative financial instruments are considered to be used for hedging purposes when they alter the risk profile of an underlying exposure of the Group in line with the Group's risk management policies. At the inception of the hedge relationship, the Group formally designates and documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Hedge accounting allows the matching of gains and losses on hedged items and associated hedging instruments in the same accounting period to minimise volatility in the Income Statement. In order to qualify for hedge accounting, prospective hedge effectiveness must meet all the following criteria:

- An economic relationship exists between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes resulting from the economic relationship.
- The hedge ratio is the same as that resulting from actual amounts of hedged items and hedging instruments for risk management.

The hedge ratio for each designation is established by comparing the quantity of the hedging instrument and the quantity of the hedged item to determine their relative weighting. For all the Group's existing hedge relationships the hedge ratio has been determined at 1:1. Where there is a cumulative loss or gain on the hedging instrument and it is no longer expected that the loss or gain will be recovered it is immediately recognised in the Income Statement.

Derivatives designated as hedging instruments are classified on inception as cash flow hedges or net investment hedges. Changes in the fair value of derivative financial instruments that are designated and qualify as cash flow hedges are recognised in Other Comprehensive Income and subsequently reclassified into profit or loss as the hedged cash flows occur. Net investment hedges are accounted for in a similar way to cash flow hedges.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecast transaction occurs at which point it is recognised in the Income Statement. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is recognised in the Income Statement immediately as a non-trading finance income or finance charge.

Ineffectiveness

Sources of hedge ineffectiveness in the Group may arise when there is a change in circumstances that affect the terms of the hedged item such that the critical terms no longer match exactly the critical terms of the hedging instrument such as if there is a change in the credit risk of both counterparties, if there is a change in the underlying debt profile of a variable rate loan in relation to interest rate swaps or a reduced requirement for diesel volumes in relation to the fuel derivatives. Any ineffectiveness is recognised in the Income Statement as a non-trading finance income or finance charge.

Notes to the financial statements CONTINUED

SECTION 5. Capital structure and financing CONTINUED

5.5 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES CONTINUED

On 5 March 2021, the UK's Financial Conduct Authority (FCA) formally announced the cessation of all GBP London Interbank Offered Rate (LIBOR) benchmark settings published by ICE Benchmark Administration (IBA) after 31 December 2021. During the current year, work has been completed with the providers of the PPP non-recourse borrowings and interest rate swaps to amend the benchmark rate referenced in the loan agreements and derivative hedging instruments from GBP LIBOR to GBP SONIA (Sterling Overnight Index Average) including a credit adjustment spread on the debt to compensate for the basis differential between the two benchmarks. This did not result in any accounting changes.

Derivative financial instruments are analysed as follows:

	2023		2022	
	Assets €m	Liabilities €m	Assets €m	Liabilities €m
Fuel derivatives – cash flow hedges	0.4	2.1	7.0	0.1
Interest rate swaps relating to PPP contracts – cash flow hedges	1.2	2.4	–	14.6
Total	1.6	4.5	7.0	14.7
Current	0.4	1.9	6.6	0.1
Non-current	1.2	2.6	0.4	14.6
Total	1.6	4.5	7.0	14.7

Fuel derivatives

The notional value of wholesale fuel covered by fuel derivatives at 31 March 2023 amounted to €17.7m (2022: €14.7m). The Group has annual usage across the Netherlands and Belgium of approximately 37m litres of diesel per annum of which approximately 24m litres have been fixed at an average of €0.63 per litre for the year to 31 March 2024 (notional value €15.0m) and a further 5m litres has been fixed at an average of €0.58 per litre for the year to 31 March 2025 (notional value €2.7m).

Interest rate swaps relating to PPP contracts

The notional principal amount of the outstanding interest rate swap contracts at 31 March 2023 was €91.6m (2022: €100.9m). Under these contracts the interest rates on PPP non-recourse borrowings for Cumbria and Barnsley, Doncaster & Rotherham projects are fixed at rates of 4.8% and 3.4% respectively from inception to expiry on 30 September 2032 and 30 June 2037 respectively. The gains and losses recognised in the Statement of Comprehensive Income for cash flow hedges will be released to the Income Statement within finance costs until the repayment of the non-recourse borrowings. A revised repayment programme for the Cumbria PPP project borrowing has led to ineffectiveness of a credit of €0.9m (2022: €0.2m) being recognised for the related interest rate swap which has been taken to the Income Statement as a non-trading and exceptional finance credit.

During the year ended 31 March 2023 the liability of the interest rate swaps relating to PPP contracts reduced by €13.4m (2022: €10.7m), included in this movement was an interest charge of €1.7m (2022: €4.1m) which was wholly paid in cash during the year (presented in both the Income Statement and Statement of Cash Flows within finance charges), a fair value gain of €13.2m (2022: €10.9m) of which €12.3m (2022: €10.7m) gain was taken to Other Comprehensive Income with the remainder to the Income Statement and the impact of foreign exchange was €0.2m gain (2022: €0.2m) loss.

The following table shows the impact of the Group's cash flow hedges in Other Comprehensive Income:

	2023 €m	2022 €m
At 1 April	(7.3)	(23.8)
Effective element of changes in fair value arising from:		
Cross-currency interest rate swaps	–	0.1
Fuel derivatives	(8.6)	5.7
Interest rate swaps relating to PPP contracts	12.3	10.7
At 31 March	(3.6)	(7.3)

SECTION 5. Capital structure and financing CONTINUED

5.5 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES CONTINUED

Net investment hedge

Renewi plc, a Sterling functional currency company, has Euro borrowings of €200.0m (2022: €300.0m) with a fair value of €196.5m (2022: €300.2m) which have been designated as a net investment hedge of the Group's investments denominated in Euros. The hedge was 100% effective for the year ended 31 March 2023 (2022: 100%) and as a result the related exchange gain of €9.5m (2022: €3.0m loss) has been recognised in the exchange reserve in the consolidated financial statements.

The following tables show the impact of the Group's cash flow hedges and net investment hedge on the Balance Sheet, Other Comprehensive Income and Income Statement:

	HEDGING INSTRUMENT					HEDGED ITEM		
March 2023	Nominal amount at 31 March 2023 €m	Change in the fair value used to determine hedge effectiveness €m	Cumulative cash flow hedge movement in Other Comprehensive Income €m	Hedge ineffectiveness included in the Income Statement in the year €m	Cumulative movement in exchange reserve €m	Change in the fair value used to determine hedge effectiveness €m	Weighted average hedged rate	Hedge ratio
Fuel derivatives/purchase of diesel	17.7	(8.6)	(1.7)	–	–	8.6	€0.62 per litre	1:1
Interest rate swaps/ variable rate borrowings relating to PPP contracts	91.6	13.5	(1.9)	(0.9)	–	(12.6)	4.07%	1:1
Net investment hedge:								
Euro borrowings/investment in Euro denominated subsidiaries	200.0	8.0	–	–	(24.7)	(8.0)	–	1:1

	HEDGING INSTRUMENT					HEDGED ITEM		
March 2022	Nominal amount at 31 March 2022 €m	Change in the fair value used to determine hedge effectiveness €m	Cumulative cash flow hedge movement in Other Comprehensive Income €m	Hedge ineffectiveness included in the Income Statement in the year €m	Cumulative movement in exchange reserve €m	Change in the fair value used to determine hedge effectiveness €m	Weighted average hedged rate	Hedge ratio
Cross-currency interest rate swaps/ variable rate borrowings	–	–	–	0.1	–	–	1.32%	–
Fuel derivatives/purchase of diesel	14.7	5.7	6.9	–	–	(5.7)	€0.46 per litre	1:1
Interest rate swaps/ variable rate borrowings relating to PPP contracts	100.9	6.3	(14.2)	(0.2)	–	(6.1)	4.07%	1:1
Net investment hedge:								
Euro borrowings/investment in Euro denominated subsidiaries	300.0	(2.5)	–	–	(15.3)	2.5	–	1:1

Notes to the financial statements CONTINUED

SECTION 5. Capital structure and financing CONTINUED

5.6 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

Accounting policy

The Group classifies and measures its financial assets at amortised cost or at fair value (either through Other Comprehensive Income or through profit or loss). The classification depends on the entity's business model for managing the financial assets and the contractual term of the cash flows.

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost.

Derivatives are initially recognised at fair value and subsequently measured at fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Derivatives which are not hedging instruments are measured at fair value through profit or loss upon initial recognition

Short-term investments are classified and measured at fair value through profit or loss with changes in the fair value recognised in the Income Statement. Unlisted investments not held for trading are held at fair value and the Group has elected to present subsequent changes in fair value in Other Comprehensive Income. Dividends on these investments are recognised in the Income Statement when the Group's right to receive the dividends is established, it is probable that they will be paid and the amount can be reliably measured.

Financial liabilities are classified and measured at fair value through profit or loss or at amortised cost.

Fair value hierarchy

The Group uses the following hierarchy of valuation techniques to determine the fair value of financial instruments:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

During the year ended 31 March 2023, there were no transfers between level 1 and level 2 fair value measurements and no transfers into or out of level 3.

SECTION 5. Capital structure and financing CONTINUED

5.6 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES CONTINUED

Valuation techniques used to derive level 2 fair values

- Unlisted non-current investments comprise unconsolidated companies where the fair value approximates the book value
- Short-term investment valuations are provided by the fund manager.
- Derivative financial instruments are determined by discounting the future cash flows using the applicable period-end yield curve.
- The fair values of the fixed interest rate bank loans and private placements are determined by discounting the future cash flows using the applicable period-end yield curve.
- The fair value of retail bonds is based on indicative market pricing.

The table below presents the Group's assets and liabilities measured at fair values:

	LEVEL 2	
	2023 €m	**2022 €m**
Assets		
Unlisted non-current investments (note 4.4)	**4.6**	4.6
Short-term investments (note 4.4)	**10.9**	11.1
Derivative financial instruments (note 5.5)	**1.6**	7.0
	17.1	22.7
Liabilities		
Derivative financial instruments (note 5.5)	**4.5**	14.7
Bank loans and private placements – fixed interest rates (note 5.3)	**110.6**	25.7
Retail bonds (note 5.3)	**196.5**	300.2
	311.6	340.6

Carrying value of financial assets and financial liabilities

Financial assets	**Note**	**2023 €m**	**2022 €m**
Financial assets at amortised cost			
Loans to associates and joint ventures	4.4	**1.0**	0.9
Trade and other receivables at amortised cost*	4.8	**261.9**	243.4
Cash and cash equivalents	5.2	**62.7**	63.6
Financial assets relating to PPP contracts	4.5	**131.0**	143.4
Derivatives used for hedging			
Fuel derivatives	5.5	**0.4**	7.0
Interest rate swaps relating to PPP contracts	5.5	**1.2**	–
Financial assets at fair value through profit or loss (mandatorily)			
Short-term investments	4.4	**10.9**	11.1
Other receivables relating to invoice finance facilities	4.8	**10.8**	9.5
Financial assets at fair value through other comprehensive income			
Unlisted non-current investments	4.4	**4.6**	4.6
		484.5	483.5

*Trade and other receivables at amortised cost comprise trade receivables and accrued income net of allowance of €257.3m (2022: €238.0m) and other receivables held at amortised cost of €4.6m (2022: €5.4m).

The Group considers that the fair value of financial assets is not materially different to their carrying value.

SECTION 5. Capital structure and financing CONTINUED

5.6 FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES CONTINUED

Financial liabilities	Note	2023 €m	Restated* 2022 €m
Financial liabilities at amortised cost			
Bank loans, private placements and overdrafts	5.3	**205.8**	38.9
Retail bonds	5.3	**199.5**	299.2
Lease liabilities	5.3	**254.8**	219.8
Trade and other payables excluding non-financial liabilities[#]	4.9	**423.5**	418.1
PPP non-recourse debt	5.3	**88.3**	100.2
Derivatives used for hedging			
Fuel derivatives	5.5	**2.1**	0.1
Interest rate swaps relating to PPP contracts	5.5	**2.4**	14.6
		1,176.4	1,090.9

[#]Trade and other payables excluding non-financial liabilities comprises trade payables, other payables and accruals of €423.5m (2022: €418.1m).
*The comparatives relating to lease liabilities have been restated due to a prior year adjustment as explained in section 1 Basis of Preparation.

With the exception of retail bonds, private placements and fixed rate bank loans, the Group considers that the fair value of other bank borrowings, trade and other payables and lease liabilities are not materially different to their carrying value.

5.7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to market risk (interest rate risk and commodity price risk), foreign exchange risk, liquidity risk and counterparty credit risk. The Group's Treasury Committee is charged with managing and controlling risk relating to the financing and liquidity of the Group under policies approved by the Board of Directors. The Group does not enter into speculative transactions.

Interest rate risk

Changes in interest rates could have an impact on the interest cover covenant of the Group's core facilities and on the interest charge in the Income Statement. In order to monitor and manage the risk, borrowings and the expected interest cost for the year are regularly forecast and sensitised for potential changes.

The Group has continued to limit its exposure to interest rate risk by using fixed rate retail bonds, European private placements, fixed rate lease liabilities and fixed rate bank borrowings. The proportion of the Group's total borrowings excluding PPP non-recourse floating rate borrowings that were fixed at 31 March 2023 was €559.8m (2022: €554.3m) or 85% (2022: 95% restated). Additionally, the PPP non-recourse floating rate borrowings are hedged using interest rate swaps which hedge the interest cash flows.

Interest rate swaps are accounted for under IFRS 9 with changes in the fair value recognised in Other Comprehensive Income, as they are effective hedges. Any ineffectiveness is recognised in the Income Statement as a non-trading income or charge.

SECTION 5. Capital structure and financing CONTINUED

5.7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

Interest rate sensitivity for bank borrowings

Interest on the floating rate revolving credit facilities will vary as interest rates increase or decrease. If rates had moved by 1% the impact on profit before tax would have been a loss or gain of €1.1m (2022: €0.6m) based on the average bank borrowings during the year.

Interest rate sensitivity for PPP non-recourse borrowings

The PPP non-recourse borrowings are fully hedged with interest rate swaps. The fair values of interest rate swaps used for hedging of PPP non-recourse borrowings are determined with reference to floating market interest rates. A 1% increase in interest rates would have reduced the fair value of the interest rate swap liabilities and increased the interest rate swap assets and resulted in a pre-tax gain in Other Comprehensive Income of €4.3m (2022: €6.2m) and a pre-tax gain in the Income Statement of €0.9m (2022: €0.7m). A 1% decrease in interest rates would have increased the fair value of the interest rate swap liabilities and reduced the interest rate swap assets and led to a pre-tax loss in Other Comprehensive Income of €4.7m (2022: €6.9m) and a pre-tax loss in the Income Statement of €1.0m (2022: €0.8m).

Foreign exchange risk

The Group operates in the UK and is exposed to translation risk on the value of assets denominated in Sterling into Euros. Renewi plc, a Sterling functional currency company, has Euro borrowings which are designated as a net investment hedge of the Group's investments denominated in Euros. The Group has limited transactional risk as the Group's subsidiaries conduct the majority of their business in their respective functional currencies. Some risk arises in Euros on the export of processed waste from the UK to Europe.

Foreign exchange sensitivity

The impact of a change of Sterling foreign exchange rates of 10% on the Group's profit before tax would be €3.2m (2022: €2.1m) and the impact on underlying profit before tax would have been €1.4m (2022: €2.2m).

Commodity price risk and sensitivity

The Group is exposed to diesel price changes which are managed using forward contracts. The Group manages other exposures to prices of paper, plastics, metals, residual fuels and other recyclates associated with off-take through commercial contracting. The impact of a change in unhedged wholesale fuel prices (excluding duty) of 50% on the Group's profit before tax would have been €3.2m (2022: €2.2m restated).

Credit risk

Credit risk is the risk of financial loss where counterparties are not able to meet their obligations. The Group's principal financial assets are cash and cash equivalents, trade and other receivables and financial assets relating to PPP contracts. The Group's objective is to reduce its exposure to counterparty default by restricting the type of counterparty it deals with and by employing an appropriate policy in relation to the collection of trade receivables. The increased energy prices and high inflation as a result of the events in Ukraine are having a significant impact on various sectors and industries and the impact has been considered when assessing the credit risk of the Group.

The Group recognises lifetime expected credit losses at the point of initial recognition for trade receivables and accrued income as set out in note 4.8. For other financial assets, a loss allowance is recognised for expected credit losses taking into account changes in the level of credit risk. Where credit risk is considered to be low, the loss allowance is limited to expected losses arising from default events that are possible within 12 months from the balance sheet date. At 31 March 2023, taking into account the impact of macroeconomic factors, there has not been a significant increase in credit risk in relation to receivables where the IFRS 9 general approach is followed to determine expected credit loss.

At 31 March 2023 the amount of credit risk on cash and cash equivalents totalled €62.7m (2022: €63.6m). The banks and financial institutions used by the Group for core cash and cash equivalents are restricted to those with the appropriate geographical presence and suitable credit rating. The Group has an objective to minimise cash and where possible repay the Group borrowings to manage counterparty credit risk amongst other objectives. The restricted cash relating to PPP contracts is managed in accordance with the guidelines specific to each of the PPP contracts. Expected credit losses over cash and cash equivalents are considered to be immaterial with no losses experienced.

Notes to the financial statements CONTINUED

SECTION 5. Capital structure and financing CONTINUED

5.7 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

Trade and other receivables mainly comprise amounts due from customers for services performed. Each division monitors the level of trade receivables on a monthly basis, continually assessing the risk of default by any counterparty taking into account that the Group uses credit insurance to minimise the credit risk of trade receivables. As a result of increased energy prices and high inflation due to the events in Ukraine a detailed review has been undertaken at a customer level in some cases, in order to assess the likely potential of default considering the nature of the customers business and any government support measures. At 31 March 2023 the amount of credit risk on trade and other receivables amounted to €261.9m (2022: €243.4m). The Group does not hold any collateral as security.

The financial assets relating to PPP contracts are recoverable from the future revenues relating to these contracts. Management consider these to be very low risk as the counterparties for the future revenues are local authorities or councils in the UK. This is reviewed on a regular basis and there has been no change in the capacity of the counterparties to meet the contractual cash flow obligations. At 31 March 2023 the amount of credit risk on financial assets amounted to €131.0m (2022: €143.4m).

For derivative financial assets the maximum exposure to credit risk at the reporting date is the net fair value of the derivative assets which are included in the consolidated statement of financial position.

No other loans to associates or joint ventures are credit impaired.

5.8 CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide optimal returns for shareholders, maintain an efficient capital structure to reduce the cost of capital and provide appropriate levels of liquidity headroom. In order to meet these objectives, the Group may issue or repay debt, issue new shares or adjust the amount of dividend paid to shareholders.

No dividends were paid for the year ended 31 March 2022 and no dividend is being paid for the year ended March 2023. The Board will continue to review the reinstatement of dividends taking into consideration the trading performance, macroeconomic outlook and changes in the investment and growth opportunities for the Group.

The following table shows the capital of the Group:

	Note	2023 €m	Restated* 2022 €m
Total borrowings	5.3	**748.4**	658.1
Less: PPP non-recourse borrowings	5.3	**(88.3)**	(100.2)
Less: Lease liabilities as a result of the adoption of IFRS 16		**(245.8)**	(212.4)
Less: core cash and cash equivalents (excluding restricted cash at bank relating to PPP contracts)	5.2	**(43.7)**	(42.5)
Net debt aligned with covenant definition		**370.6**	303.0
Total equity		**347.3**	341.9
Total capital		**717.9**	644.9

*The comparatives have been restated due to a prior year adjustment as explained in section 1 Basis of Preparation.

The Group monitors its financial capacity by reference to key financial ratios which provide a framework within which the Group's capital base is managed. The Group's Euro denominated multicurrency green finance facility agreements have covenants including adjusted net debt to comparable adjusted EBITDA and interest cover in accordance with a frozen GAAP concept. The additional bank borrowing drawn during the year ended March 2023 also have covenants which are broadly in line with those of the multicurrency facility. The Group has complied with its banking covenants during the year.

SECTION 5. Capital structure and financing CONTINUED

5.9 EQUITY

Accounting policy

Share capital and share premium

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are shown in equity as a deduction, net of tax, from the proceeds. The share premium account represents any excess of the net proceeds over the nominal value of any shares issued.

At the Annual General Meeting of Renewi plc held on 15 July 2021, shareholders approved the consolidation of the Company's share capital on the basis of one new ordinary share with a nominal value of £1.00 each for every ten existing ordinary shares of 10 pence each held. This was subsequently completed on 19 July 2021 when the issued share capital of 800,236,740 10 pence shares was replaced with 80,023,674 £1 shares.

	SHARE CAPITAL ORDINARY SHARES Number	SHARE CAPITAL ORDINARY SHARES €m	SHARE PREMIUM €m
Share capital allotted, called up and fully paid			
At 1 April 2021 (ordinary shares of 10p each)	800,141,536	99.5	473.6
Issued under share option schemes – prior to share consolidation (ordinary shares of 10p each)	95,204	–	–
Ordinary shares of 10p each held on 19 July prior to the consolidation	800,236,740	99.5	473.6
Adjustment to number of shares following the share consolidation	(720,213,066)	–	–
Issued under share option schemes (ordinary shares of £1 each)	36,263	–	0.2
At 31 March 2022 (ordinary shares of £1 each)	80,059,937	99.5	473.8
Issued under share option schemes (ordinary shares of £1 each)	**190,358**	**0.3**	**0.3**
At 31 March 2023 (ordinary shares of £1 each)	**80,250,295**	**99.8**	**474.1**

During the year 190,358 (2022: 36,263) ordinary shares of £1 were allotted, additionally during the prior year 95,204 ordinary shares of 10p each were allotted prior to the share consolidation. These new shares resulted from the exercise of share options under the Savings Related Share Option Schemes for an aggregated consideration of €0.6m (2022: €0.2m). Further disclosures relating to share-based options are set out in note 7.3.

Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of non-Euro denominated operations since 1 April 2005, the date the Group converted to IFRS, excluding those disposed of, as well as from the translation of liabilities that hedge the Group's net investment in foreign operations.

Retained earnings

The Group includes within retained earnings the cumulative balance relating to the effective portion of hedging instruments carried at fair value in a qualifying cash flow hedge and further details are provided in note 5.5.

The Group also includes the cumulative impact of the Renewi Employee Share Trust within retained earnings. The Trust owns 853,223 £1 shares (1.1%) (2022: 552,851 £1 shares (0.7%)) of the issued share capital of the Company in trust for the benefit of employees of the Group. The Trust waives its dividend entitlement. During the year 400,597 (2022: 34,580) £1 shares were transferred to individuals under the LTIP and DAB schemes and in the prior year 798,433 10 pence shares were transferred to individuals under the LTIP and DAB schemes prior to the share consolidation. During the year 700,969 £1 shares (2022: 237,000 £1 shares) were purchased by the Trust at a cost of €5.3m (2022: €1.8m).

Notes to the financial statements CONTINUED

SECTION 5. Capital structure and financing CONTINUED

5.9 EQUITY CONTINUED

Non-controlling interests

The information below reflects the amounts included in the Group's Income Statement and Balance Sheet for subsidiaries with material non-controlling interests.

	2023			2022		
	Maltha Groep €m	Others €m	Total €m	Maltha Groep €m	Others €m	Total €m
Revenue	69.8	45.9	115.7	60.2	37.3	97.5
Profit after tax	9.8	2.3	12.1	1.8	3.1	4.9
Total comprehensive income	9.8	2.3	12.1	1.8	3.1	4.9
Total comprehensive income allocated to the non-controlling interests	3.3	0.4	3.7	0.5	0.4	0.9
Dividends paid to non-controlling interests	–	0.6	0.6	–	–	–
Non-current assets	29.3	8.3	37.6	24.0	8.1	32.1
Current assets	22.5	17.2	39.7	19.5	11.6	31.1
Non-current liabilities	(3.2)	(1.1)	(4.3)	(4.1)	(1.3)	(5.4)
Current liabilities	(24.6)	(13.5)	(38.1)	(25.2)	(6.6)	(31.8)
Net assets	24.0	10.9	34.9	14.2	11.8	26.0
Accumulated non-controlling interests	8.0	2.1	10.1	4.7	2.3	7.0
Net (decrease) increase in cash and cash equivalents	(2.3)	1.4	(0.9)	(0.1)	–	(0.1)

5.10 DIVIDENDS

Accounting policy

Final dividend distributions to the equity holders are recognised in the period in which they are approved by the shareholders in general meeting. Interim dividends are recognised when paid.

The Directors have not recommended a final dividend for the year ended March 2023 (2022: nil).

Section 6. Acquisitions and disposals

This section provides details of acquisitions and disposals.

6.1 ACQUISITIONS

Accounting policy

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of the subsidiary is the fair value of assets transferred, liabilities incurred or assumed including any equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed, meeting the conditions for recognition under IFRS 3, are recognised at their fair value at the acquisition date. The fair value of businesses acquired may include waste permits, licences and customer relationships with the value recognised as intangible assets and amortised. The method for calculating the intangible asset is determined for each acquisition which include the Income approach (multi-period excess earnings method or the with-or-without method) and the Cost approach. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. The Group recognises any non-controlling interest in the acquired entity on an acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The costs of acquisition are charged to the Income Statement in the year in which they are incurred.

Acquisition of GMP Exploitatie B.V.

On 1 August 2022 the Group acquired 100% of the share capital of GMP Exploitatie B.V. and its subsidiaries (subsequently renamed Renewi Westpoort Holding B.V.) for a cash consideration of €53.5m. In addition to the cash purchase consideration paid of €53.5m, the Group immediately settled an acquired €7.0m bank loan.

The business operates from a large and well permitted processing facility located in the port area of Amsterdam. The site of 130,000m² has excellent road and water access operating two advanced sorting lines for processing mixed construction and demolition waste as well as household waste. In addition, a minerals classification and washing installation produces secondary construction materials from construction and demolition waste. The acquisition will deliver synergies from site rationalisation, route and waste flow optimisation and other operational benefits as part of the Group's Netherlands Commercial Waste division CGU.

SECTION 6. Acquisitions and disposals CONTINUED

6.1 ACQUISITIONS CONTINUED

The asset identification and fair value allocation processes has been finalised and the table below shows the final values. External specialists were engaged to assist with determining the final balance sheet specifically with regard to intangible assets acquired. The Group has separately identified customer relationships and permits as acquisition related intangibles. The goodwill arising on the acquisition is attributable to management's expectations of synergies to be achieved post acquisition. None of the goodwill on this acquisition is deductible for tax, however deferred tax at a tax rate of 25.8% has been recognised on acquisition intangibles as required under IAS 12 Income Taxes.

Key Valuation methods

Permits – The acquisition included a mix of permits with an infinite lifetime and these were valued following the Income approach – multi-period excess earning method. The key assumptions are revenue, EBITDA and contributory asset charges in order to determine the appropriate cash flows which are then discounted. As the permits are linked to the site which is located on leased land, the remaining useful life is determined to be equal to the term of the 34 year lease.

Customer relationships – The acquisition included both inbound and outbound customers and the fair value has been calculated by following the Income approach – with-or-without method. The key assumptions are the post-tax cash flows and the time taken to ramp-up to the current customer base. The remaining useful life is determined to be 8 years.

Land and buildings – The buildings are located on leasehold land. Two external real estate advisers performed valuations based on the existing lease arrangement. The acquisition value was adjusted to take account of the favourable element of the land lease which has been added to the right-of-use asset. The remaining useful life is determined to be 34 years in line with the lease term.

	Fair value acquired €m
Intangible assets – Permits	6.0
Intangible assets – Customer relationships	21.6
Property, plant and equipment	18.0
Right-of-use assets	38.4
Trade and other receivables	9.4
Inventories	0.3
Current tax receivable	0.2
	93.9
Trade and other payables	(8.9)
Provisions	(1.3)
Deferred tax liabilities	(9.6)
Borrowings – Bank loan	(7.0)
Borrowings – Lease liabilities	(30.7)
	(57.5)
Net identifiable assets acquired	36.4
Add: Goodwill arising on acquisition	17.1
Net assets acquired	53.5

Purchase consideration	Total €m
Cash consideration	53.5
Less: Cash balances acquired	–
Net cash outflow – investing activities	53.5

Notes to the financial statements CONTINUED

SECTION 6. Acquisitions and disposals CONTINUED

6.1 ACQUISITIONS CONTINUED

In the period from the acquisition to 31 March 2023 the business contributed €30.2m to the Group's revenue and a loss of €2.6m to the Group's profit after tax. If the acquisition had been completed on the first day of the financial year, the business would have contributed €51.8m to the Group's revenue and a loss of €3.1m to the Group's profit after tax. Acquisition related costs of €0.4m were recognised within administrative costs.

Others

In addition, during September 2022 the Netherlands Commercial division completed a business assets acquisition for cash consideration of €1.6m. The assets acquired were €1.0m of plant and machinery with €0.3m allocated to an acquisition related intangible for customer lists and the balance of €0.3m to goodwill.

During the prior year the Netherlands Commercial Division acquired plant and machinery business assets of €0.2m and acquisition related intangible customer lists of €0.3m.

6.2 DISPOSALS

Accounting policy

The results of operations disposed of during the year are included in the consolidated Income Statement up to the date of disposal, unless they meet the criteria of a discontinued operation.

On 27 June 2022 the Mineralz & Water division disposed of net liabilities totalling €3.6m in relation to its North business for a cash consideration of €0.2m generating a profit on sale of €3.8m which has been recorded as a non-trading and exceptional item in line with the Group's policy due to the significant value of the profit.

On 5 August 2022 the Specialities division sold its Maltha Hungary entity. Net liabilities of €0.8m were sold for a cash consideration net of cash sold of €0.1m which generated a profit on sale of €0.9m. The profit on sale which included the impact of a recycled cumulative currency translation has been recorded in underlying EBIT.

There were no disposals in the prior year.

6.3 ASSETS CLASSIFIED AS HELD FOR SALE

Accounting policy

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets are available for sale in their present condition. Following the classification as held for sale, non-current assets are not depreciated.

The Group had €0.6m (2022: €3.3m) assets classified as held for sale at 31 March 2023, these relate to land and buildings in the Belgium Commercial Division which are expected to be sold within the next 12 months. The prior year value also included €2.0m land and buildings at a Netherlands Commercial Division site and €1.3m in the Belgium Commercial Division in relation to an associate of €0.7m and land and buildings of €0.6m.

SECTION 7. Employee benefits

7.1 EMPLOYEE COSTS AND EMPLOYEE NUMBERS

This note shows the staff costs and the average monthly number of employees analysed by reportable segment.

	Note	2023 €m	2022 €m
Wages and salaries		**336.3**	311.6
Social security costs		**62.2**	56.6
Share-based benefits	7.3	**2.7**	2.5
Other pension costs	7.2	**32.0**	31.8
Total staff costs		**433.2**	402.5

	2023	2022
The average number of employees by reportable segment during the year was:		
Commercial Waste	**4,621**	4,568
Mineralz & Water	**323**	337
Specialities	**877**	864
Group central services	**414**	384
Total average number of employees	**6,235**	6,153

7.2 RETIREMENT BENEFIT SCHEMES

The Group operates defined benefit and defined contribution schemes in the UK and overseas.

Accounting policy

The Group accounts for pensions and similar benefits under IAS 19 (revised) Employee Benefits.

The pension cost for the defined benefit schemes is assessed in accordance with management's best estimates using the advice of an independent qualified actuary and assumptions in the latest actuarial valuation. For defined benefit plans, obligations are measured at discounted present value. Plan assets in the UK scheme are recorded at fair value and in the overseas schemes the plan assets are calculated as the cash value of all future insured benefit payments using an appropriate discount rate. The operating and financing costs of the plans are recognised separately in the Income Statement. Interest is calculated by applying the discount rate to the net defined pension liability. Actuarial gains and losses are recognised in full through the Statement of Comprehensive Income and surpluses are recognised only to the extent that they are recoverable. Movements in irrecoverable surpluses are recognised immediately in the Statement of Comprehensive Income.

Payments to defined contribution schemes are charged to the Income Statement as they become due. The Group participates in several multi-employer schemes in the Netherlands which are accounted for as defined contribution plans as it is not possible to split the assets and liabilities of the schemes between participating companies. The Group has been informed by the schemes that it has no obligation to make additional contributions in the event that the schemes have an overall deficit.

Retirement benefit schemes costs

	2023 €m	2022 €m
UK defined contribution scheme	**1.7**	1.7
Overseas defined benefit schemes	**1.4**	2.3
Overseas defined contribution schemes	**28.9**	27.8
	32.0	31.8

Notes to the financial statements CONTINUED

SECTION 7. Employee benefits CONTINUED

7.2 RETIREMENT BENEFIT SCHEMES CONTINUED

UK defined benefit scheme

The UK defined benefit pension scheme (called the Shanks Group Pension Scheme) provides pension benefits for pensioners, deferred members and eligible UK employees and is closed to new entrants and closed to future benefit accrual. The defined benefit scheme provides benefits to members in the form of a guaranteed level of pension payable for life and the level of benefits provided depends on the members' length of service and final salary. Plan assets are managed by Aon Investments Ltd on behalf of the Trustees. There are four trustees currently, two appointed by the Company and two nominated by members, who are responsible for ensuring the scheme is run in accordance with the members' best interests and the pension laws of the UK which are overseen by The Pensions Regulator.

The most recent triennial actuarial valuation of the Scheme, which was performed by an independent qualified actuary for the Trustees of the Scheme, was carried out as at 5 April 2021. The Group has agreed to pay annual deficit contribution of €3.5m (£3.1m) until December 2024. The total estimated contributions expected to be paid to the scheme in the year ending 31 March 2024 are €3.5m.

The significant actuarial assumptions adopted at the balance sheet date were as follows:

	2023 % p.a.	2022 % p.a.
Discount rate	**4.9**	2.8
Rate of price inflation	**3.3**	3.6
Consumer price inflation	**2.7**	3.0

The discount rate assumption is derived from the single agency curve based on high quality AA rated bonds. The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 65 will live on average for a further 23 years (2022: 23 years) if they are male and for a further 25 years (2022: 25 years) if they are female. For a member aged 40 who retires at age 65 the assumptions are that they will live on average after retirement for around a further 24 years (2022: 24 years) if they are male or for a further 27 years (2022: 27 years) if female. The weighted average duration of the defined benefit obligation is approximately 13 years.

Overseas defined benefit schemes

The overseas defined benefit obligation relates to funded plans, mainly insurance contracts managed by insurers, in both the Netherlands and Belgium. There are various schemes which are based on average salaries and in some cases on final salaries. The assets consist of qualifying insurance policies which match the vested benefits. The build-up of rights for inactive members are indexed on the basis of additional interest and the rights of active employees are being indexed unconditionally with the price-inflation figure. There are no unfunded plans. The plans are subject to laws for pension insurance companies offering pension arrangements and are overseen by Autoriteit Financiele Markten in the Netherlands and Autoriteit voor Financiele Diensten en Markten in Belgium. The Group has no responsibilities for governance of the plans other than correct calculation and timely payment of the contributions. The total estimated contributions expected to be paid to the schemes in the year ending 31 March 2024 are €2.1m.

The significant actuarial assumptions adopted at the balance sheet date were as follows:

	2023 % p.a.	2022 % p.a.
Discount rate	**2.4 to 3.9**	1.7 to 2.0
Rate of price inflation	**2.0**	2.0
Rate of salary inflation	**2.5 to 4.0**	2.0 to 2.5

The discount rate assumption is based on interest rates applying to high quality corporate bonds with a term approximately equal to the term of the related pension liability. The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member currently aged 65 will live on average for a further 22 years (2022: 21 years) if they are male and for a further 24 years (2022: 23 years) if they are female. For a member aged 40 who retires at age 65 the assumptions are that they will live on average after retirement for around a further 23 years (2022: 23 years) if they are male or for a further 25 years (2022: 25 years) if female. The maturity of the schemes ranges from 18 to 22 years.

SECTION 7. Employee benefits CONTINUED

7.2 RETIREMENT BENEFIT SCHEMES CONTINUED

The amounts recognised in the financial statements for all defined benefit schemes are as follows:

Income Statement	2023 UK €m	2023 Overseas €m	2023 Total €m	2022 UK €m	2022 Overseas €m	2022 Total €m
Current service cost	**–**	**1.7**	**1.7**	–	2.3	2.3
Curtailment	**–**	**(0.3)**	**(0.3)**	–	–	–
Interest (income) expense on scheme net liabilities	**(0.2)**	**–**	**(0.2)**	–	0.1	0.1
Net defined benefit pension schemes (credit) charge before tax	**(0.2)**	**1.4**	**1.2**	–	2.4	2.4

Statement of Comprehensive Income	2023 UK €m	2023 Overseas €m	2023 Total €m	2022 UK €m	2022 Overseas €m	2022 Total €m
Actuarial gain on scheme liabilities	**46.5**	**18.5**	**65.0**	14.8	8.2	23.0
Actuarial loss on scheme assets	**(62.9)**	**(17.6)**	**(80.5)**	(5.8)	(6.7)	(12.5)
Actuarial (loss) gain on defined benefit pension schemes	**(16.4)**	**0.9**	**(15.5)**	9.0	1.5	10.5

Cumulative actuarial gains and losses recognised in the Statement of Comprehensive Income since 1 April 2004 are losses of €45.9m (2022: €30.4m).

Balance Sheet	2023 UK €m	2023 Overseas €m	2023 Total €m	2022 UK €m	2022 Overseas €m	2022 Total €m
Present value of deferred benefit obligations	**(144.5)**	**(56.6)**	**(201.1)**	(201.2)	(74.5)	(275.7)
Fair value of plan assets	**140.2**	**51.6**	**191.8**	209.8	68.2	278.0
Defined benefit pension schemes net (deficit) asset	**(4.3)**	**(5.0)**	**(9.3)**	8.6	(6.3)	2.3
Related deferred tax asset (note 3.4)	**1.1**	**1.3**	**2.4**	(2.1)	1.6	(0.5)
Net defined pension schemes (liability) asset	**(3.2)**	**(3.7)**	**(6.9)**	6.5	(4.7)	1.8
Classified as:						
Defined benefit scheme surplus – included in non-current assets	**–**	**–**	**–**	8.6	–	8.6
Defined benefit pension schemes deficit – included in non-current liabilities	**(4.3)**	**(5.0)**	**(9.3)**	–	(6.3)	(6.3)
Defined benefit pension schemes net (deficit) asset	**(4.3)**	**(5.0)**	**(9.3)**	8.6	(6.3)	2.3

The UK scheme's assets of €140.2m (2022: €209.8m) are invested via Aon's Delegated Consulting Service which is a fiduciary investment management platform managed by Aon Investments Limited. A breakdown of the underlying investment classes is given below:

	2023 €m	2022 €m
Equities	**44.8**	87.7
Liquid alternatives	**19.3**	23.6
Fixed income	**17.6**	24.1
Liability driven investment	**51.3**	65.8
Cash and others	**7.2**	8.6
	140.2	209.8

The overseas schemes assets of €51.6m (2022: €68.2m) are insurance contracts managed by insurers in the Netherlands and Belgium.

Notes to the financial statements CONTINUED

SECTION 7. Employee benefits CONTINUED

7.2 RETIREMENT BENEFIT SCHEMES CONTINUED

The movement in the defined benefit pension schemes deficit

	UK €m	Overseas €m	Total €m
At 1 April 2021	(4.0)	(7.4)	(11.4)
Current service cost	–	(2.3)	(2.3)
Interest expense	–	(0.1)	(0.1)
Net actuarial gain recognised in the year	9.0	1.5	10.5
Contributions from employer	3.5	2.0	5.5
Exchange rate changes	0.1	–	0.1
At 31 March 2022	8.6	(6.3)	2.3
Current service cost	–	(1.7)	(1.7)
Curtailment	–	0.3	0.3
Interest income	0.2	–	0.2
Net actuarial (loss) gain recognised in the year	(16.4)	0.9	(15.5)
Contributions from employer	3.5	1.8	5.3
Exchange rate changes	(0.2)	–	(0.2)
At 31 March 2023	**(4.3)**	**(5.0)**	**(9.3)**

Reconciliation of the defined benefit obligation

	UK €m	Overseas €m	Total €m
At 1 April 2021	(216.7)	(79.9)	(296.6)
Current service cost	–	(2.6)	(2.6)
Interest expense	(4.3)	(0.9)	(5.2)
Remeasurements:			
Actuarial gain on scheme liabilities arising from changes in financial assumptions	15.3	9.0	24.3
Actuarial (loss) gain on scheme liabilities arising from change in demographic assumptions	(4.4)	0.8	(3.6)
Actuarial gain (loss) on scheme liabilities arising from changes in experience	3.9	(1.6)	2.3
Contributions from plan participants	–	(0.5)	(0.5)
Benefit payments	6.5	1.2	7.7
Exchange rate changes	(1.5)	–	(1.5)
At 31 March 2022	(201.2)	(74.5)	(275.7)
Current service cost	–	(1.3)	(1.3)
Curtailment	–	1.3	1.3
Interest expense	(5.3)	(1.2)	(6.5)
Remeasurements:			
Actuarial gain on scheme liabilities arising from changes in financial assumptions	54.1	19.4	73.5
Actuarial loss on scheme liabilities arising from changes in experience	(7.6)	(0.9)	(8.5)
Contributions from plan participants	–	(0.6)	(0.6)
Benefit payments	7.8	1.2	9.0
Exchange rate changes	7.7	–	7.7
At 31 March 2023	**(144.5)**	**(56.6)**	**(201.1)**

SECTION 7. Employee benefits CONTINUED

7.2 RETIREMENT BENEFIT SCHEMES CONTINUED

Reconciliation of plan assets

	UK €m	Overseas €m	Total €m
At 1 April 2021	212.7	72.5	285.2
Current service cost	–	0.3	0.3
Interest income	4.3	0.8	5.1
Remeasurements: Return on plan assets excluding interest expense	(5.8)	(6.7)	(12.5)
Contributions from employer	3.5	2.0	5.5
Contributions from plan participants	–	0.5	0.5
Benefit payments	(6.5)	(1.2)	(7.7)
Exchange rate changes	1.6	–	1.6
At 31 March 2022	209.8	68.2	278.0
Current service cost	–	(0.4)	(0.4)
Curtailment	–	(1.0)	(1.0)
Interest income	5.5	1.2	6.7
Remeasurements: Return on plan assets excluding interest expense	(62.9)	(17.6)	(80.5)
Contributions from employer	3.5	1.8	5.3
Contributions from plan participants	–	0.6	0.6
Benefit payments	(7.8)	(1.2)	(9.0)
Exchange rate changes	(7.9)	–	(7.9)
At 31 March 2023	**140.2**	**51.6**	**191.8**

Significant defined benefit pension scheme risks

Through its defined benefit pension schemes the Group is exposed to a number of risks, the most significant of which are set out below.

Asset volatility – The UK scheme liabilities are calculated using a discount rate set with reference to corporate bond yields and if plan assets under perform this yield, this will result in a shortfall. The UK pension scheme's assets are held in a portfolio of pooled funds which are single priced at the net asset value. The investment objective of the portfolio is to achieve long-term total returns in excess of a nominal portfolio of long-dated Sterling bonds through a diversified portfolio of collective investment schemes, which may include derivatives. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. The Trustees have agreed an underlying strategy with the Group so that any ongoing improvements in the scheme's funding position would trigger movements from growth assets to non-growth assets in order to protect and consolidate such improvements. The plan assets in the overseas pension schemes are calculated as the cash value of all future insured benefit payments using an appropriate discount rate.

Inflation risk – The majority of benefit obligations are linked to inflation and higher inflation will lead to higher liabilities.

Life expectancy – The majority of the obligations are to provide benefits for the life of the member, so increases in the life of the member will result in an increase in the liabilities.

Changes in bond yields – A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the investments.

Sensitivities for defined pension benefit schemes

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, as changes in assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the Balance Sheet.

	IMPACT ON DEFINED BENEFIT OBLIGATION					
	UK			OVERSEAS		
	Change in assumption %	Increase in assumption €m	Decrease in assumption €m	Change in assumption %	Increase in assumption €m	Decrease in assumption €m
Discount rate	0.25	4.6	(4.9)	0.25	2.2	(2.3)
Rate of price inflation	0.25	(2.8)	4.6	0.25	–	0.1
Consumer price inflation	0.25	(2.8)	4.6	–	–	–

Notes to the financial statements CONTINUED

SECTION 7. Employee benefits CONTINUED

7.2 RETIREMENT BENEFIT SCHEMES CONTINUED

	UK		OVERSEAS	
	Increase by 1 year in assumption €m	Decrease by 1 year in assumption €m	Increase by 1 year in assumption €m	Decrease by 1 year in assumption €m
Life expectancy	**(7.1)**	6.3	**(1.1)**	1.2

Other overseas schemes

The total cost in the year for other overseas pensions was €28.9m (2022: €27.8m). In the Netherlands in particular, most employees are members of either a multi-employer pension scheme or other similar externally funded schemes, including Government funded schemes.

7.3 SHARE-BASED PAYMENTS

As described in the Directors' Remuneration Report, the Group issues equity-settled share-based payments under a Savings Related Share Option Scheme (SRSOS), a Long-Term Incentive Plan (LTIP) and a Deferred Annual Bonus (DAB) arrangement. Further details and performance metrics of both LTIPs and DABs can be found in the Directors' Remuneration Report on pages 140 to 157.

Accounting policy

The Group issues equity-settled share-based awards to certain employees. The fair value of share-based awards is determined at the date of grant and expensed on a straight-line basis over the vesting period with a corresponding increase in equity based on the Group's estimate of the shares that will eventually vest. At each balance sheet date the Group revises its estimates of the number of awards that are expected to vest based on service and non-market performance conditions. The amount expensed is adjusted over the vesting period for changes in the estimate of the number of shares that will eventually vest, except for changes resulting from any market-related performance conditions.

At the Annual General Meeting of Renewi plc held on 15 July 2021, shareholders approved the consolidation of the Company's share capital on the basis of one new ordinary share with a nominal value of £1.00 each for every ten existing ordinary shares of 10 pence each held. This adjustment has been applied to the outstanding awards and options as presented below.

Outstanding awards and options

	SRSOS		LTIP	DAB
	Number of options	Weighted Average exercise price	Number of awards	Number of awards
Outstanding at 1 April 2021	7,374,083	24p	12,909,649	1,475,934
Forfeited	(350,341)	22p	(650,750)	–
Expired	(119,120)	76p	(1,976,460)	–
Exercised/vested	(95,200)	23p	(573,802)	(155,535)
Outstanding on 19 July 2021 prior to share consolidation	6,809,422	23p	9,708,637	1,320,399
Adjustment to the number of shares following the share consolidation	(6,128,480)	–	(8,737,775)	(1,188,361)
Granted	89,323	422p	487,111	69,159
Forfeited	(62,527)	242p	(35,000)	–
Exercised/vested	(36,263)	417p	–	(34.580)
Outstanding at 31 March 2022	671,475	245p	1,422.973	166,617
Granted	**66,885**	**608p**	**365,367**	**45,596**
Forfeited	**(110,587)**	**292p**	**(164,024)**	**(42,299)**
Exercised/vested	**(190,358)**	**249p**	**(359,624)**	**(29,432)**
Outstanding at 31 March 2023	**437,415**	**288p**	**1,264,692**	**140,482**
Exercisable at 31 March 2023	1,728	250p		
Exercisable at 31 March 2022	6,436	520p		
At 31 March 2023:				
Range of price per share at exercise		200p to 608p		
Weighted average remaining contractual life		1 year		

SECTION 7. Employee benefits CONTINUED

7.3 SHARE-BASED PAYMENTS CONTINUED

Fair value of awards and options granted during the year

	SRSOS		LTIP			
Valuation model	2023 Binomial	2022 Binomial	2023 Share price and Finnerty	2022 Share price and Finnerty	2023 Monte Carlo and Finnerty	2022 Monte Carlo and Finnerty
Weighted average fair value	**200p**	223p	**655p**	508p	**485p**	362p
Weighted average share price	**580p**	555p	**681p**	548p	**681p**	548p
Weighted average exercise price	**608p**	422p	**–**	–		–
Expected volatility	**49%**	51%	**–**	–	**52%**	53%
Expected life	**3 years**	3 years	**3 years**	3 years	**3 years**	3 years
Risk-free interest rate	**4.44%**	0.25%	**–**	–	**2.2%**	0.16%
Dividend yield	**1.6%**	2.2%	**–**	–	**–**	–

LTIP awards

LTIP awards are issued to the senior leadership of the Group at the discretion of the Remuneration Committee. Vesting of the awards is subject to continued employment together with a market condition (relative TSR) and non-market conditions (EPS, ROCE and recycling rate) as further explained in the Directors' Remuneration report. The awards granted vest after three years, four years and five years. There is no service condition after three years on any of the awards granted, just a holding period of between one and two years. The fair value of the element subject to non-market conditions has been calculated based on the share price at the award date and the expense recognised is based on expectations of these conditions being met which are reassessed at each balance sheet date. The Monte Carlo valuation model is used to determine the weighted average fair value of the market conditions element of awards granted. Using a Finnerty model, post-vesting restrictions are included in the fair value measurement at the date of grant to the extent that the restrictions affect the price that a knowledgeable, willing market participant would pay for the shares. Expected volatility has been calculated using average volatility historical data over a three-year period from the grant date. The risk-free interest rate is based on the implied yield of zero-coupon UK government bonds with a remaining term equal to the expected life. The expected life used in the models equals the vesting period.

SRSOS options

UK employees are invited to join the Sharesave plan when an offer is made each year. These plans are for three years and subject to continued employment. All offers to date were issued at a 20% discount to market price at the time. There are no performance criteria for this plan.

DAB awards

On award the annual bonus of the executive directors is split 50% payable in cash and 50% payable in Renewi plc shares resulting in a deferred annual bonus. The conditions are explained in full within the Directors' Remuneration report.

Charge for the year

The Group recognised a total charge of €2.7m (2022: €2.5m) relating to equity-settled share-based payments. The DAB awards for the year ended 31 March 2023 have not yet been granted and therefore the charge is based on an estimate.

Notes to the financial statements CONTINUED

SECTION 8. Other notes

8.1 SUBSIDIARY UNDERTAKINGS AND INVESTMENTS AT 31 MARCH 2023

The structure of the Group includes a number of different operating and holding companies that contribute to the consolidated financial performance and position.

Subsidiary undertakings
In accordance with section 409 of the Companies Act, a full list of subsidiaries at 31 March 2023 is disclosed below by country of incorporation which is the principal country of business. All are wholly owned by the Group and have a 31 March year end, unless otherwise stated, and all operate in the waste management sector and have been consolidated in the Group's financial statements. Those subsidiaries owned directly by Renewi plc, the parent company, are indicated with an asterisk.

Subsidiary	Address of the registered office
Incorporated in the Netherlands	
ATM B.V.	Vlasweg 12, 4782 PW Moerdijk, Netherlands
A&G Holding B.V.	Van Hilststraat 7, 5145 RK Waalwijk, Netherlands
Bureau ontwerp & omgevin B.V.	Velperweg 157, 6824 MB Arnhem, Netherlands
B.V. Twente Milieu Bedrijven	Flight Forum 240, 5657 DH Eindhoven, Netherlands
CFS B.V.	Wetering 14, 6002 SM Weert, Netherlands
Cirqu B.V.	Velperweg 157, 6824 MB Arnhem, Netherlands
Coolrec B.V.	Van Hilststraat 7, 5145 RK Waalwijk, Netherlands
Coolrec Nederland B.V.	Grevelingenweg 3, 3313 LB Dordrecht, Netherlands
Coolrec Plastics B.V.	Van Hilststraat 7, 5145 RK Waalwijk, Netherlands
EcoSmart Nederland B.V.	Spaarpot 6, 5667 KX Geldrop, Netherlands
Glasrecycling Noord-Oost Nederland B.V. (67%)	Columbusstraat 20, 7825 VR Emmen, Netherlands
Maltha Glasrecycling Nederland B.V. (67%)	Glasweg 7, 4794 TB Heijningen, Netherlands
Maltha Glassrecycling International B.V. (67%)	Glasweg 7, 4794 TB Heijningen, Netherlands
Maltha Groep B.V. (67%)	Glasweg 7, 4794 TB Heijningen, Netherlands
Mineralz B.V.	Van Hilststraat 7, 5145 RK Waalwijk Netherlands
Mineralz Maasvlakte B.V.	Loswalweg 50, 3199 LG Maasvlakte Rotterdam, Netherlands
Mineralz Zweekhorst B.V.	Doesburgseweg 16D, 6902 PN Zevenaar, Netherlands
Orgaworld International B.V.	Lindeboomseweg 15, 3825 AL Amersfoort, Netherlands
Orgaworld Nederland B.V.	Lindeboomseweg 15, 3825 AL Amersfoort, Netherlands
Orgaworld WKK 1 B.V.	Hornweg 67 1044 AN Amsterdam, Netherlands
Orgaworld WKK II B.V.	Hornweg 69, 1044 AN Amsterdam, Netherlands
Orgaworld WKK III B.V.	Hornweg 71, 1044 AN Amsterdam, Netherlands
Renewi Commercial B.V.	Lindeboomseweg 15, 3825 AL Amersfoort, Netherlands
Renewi Europe B.V.	Lindeboomseweg 15, 3825 AL Amersfoort, Netherlands
Renewi Hazardous Waste B.V.	Vlasweg 12, 4782 PW Moerdijk, Netherlands
Renewi Icopower B.V.	Kajuitweg 1, 1041 AP Amsterdam, Netherlands
Renewi Monostreams B.V.	Flight Forum 240, 5657 DH Eindhoven, Netherlands
Renewi Nederland B.V.	Flight Forum 240, 5657 DH Eindhoven, Netherlands
Renewi Netherlands Holdings B.V.	Lindeboomseweg 15, 3825 AL Amersfoort, Netherlands
Renewi Overheidsdiensten B.V.	Rijksweg-Zuid 91, 4715 TA Rucphen, Netherlands
Renewi Smink B.V.	Lindeboomseweg 15, 3825 AL Amersfoort, Netherlands
Renewi Support B.V.	Flight Forum 240, 5657 DH Eindhoven, Netherlands
Renewi Westpoort B.V.	Siciliëweg 38, 1045 AS Amsterdam, Netherlands
Renewi Westpoort Holding B.V.	Velperweg 157, 6824 MB Arnhem, Netherlands
Renewi Westpoort Transport B.V.	Siciliëweg 38, 1045 AS Amsterdam, Netherlands
Robesta Vastgoed Acht B.V.	Flight Forum 240, 5657 DH Eindhoven, Netherlands
Robesta Vastgoed B.V.	Flight Forum 240, 5657 DH Eindhoven, Netherlands
Semler B.V.	Ockhuizenweg 5-A, 5691 PJ Son, Netherlands
Verwerking Bedrijfsafvalstoffen Maasvlakte (V.B.M.) C.V.	Loswalweg 50, 3199 LG Maasvlakte Rotterdam, Netherlands

SECTION 8. Other notes CONTINUED

8.1 SUBSIDIARY UNDERTAKINGS AND INVESTMENTS AT 31 MARCH 2023 CONTINUED

Subsidiary	Address of the registered office
Incorporated in Belgium	
EcoSmart NV	Gerard Mercatorstraat 8, 3920, Lommel, Belgium
Enviro+ NV	Gerard Mercatorstraat 8, 3920, Lommel, Belgium
Maltha Glasrecyclage Belgie BV (67%)	Fabrieksstraat 114, 3920, Lommel, Belgium
Mineralz ES Treatment NV	Gerard Mercatorstraat 8, Lommel, Belgium
Ocean Combustion Services NV	Baeckelmansstraat 125, 2830 Tisselt, Belgium
Recydel SA (80%)	Rue Wérihet 72, 4020 Liège, Belgium
Renewi Belgium NV	Gerard Mercatorstraat 8, 3920, Lommel, Belgium
Renewi Chemical Services NV	Gerard Mercatorstraat 8, 3920, Lommel, Belgium
Renewi Logistics NV	Gerard Mercatorstraat 8, 3920, Lommel, Belgium
Renewi NV	Berkebossenlaan 7, 2400 Mol, Belgium
Renewi Shared services Center SA	Gerard Mercatorstraat 8, 3920, Lommel, Belgium
Renewi Tisselt NV	Baeckelmansstraat 125, 2830 Tisselt, Belgium
Renewi Valorisation & Quarry NV	Gerard Mercatorstraat 8, 3920, Lommel, Belgium
Renewi Wood Products NV	Gerard Mercatorstraat 8, 3920, Lommel, Belgium
Incorporated in Germany	
ATM Entsorgung Deutschland GmbH (Year end 31 December)	Kaldenkirchener Strasse 25, 41063, Mönchengladbach, Germany
Coolrec Deutschland GmbH i.L. (In liquidation, year end 31 December)	Stadtweide 17, 46446 Emmerich am Rhein, Germany
Incorporated in France	
Coolrec France SAS (90%)	Rue Iéna Parcelle 36, 59810 Lesquin, France
Maltha Glass Recycling France SAS (67%)	Zone Industrielle, 33450 Izon, France
Incorporated in Portugal	
Maltha Glass Recycling Portugal Lda (67%)	Parque Industrial da Gala, Lotes 26 e 27, 3081-801 Figueira da Foz, Portugal
Incorporated in the UK	
Renewi European Holdings Limited	Enigma, Wavendon Business Park, Wavendon, Milton Keynes, Buckinghamshire, MK17 8LX ,United Kingdom
Renewi Holdings Limited*	Enigma, Wavendon Business Park, Wavendon, Milton Keynes, Buckinghamshire, MK17 8LX,United Kingdom
Renewi PFI Investments Limited*	Enigma, Wavendon Business Park, Wavendon, Milton Keynes, Buckinghamshire, MK17 8LX, United Kingdom
Renewi SRF Trading Limited	Enigma, Wavendon Business Park, Wavendon, Milton Keynes, Buckinghamshire, MK17 8LX, United Kingdom
Renewi UK Services Limited	Enigma, Wavendon Business Park, Wavendon, Milton Keynes, Buckinghamshire, MK17 8LX, United Kingdom
Safewaste Limited	Enigma, Wavendon Business Park, Wavendon, Milton Keynes, Buckinghamshire, MK17 8LX, United Kingdom
Subsidiary undertakings holding UK PPP contracts	
Renewi Argyll & Bute Limited	16 Charlotte Square, Edinburgh, EH2 4DF, United Kingdom
Renewi Argyll & Bute Holdings Limited*	16 Charlotte Square, Edinburgh, EH2 4DF, United Kingdom
Renewi Cumbria Limited	Enigma, Wavendon Business Park, Wavendon, Milton Keynes, Buckinghamshire, MK17 8LX, United Kingdom
Renewi Cumbria Holdings Limited	Enigma, Wavendon Business Park, Wavendon, Milton Keynes, Buckinghamshire, MK17 8LX, United Kingdom
Renewi BDR Holdings Limited	Enigma, Wavendon Business Park, Wavendon, Milton Keynes, Buckinghamshire, MK17 8LX, United Kingdom
Renewi BDR Limited	Enigma, Wavendon Business Park, Wavendon, Milton Keynes, Buckinghamshire, MK17 8LX, United Kingdom

SECTION 8. Other notes CONTINUED

8.1 SUBSIDIARY UNDERTAKINGS AND INVESTMENTS AT 31 MARCH 2023 CONTINUED

Joint ventures, associates and joint operations

At 31 March 2023 the Group through wholly owned subsidiaries had the following interests in joint venture companies, joint operations and associates, all of which operate in the waste management sector.

Joint ventures	Group Holding %	Most recent year end	Address of the registered office
Incorporated in the Netherlands			
Green Collective B.V.	50%	31 December 2022	Mr E.N. van Kleffensstraat 10, 6842 CV, Arnhem, Netherlands
PQA B.V.	50%	31 December 2022	Industrieweg 15, 5861 EK Wanssum, Netherlands
Sqape B.V.	50%	31 December 2022	Industrieweg 15, 5861 EK Wanssum, Netherlands
Incorporated in Belgium			
Marpos NV	45%	31 December 2022	L. Coiseaukaai 43, 8380 Dudzele, Belgium
Revalim NV	50%	Not applicable due to recently incorporated	Kringloopstraat 1, 3630 Maasmechelen, Belgium
Silvamo NV	50%	31 March 2023	Regenbeekstraat 7C, 8800 Roeselare, Belgium
Incorporated in the UK			
Caird Evered Holdings Limited	50%	31 December 2022	Bardon Hall, Copt Oak Road, Markfield, Leicestershire, LE67 9PJ, United Kingdom
Caird Evered Limited	50%	31 December 2022	Bardon Hall, Copt Oak Road, Markfield, Leicestershire, LE67 9PJ, United Kingdom
Wakefield Waste Holdings Limited	50.001%	31 March 2023	Enigma, Wavendon Business Park, Wavendon, Milton Keynes, Buckinghamshire, MK17 8LX, United Kingdom
Wakefield Waste PFI Holdings Limited	50.001%	31 March 2023	Enigma, Wavendon Business Park, Wavendon, Milton Keynes, Buckinghamshire, MK17 8LX, United Kingdom
Wakefield Waste PFI Limited	50.001%	31 March 2023	Enigma, Wavendon Business Park, Wavendon, Milton Keynes, Buckinghamshire, MK17 8LX, United Kingdom

Associates	Group Holding %	Most recent year end	Address of the registered office
Incorporated in the Netherlands			
AMP B.V.	33%	31 December 2022	Victoriberg 18, 2211 DH Noordwijkerhout, Netherlands
RetourMatras B.V.	31.63%	31 December 2022	Goudseweg 181 Unit E, 2411HK, Bodegraven, Netherlands
Tankterminal Sluiskil B.V.	40%	31 December 2022	Oostkade 7, 4541 HH Sluiskil, Netherlands
Zavin B.V.	33%	31 December 2022	Baanhoekweg 42, 3313 LA Dordrecht, Netherlands
Zavin C.V.	33%	31 December 2022	Baanhoekweg 46, 3313 LA Dordrecht, Netherlands
Incorporated in Belgium			
SUEZ PCB Decontamination NV	23%	31 December 2022	Westvaartdijk 97, 1850 Grimbergen, Belgium
Valorem SA	30%	31 December 2022	Rue des trois Burettes 65 1435 Mon-Saint-Guibert, Belgium
Incorporated in Austria			
EARN Elektroalgeräte Service GmbH	33%	31 December 2022	Johannesgasse 15, 1010 Wien, Austria
Incorporated in the UK			
ELWA Limited	20%	31 March 2023	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG United Kingdom
ELWA Holdings Limited	20%	31 March 2023	8 White Oak Square, London Road, Swanley, Kent, BR8 7AG United Kingdom

SECTION 8. Other notes CONTINUED

8.1 SUBSIDIARY UNDERTAKINGS AND INVESTMENTS AT 31 MARCH 2023 CONTINUED

Joint operations	Group Holding %	Most recent year end	Address of the registered office
Incorporated in the Netherlands			
Airport Services by Renewi & Seenons V.O.F.	50%	Not applicable due to recently incorporated	Flight Forum 240, 5657 DH Eindhoven, Netherlands
Hydrovac V.O.F.	50%	31 December 2022	Graafsebaan 67, 5248 JT Rosmalen, Netherlands
Induserve V.O.F.	33%	31 December 2022	Flight Forum 240, 5657 DH Eindhoven, Netherlands
Octopus V.O.F.	50%	31 December 2022	Forellenweg 24, 4941 SJ Raamsdonksveer, Netherlands
Smink Boskalis Dolman V.O.F.	50%	31 December 2022	Lindeboomseweg 15, 3825 AL Amersfoort, Netherlands

8.2 RELATED PARTY TRANSACTIONS

Transactions between the Group and its associates and joint ventures

The Group had the following transactions on arm's length terms and outstanding balances with associates and joint ventures, in the ordinary course of business:

	ASSOCIATES		JOINT VENTURES	
	2023 €m	**2022 €m**	**2023 €m**	**2022 €m**
Sales	**49.4**	51.5	**23.5**	20.1
Purchases	**5.0**	4.4	**3.9**	2.4
Management fees	**0.7**	0.8	**0.4**	0.4
Receivables at 31 March	**4.0**	5.0	**3.2**	2.5
Payables at 31 March	**0.4**	0.2	**0.3**	0.4
Dividends paid to the Group	**0.5**	0.8	**0.1**	0.5
Loans made by Group companies at 31 March	**0.7**	0.7	**0.3**	0.2
Loans made to Group companies at 31 March	**–**	–	**0.6**	0.6

The receivables and payables are due one month after the date of the invoice and are unsecured in nature and bear no interest.

Remuneration of key management personnel

Key management personnel comprises the Board of Directors and the members of the Group's Executive Committee. The disclosures required by the Companies Act 2006 and those specified by the Financial Conduct Authority relating to Directors' remuneration (including retirement benefits and incentive plans), interests in shares, share options and other interests, are set out in the Directors' Remuneration Report on pages 140 to 157, and form part of these consolidated financial statements. The emoluments paid or payable to key management personnel were:

	2023 €m	**2022 €m**
Short-term employee benefits	**6.3**	6.3
Post-employment benefits	**0.3**	0.2
Share-based payments	**1.0**	1.1
	7.6	7.6

8.3 ALTERNATIVE PERFORMANCE MEASURES (APMs) AND RECONCILIATIONS

In accordance with the Guidelines on APMs issued by the European Securities and Markets Authority, additional information is provided on the APMs used by the Group below. The Directors use APMs as they believe these measures provide additional useful information on the underlying trends, performance and position of the Group. These measures are used for internal performance analysis. These terms are not defined terms under IFRS and may therefore not be comparable with similarly titled measures used by other companies. These measures are not intended to be a substitute for, or superior to, IFRS measurements. There have been no changes in approach.

Notes to the financial statements CONTINUED

SECTION 8. Other notes CONTINUED

8.3 ALTERNATIVE PERFORMANCE MEASURES (APMs) AND RECONCILIATIONS CONTINUED

Financial Measure	How we define it	Why we use it
Underlying EBIT	Operating profit excluding non-trading and exceptional items which are defined in note 3.3	Provides insight into profit generation and is the measure used by management to make decisions as it provides consistency and comparability of the ongoing performance between periods
Underlying EBIT margin	Underlying EBIT as a percentage of revenue	Provides insight into margin development and trends
Underlying EBITDA	Underlying EBIT before depreciation, amortisation and impairment of property, plant and equipment, right-of-use assets, intangible assets and investments, profit or loss on disposal of property, plant and equipment, intangible assets and subsidiaries	Measure of earnings and cash generation to assess operational performance
Underlying EBITDA margin	Underlying EBITDA as a percentage of revenue	Provides insight into margin development and trends
Underlying profit before tax	Profit before tax excluding non-trading and exceptional items	Facilitates underlying performance evaluation
Underlying EPS	Earnings per share excluding non-trading and exceptional items	Facilitates underlying performance evaluation
Underlying effective tax rate	The effective tax rate on underlying profit before tax	Provides a more comparable basis to analyse the tax rate
Return on operating assets	Last 12 months underlying EBIT divided by a 13-month average of net assets excluding core net debt, IFRS 16 lease liabilities, derivatives, tax balances, goodwill and acquisition related intangibles	Provides a measure of the return on assets across the Divisions and the Group excluding goodwill and acquisition related intangible balances
Post-tax return on capital employed	Last 12 months underlying EBIT as adjusted by the Group effective tax rate divided by a 13-month average of net assets excluding core net debt, IFRS 16 lease liabilities and derivatives	Provides a measure of the Group return on assets taking into account the goodwill and acquisition related intangible balances
Growth capital expenditure	Growth capital projects which include the innovation portfolio and other large strategic investments	Provides an understanding of how cash is being spent to grow the business
Adjusted free cash flow	Net cash generated from operating activities including interest, tax and replacement capital spend and excluding cash flows from non-trading and exceptional items, Covid-19 tax deferral payments, settlement of historic ATM soil liabilities and cash flows relating to the UK PPP contracts. Payments to fund defined benefit pension schemes are also excluded as these schemes are now closed to both new members and ongoing accrual and as such relate to historic liabilities. The Municipal contract cash flows are excluded because they principally relate to onerous contracts as reported in exceptional charges in the past and caused by adverse market conditions not identified at the inception of the contract	Measure of cash generation in the underlying business available to fund growth capital projects and invest in acquisition. We classify our capital spend into general replacement expenditure and growth capital projects which include the innovation portfolio and other large strategic investments
Free cash flow	Net cash generated from operating activities principally excluding non-trading and exceptional items and including interest, tax and replacement capital spend	Measure of cash available after regular replacement capital expenditure and historic liabilities to pay dividends, fund growth capital projects and invest in acquisitions
Free cash flow conversion	The ratio of free cash flow to underlying EBIT	Provides an understanding of how profits convert into cash
Non-trading and exceptional cash flow items	Renewi 2.0 and other exceptional cash flows are presented in cash flows from operating activities and are included in the categories in note 3.3, net of opening and closing Balance Sheet positions	Provides useful information on non-trading and exceptional cash flow spend
Total cash flow	Total cash flow is the movement in net debt excluding loan fee capitalisation and amortisation, exchange movements, settlement of cross-currency interest rate swaps, movement in PPP cash and PPP non-recourse debt, additions to IFRS 16 lease liabilities and lease liabilities acquired through a business combination	Provides an understanding of total cash flow of the Group
Core cash	Core cash excludes cash and cash equivalents relating to UK PPP contracts	The cash relating to UK PPP contracts is not freely available to the Group and is excluded from financial covenant calculations of the main multicurrency green finance facility therefore excluding this gives a suitable measure of cash for the Group
Core net debt	Core net debt includes core cash excludes debt relating to the UK PPP contracts and lease liabilities as a result of IFRS 16	The borrowings relating to the UK PPP contracts are non-recourse to the Group and excluding these gives a suitable measure of indebtedness for the Group and IFRS 16 lease liabilities are excluded as financial covenants on the main multicurrency green finance facility remain on a frozen GAAP basis
Liquidity	Liquidity headroom includes core cash and undrawn committed amounts on the multicurrency green finance facility and the European Investment Bank facility.	Provides an understanding of available headroom to the Group
Net debt to EBITDA/ leverage ratio	This is the key covenant of the Group's banking facilities which is calculated following an agreed methodology to protect the Group from potential volatility caused by accounting standard changes, sudden movements in exchange rates and exceptional items. Net debt and EBITDA are measured on a frozen GAAP basis with the main impact of this being the exclusion of IFRS 16 Lease Liabilities. Exceptional items are excluded from EBITDA and cash and debt relating to UK PPP contracts is excluded from net debt. Net debt and EBITDA are translated to Euros using average exchange rates for the period. Covenant ratios are measured quarterly on a rolling 12-month basis at March, June, September and December	Commonly used measure of financial leverage and consistent with covenant definition

SECTION 8. Other notes CONTINUED

8.3 ALTERNATIVE PERFORMANCE MEASURES (APMs) AND RECONCILIATIONS CONTINUED

Reconciliations of non-IFRS measures are set out below:

Reconciliation of operating profit (loss) to underlying EBITDA

2023	Netherlands Commercial Waste €m	Belgium Commercial Waste €m	Mineralz & Water €m	Specialities €m	Group central services €m	Total €m
Operating profit (loss)	69.4	65.3	1.0	(3.0)	(11.3)	121.4
Non-trading and exceptional items (excluding finance items)	7.5	(12.9)	(0.5)	20.1	(2.7)	11.5
Underlying EBIT	76.9	52.4	0.5	17.1	(14.0)	132.9
Depreciation and impairment of property, plant and equipment and right-of-use assets	57.1	31.2	17.0	7.8	6.2	119.3
Amortisation of intangible assets (excluding acquisition intangibles)	0.9	–	0.9	0.2	3.5	5.5
Impairment of investment in associate	–	–	–	0.9	–	0.9
Non-exceptional gain on disposal of property, plant and equipment, intangible assets and subsidiaries	(1.9)	(0.2)	(0.1)	(0.8)	–	(3.0)
Underlying EBITDA	**133.0**	**83.4**	**18.3**	**25.2**	**(4.3)**	**255.6**

2022	Netherlands Commercial Waste €m	Belgium Commercial Waste €m	Mineralz & Water €m	Specialities €m	Group central services €m	Total €m
Operating profit (loss)	89.1	40.4	8.7	3.2	(17.4)	124.0
Non-trading and exceptional items (excluding finance items)	4.0	2.2	(2.9)	0.9	5.4	9.6
Underlying EBIT	93.1	42.6	5.8	4.1	(12.0)	133.6
Depreciation and impairment of property, plant and equipment and right-of-use assets	56.2	34.2	16.0	8.1	5.7	120.2
Amortisation and impairment of intangible assets (excluding acquisition intangibles)	0.9	–	0.6	0.6	5.6	7.7
Impairment of investment in associate	–	–	–	1.9	–	1.9
Non-exceptional (gain) loss on disposal of property, plant and equipment and intangible assets	(1.3)	0.7	–	(0.2)	–	(0.8)
Underlying EBITDA	148.9	77.5	22.4	14.5	(0.7)	262.6

Calculation of return on operating assets

	Netherlands Commercial Waste €m	Belgium Commercial Waste €m	Mineralz & Water €m	Specialities excluding UK Municipal €m	Group €m
2023					
Underlying EBIT	76.9	52.4	0.5	15.9	132.9
13 month average of operating assets	398.2	110.8	64.4	44.9	360.0
Return on operating assets	19.3%	47.3%	0.8%	35.4%	36.9%
2022					
Underlying EBIT	93.1	42.6	5.8	11.3	133.6
13 month average of operating assets	355.3	92.3	51.8	39.3	313.6
Return on operating assets	26.2%	46.2%	11.3%	28.9%	42.6%

Notes to the financial statements CONTINUED

SECTION 8. Other notes CONTINUED

Calculation of post-tax return on capital employed

	2023 €m	2022 €m
Operating profit	121.4	124.0
Non-trading and exceptional items in operating profit	11.5	9.6
Underlying EBIT	132.9	133.6
Tax at effective rate (2023: 27.1%, 2022: 25.0%)	(36.0)	(33.4)
Post tax underlying EBIT	96.9	100.2
13 month average of capital employed	915.3	860.6
Post -tax return on capital employed	**10.6%**	**11.6%**

Reconciliation of statutory profit before tax to underlying profit before tax

	2023 €m	2022 €m
Statutory profit before tax	**93.1**	**95.7**
Non-trading and exceptional items in operating profit	11.5	9.6
Non-trading and exceptional finance net income	(0.9)	(0.1)
Underlying profit before tax	**103.7**	**105.2**

Reconciliation of free cash flow and adjusted free cash flow as presented in the CFO's financial review

	2023 €m	Restated* 2022 €m
Net cash generated from operating activities	**188.4**	**179.7**
Exclude non-trading and exceptional provisions and working capital	4.4	11.0
Exclude payments to fund defined benefit pension schemes	3.5	3.6
Include finance charges and loan fees paid	(31.3)	(28.4)
Include finance income received	10.6	9.9
Include repayment of obligations under lease liabilities	(47.5)	(43.5)
Include purchases of replacement items of intangible assets	(9.9)	(8.4)
Include purchases of replacement items of property, plant and equipment	(84.2)	(64.5)
Include proceeds from disposals of property, plant and equipment	6.8	4.7
Included capital received in respect of PPP financial assets net of outflows	6.0	5.7
Include repayment of UK Municipal contracts PPP debt	(8.1)	(5.7)
Include movement in UK Municipal contracts PPP cash	1.1	(3.6)
Free cash flow	**39.8**	**60.5**
Exclude deferred Covid taxes paid	19.7	10.6
Exclude offtake of ATM soil	1.2	10.3
Exclude UK Municipal contracts	12.2	9.9
Adjusted free cash flow	**72.9**	**91.3**

*The comparatives have been restated due to a prior year adjustment as explained in section 1 Basis of Preparation.

SECTION 8. Other notes CONTINUED

8.3 ALTERNATIVE PERFORMANCE MEASURES (APMs) AND RECONCILIATIONS CONTINUED

Reconciliation of net capital spend in the CFO's financial review to purchases and disposal proceeds of property, plant and equipment and intangible assets within Investing activities in the consolidated Statement of Cash Flows

	2023 €m	2022 €m
Purchases of intangible assets	(9.9)	(8.4)
Purchases of replacement property, plant and equipment	(84.2)	(64.5)
Proceeds from disposals of property, plant and equipment	6.8	4.7
Net replacement capital expenditure	(87.3)	(68.2)
Growth capital expenditure	(30.8)	(13.1)
Total capital spend as shown in the cash flow in the CFO's financial review	**(118.1)**	**(81.3)**

	2023 €m	2022 €m
Purchases of intangible assets	(9.9)	(8.4)
Purchases of property, plant and equipment (replacement and growth)	(115.0)	(77.6)
Proceeds from disposals of property, plant and equipment	6.8	4.7
Purchases and disposal proceeds of property, plant and equipment and intangible assets within Investing activities in the consolidated Statement of Cash Flows	**(118.1)**	**(81.3)**

Reconciliation of property, plant and equipment additions to replacement capital expenditure as presented in the CFO's financial review

	2023 €m	2022 €m
Property, plant and equipment additions (note 4.2)	(117.9)	(73.3)
Intangible asset additions (note 4.1)	(8.7)	(9.3)
Proceeds from disposals of property, plant and equipment	6.8	4.7
Movement in capital creditors (included in trade and other payables)	1.7	(1.9)
Growth capital expenditure – as disclosed in the CFO's financial review	30.8	13.1
Government grants received in a prior period transferred to property, plant and equipment	–	(1.5)
Replacement capital expenditure per the CFO's financial review	**(87.3)**	**(68.2)**

Reconciliation of total cash flow as presented in the CFO's financial review to the movement in total net debt

	2023 €m	Restated* 2022 €m
Total cash flow	**(64.9)**	**29.4**
Additions to lease liabilities net of cancelled lease liabilities	(52.0)	(25.6)
Lease liabilities acquired through a business combination	(30.7)	–
Repayment of obligations under lease liabilities	47.5	43.5
Movement in PPP non-recourse debt	8.1	5.7
Movement in PPP cash and cash equivalents	(1.1)	3.6
Capitalisation of loan fees net of amortisation	(0.7)	(0.3)
Exchange movements	2.6	0.8
Settlement of cross-currency interest rate swaps	–	6.4
Movement in total net debt (note 5.1)	**(91.2)**	**63.5**

*The comparatives have been restated due to a prior year adjustment as explained in section 1 Basis of preparation.

Notes to the financial statements CONTINUED

SECTION 8. Other notes CONTINUED

8.3 ALTERNATIVE PERFORMANCE MEASURES (APMs) AND RECONCILIATIONS CONTINUED

Reconciliation of total cash flow as presented in the CFO's financial review to the movement in cash

	2023 €m	2022 €m
Total cash flow	**(64.9)**	29.4
Proceeds from retail bonds	**–**	125.0
Repayments of retail bonds	**(100.0)**	–
Proceeds from bank borrowings	**565.0**	141.6
Repayment of bank borrowings	**(405.6)**	(312.2)
Bank loan acquired through business combination	**7.0**	–
Movement in PPP cash and cash equivalents	**(1.1)**	3.6
Exchange movements	**(1.3)**	1.0
Settlement of cross-currency interest rate swaps	**–**	6.4
Movement in total cash	**(0.9)**	(5.2)

Reconciliation of total net debt to net debt under covenant definition

	2023 €m	Restated* 2022 €m
Total net debt	**(685.7)**	(594.5)
Exclude PPP non-recourse debt	**88.3**	100.2
Exclude PPP cash and cash equivalents	**(19.0)**	(21.1)
Exclude IFRS 16 lease liabilities	**245.8**	212.4
Net debt aligned with covenant definition	**(370.6)**	(303.0)

*The comparatives have been restated due to a prior year adjustment as explained in section 1 Basis of preparation.

8.4 CONTINGENT LIABILITIES

Since 2017 ATM faces challenges in the offtake of thermally treated soil. This resulted in a criminal investigation, which was initiated in 2019 and closed in April 2022 without any prosecution. It is noted, however, that there are discussions ongoing on the application of thermally cleaned soil in certain areas in the Netherlands and it cannot be ruled out that this could result in liability for damages resulting from third-party claims in the future.

All sites need to operate in alignment with the related permits and when new regulatory requirements come into force, the Group may need to undertake additional expenditure to align to new standards. No account is taken of any potential changes until the new obligations are fully defined and enforceable. At one of the landfill sites in Belgium there is a risk that when a new permit is issued during the next 12 months, there could be a change in relation to the water treatment requirements as a result of new landfill regulations expected to be approved during 2023. We consider the most likely impact to be additional costs of up to €3m however the maximum exposure could be €14m. Due to the uncertainty of the outcome, these costs have not been included within the landfill provision and are therefore considered to be a contingent liability.

Due to the nature of the industry in which the business operates, from time to time the Group is made aware of claims or litigation arising in the ordinary course of the Group's business. Provision is made for the Directors' best estimate of all known claims and all such legal actions in progress. The Group takes legal advice as to the likelihood of success of claims and actions and no provision is made where the Directors consider, based on that advice, that the action is unlikely to succeed or a sufficiently reliable estimate of the potential obligation cannot be made. None of these other matters are expected to have a material impact.

Under the terms of sale agreements, the Group has given a number of indemnities and warranties relating to businesses sold in prior periods. Different warranty periods are in existence and it is assumed that these will expire within 15 years. Based on management's assessment of the most likely outcome appropriate warranty provisions are held.

In respect of contractual liabilities the Group and its subsidiaries have given guarantees and entered into counter indemnities of bonds and guarantees given on their behalf by sureties and banks totalling €229.2m (2022: €226.0m).

Consolidated five year financial summary

	2023 €m	Restated* 2022 €m	Restated* 2021 €m	2020 €m	2019 €m
Consolidated Income Statement					
Revenue from continuing operations#	**1,892.3**	1,869.2	1,693.6	1,775.4	1,780.7
Underlying EBIT from continuing operations#	**132.9**	133.6	73.0	87.6	85.5
Finance charges – interest	**(19.9)**	(19.2)	(19.3)	(23.4)	(13.3)
Finance charges – other	**(9.3)**	(9.7)	(7.9)	(11.0)	(10.1)
Share of results from associates and joint ventures	**–**	0.5	1.6	0.9	0.4
Profit from continuing operations before non-trading and exceptional items and tax (underlying profit)	**103.7**	105.2	47.4	54.1	62.5
Non-trading and exceptional items	**(10.6)**	(9.5)	(36.5)	(113.5)	(151.5)
Profit (loss) before tax from continuing operations	**93.1**	95.7	10.9	(59.4)	(89.0)
Taxation	**(28.1)**	(26.4)	(11.6)	(13.3)	(15.6)
Exceptional tax and tax on exceptional items	**1.6**	6.1	6.2	12.2	28.0
Profit (loss) after tax from continuing operations	**66.6**	75.4	5.5	(60.5)	(76.6)
Loss after tax from discontinued operations	**–**	–	–	(16.6)	(21.1)
Profit (loss) for the year	**66.6**	75.4	5.5	(77.1)	(97.7)
Profit (loss) attributable to:					
Owners of the parent	**62.9**	74.5	5.6	(77.9)	(92.8)
Non-controlling interests	**3.7**	0.9	(0.1)	0.8	(4.9)
	66.6	75.4	5.5	(77.1)	(97.7)
Consolidated Balance Sheet					
Non-current assets	**1,686.2**	1,565.9	1,612.3	1,625.8	1,439.6
Other assets less liabilities	**(653.2)**	(629.5)	(713.0)	(631.6)	(472.7)
Total net debt	**(685.7)**	(594.5)	(658.0)	(758.9)	(647.4)
Net assets	**347.3**	341.9	241.3	235.3	319.5
Equity attributable to owners of the parent					
Share capital and share premium	**573.9**	573.3	573.1	573.1	573.1
Exchange reserve and retained earnings	**(236.7)**	(238.4)	(337.9)	(339.2)	(254.6)
	337.2	334.9	235.2	233.9	318.5
Non-controlling interests	**10.1**	7.0	6.1	1.4	1.0
Total equity	**347.3**	341.9	241.3	235.3	319.5
Financial ratios					
Underlying earnings per share – continuing operations (cents per share)	**90c**	98c	45c	51c	59c
Basic earnings (loss) per share – continuing operations (cents per share)	**79c**	93c	7c	(77)c	(90)c
Dividend per share (pence per share)	**–**	–	–	4.5p	14.5p

Revenue and underlying EBIT from continuing operations are stated before non-trading and exceptional items as set out in note 3.3.
*The comparatives have been restated due to a prior year adjustment as explained in section 1 Basis of preparation.

Parent company Balance Sheet

As at 31 March 2023

	Note	31 March 2023 £m	31 March 2022 £m
Assets			
Non-current assets			
Intangible assets	6	**0.1**	0.2
Property, plant and equipment	7	**0.1**	0.2
Investments	8	**525.8**	525.8
Defined benefit pension scheme surplus	15	**–**	7.3
Other receivables	9	**113.9**	363.4
Deferred tax assets	10	**8.8**	7.0
		648.7	903.9
Current assets			
Trade and other receivables	9	**256.0**	6.5
Cash and cash equivalents	11	**17.3**	8.3
		273.3	14.8
Total assets		**922.0**	918.7
Liabilities			
Non-current liabilities			
Borrowings	12	**(175.4)**	(168.3)
Provisions	14	**(1.1)**	(1.1)
Defined benefit pension scheme deficit	15	**(3.7)**	–
		(180.2)	(169.4)
Current liabilities			
Borrowings	12	**–**	(84.5)
Trade and other payables	13	**(8.3)**	(10.2)
Current tax payable		**(1.7)**	–
Provisions	14	**(0.7)**	(0.8)
		(10.7)	(95.5)
Total liabilities		**(190.9)**	(264.9)
Net assets		**731.1**	653.8
Equity			
Share capital	16	**80.2**	80.0
Share premium	16	**401.8**	401.6
Retained earnings*		**249.1**	172.2
Total equity		**731.1**	653.8

*As permitted by section 408 of the Companies Act, the Company has elected not to present its own Income Statement or Statement of Comprehensive Income. The Company reported a profit for the year ended 31 March 2023 of £90.6m (2022: £9.1m).

The notes on pages 251 to 259 are an integral part of these financial statements.

These Financial Statements were approved by the Board of Directors and authorised for issue on 25 May 2023. They were signed on its behalf by:

Ben Verwaayen
Chairman

Annemieke den Otter
Chief Financial Officer

Parent company Statement of Changes in Equity

For the year ended 31 March 2023

	Note	Share capital £m	Share premium £m	Retained earnings £m	Total equity £m
Balance at 1 April 2022		**80.0**	**401.6**	**172.2**	**653.8**
Profit for the year		**–**	**–**	**90.6**	**90.6**
Other comprehensive (loss) income:					
Actuarial loss on defined benefit pension scheme	15	**–**	**–**	**(14.3)**	**(14.3)**
Tax in respect of other comprehensive income items		**–**	**–**	**3.6**	**3.6**
Total comprehensive income for the year		**–**	**–**	**79.9**	**79.9**
Transactions with owners in their capacity as owners:					
Share-based compensation	3	**–**	**–**	**2.3**	**2.3**
Movement in tax arising on share-based compensation		**–**	**–**	**(0.8)**	**(0.8)**
Proceeds from exercise of employee options	16	**0.2**	**0.2**	**–**	**0.4**
Own shares purchased by the Employee Share Trust	16	**–**	**–**	**(4.5)**	**(4.5)**
Balance at 31 March 2023		**80.2**	**401.8**	**249.1**	**731.1**
Balance at 1 April 2021		80.0	401.4	155.4	636.8
Profit for the year		–	–	9.1	9.1
Other comprehensive income (loss):					
Actuarial gain on defined benefit pension scheme	15	–	–	7.7	7.7
Tax in respect of other comprehensive income items		–	–	(1.7)	(1.7)
Total comprehensive income for the year		–	–	15.1	15.1
Transactions with owners in their capacity as owners:					
Share-based compensation	3	–	–	2.1	2.1
Movement in tax arising on share-based compensation		–	–	1.1	1.1
Proceeds from exercise of employee options	16	–	0.2	–	0.2
Own shares purchased by the Employee Share Trust	16	–	–	(1.5)	(1.5)
Balance at 31 March 2022		80.0	401.6	172.2	653.8

Parent company Statement of Cash Flows

For the year ended 31 March 2023

	2023 £m	2022 £m
Profit before tax	**92.9**	7.0
Finance income	**(20.6)**	(18.5)
Finance charges	**8.0**	9.6
Operating profit	**80.3**	(1.9)
Amortisation of intangible assets	**0.1**	0.1
Dividend income	**(77.2)**	(3.5)
Net decrease in provisions	**(0.1)**	(1.6)
Payment related to committed funding of the defined benefit pension scheme	**(3.1)**	(3.1)
Share-based compensation	**2.3**	2.1
Exchange (loss) gain	**(5.4)**	0.6
Operating cash flows before movement in working capital	**(3.1)**	(7.3)
Decrease (increase) in receivables	**16.2**	(109.7)
Increase in payables	**0.4**	0.1
Cash flows from operating activities	**13.5**	(116.9)
Income tax received	**0.5**	0.6
Net cash inflow (outflow) from operating activities	**14.0**	(116.3)
Investing activities		
Dividend received in cash	**77.2**	2.2
Finance income	**17.8**	16.8
Net cash inflow from investing activities	**95.0**	19.0
Financing activities		
Proceeds from share issues	**0.4**	0.2
Finance charges and loan fees paid	**(9.4)**	(8.8)
Proceeds from retail bonds	**–**	106.9
Repayment of retail bonds	**(86.5)**	–
Proceeds from bank borrowings	**2.2**	2.6
Repayment of bank borrowings	**(2.2)**	(2.6)
Investment in own shares by the Employee Share Trust	**(4.5)**	(1.5)
Net cash (outflow) inflow from financing activities	**(100.0)**	96.8
Net increase (decrease) in cash and cash equivalents	**9.0**	(0.5)
Cash and cash equivalents at the beginning of the year	**8.3**	8.8
Cash and cash equivalents at the end of the year	**17.3**	8.3

Notes to the parent company financial statements

1. Accounting policies – Company

GENERAL INFORMATION

Renewi plc is a public limited company listed on the London Stock Exchange with a secondary listing on Euronext Amsterdam. Renewi plc is incorporated and domiciled in Scotland under the Companies Act 2006, registered number SC077438. The address of the registered office is given on page 265. The nature of the Company's principal activity is a head office corporate function.

The financial statements for Renewi plc the Company are presented in Sterling being the functional currency of the entity and are rounded to the nearest £0.1m unless otherwise stated.

BASIS OF PREPARATION

The separate financial statements of the Company are presented in compliance with the requirements for companies whose shares are listed on the London Stock Exchange. They have been prepared on the historical cost basis, except for share-based payments, which are stated at fair value. The policies set out below have been consistently applied. The Company has applied all accounting standards and interpretations issued relevant to its operations and effective for accounting periods beginning on 1 April 2022. The financial statements are prepared in accordance with UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

GOING CONCERN

Having assessed the principal risks and other matters in connection with the viability statement, the Directors consider it appropriate to continue to adopt the going concern basis of accounting in preparing these financial statements.

NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

Standards and interpretations issued by the International Accounting Standards Board (IASB) are only applicable if endorsed by the UK Endorsement Board (UKEB). There were no new standards, amendments to standards or interpretations not yet effective that would be expected to have a material impact on the Company.

INTANGIBLE ASSETS

Computer software is capitalised on the basis of the costs incurred to purchase and bring the assets into use. These costs are amortised over the estimated useful life ranging from one to five years on a straight-line basis.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, except for freehold land, is stated at cost less accumulated depreciation and provision for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Freehold land is not depreciated. The asset's residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

Depreciation is provided to write off the cost of fixtures and fittings (less the expected residual value) on a straight-line basis over an expected useful life of up to 10 years.

Assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value. An impairment loss is recognised immediately as an operating expense and at each subsequent reporting date the impairment is reviewed for possible reversal.

INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value. Investments are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. An impairment provision is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value.

PROVISIONS

Provisions are recognised where there is a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Notes to the parent company financial statements CONTINUED

1. Accounting policies – Company CONTINUED

EMPLOYEE BENEFITS

Retirement benefits

The Company accounts for pensions and similar benefits under IAS 19 (revised) Employee Benefits. For defined benefit plans, obligations are measured at discounted present value whilst plan assets are recorded at fair value. The operating and financing costs of the plans are recognised separately in the Income Statement. Interest is calculated by applying the discount rate to the net defined pension liability. Actuarial gains and losses are recognised in full through the Statement of Comprehensive Income; surpluses are recognised only to the extent that they are recoverable. Movements in irrecoverable surpluses are recognised immediately in the Statement of Comprehensive Income. Payments to defined contribution schemes are charged to the Income Statement as they become due.

Share-based payments

The Company issues equity-settled share-based awards to certain employees. The fair value of share-based awards is determined at the date of grant and expensed on a straight-line basis over the vesting period with a corresponding increase in equity based on the Company's estimate of the shares that will eventually vest. At each balance sheet date, the Company revises its estimates of the number of awards that are expected to vest based on service and non-market performance conditions. The amount expensed is adjusted over the vesting period for changes in the estimate of the number of shares that will eventually vest, except for changes resulting from any market-related performance conditions.

TAXATION

Current tax

Current tax is based on taxable profit or loss for the year. Taxable profit differs from profit before tax in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years or that are never taxable or deductible. The asset or liability for current tax is calculated using tax rates that have been enacted, or substantively enacted, at the balance sheet date.

Deferred tax

Deferred tax is recognised in full where the carrying value of assets and liabilities in the financial statements is different to the corresponding tax bases used in the computation of taxable profits. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that the taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is calculated at the tax rates that have been substantively enacted at the balance sheet date. Deferred tax is charged or credited in the Income Statement, except where it relates to items charged or credited directly to equity in which case the deferred tax is also dealt with in equity.

FOREIGN CURRENCIES

The functional currency of the Company is Sterling. Monetary assets and liabilities denominated in foreign currencies at the year end are translated at the period end exchange rates. Income and expenses denominated in foreign currencies are translated into sterling at the average rate of exchange for the month in which they occur. Foreign currency gains or losses are credited or charged in the Income Statement.

FINANCIAL INSTRUMENTS

Amounts owed by subsidiary undertakings

Amounts owed by subsidiary undertakings are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less any provision for impairment losses. The Company measures impairment losses using the general expected credit loss model taking into account objective evidence of impairment as a result of assessing the estimated future cash flows of the financial asset.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with a maturity of three months or less and is held at amortised cost.

External borrowings

Retail bonds and bank loans are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the Income Statement using the effective interest rate method.

Trade payables

Trade payables are not interest bearing and are stated initially at fair value and subsequently held at amortised cost.

Amounts owed to subsidiary undertakings

Amounts owed to subsidiary undertakings are initially recognised at fair value and subsequently held at amortised cost.

Other receivables and other payables

Other receivables and other payables are initially recognised at fair value and subsequently measured at amortised cost.

1. Accounting policies – Company CONTINUED

CALLED UP SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are shown in equity as a deduction, net of tax, from the proceeds. The share premium account represents any excess of the net proceeds over the nominal value of any shares issued.

DIVIDENDS

Dividend distributions to the equity holders are recognised in the period in which they are approved by the shareholders in general meeting. Interim dividends are recognised when paid.

2. Key accounting judgements and estimates

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenditure. The areas involving a higher degree of judgement or complexity are set out below and in more detail in the related note.

DEFINED BENEFIT PENSION SCHEME

The Company operates a defined benefit scheme in the UK for which an actuarial valuation is carried out as determined by the trustees at intervals of not more than three years. The pension cost under IAS 19 (revised) Employee Benefits is assessed in accordance with management's best estimates using the advice of an independent qualified actuary and assumptions in the latest actuarial valuation. In relation to the prior year surplus, based on actuarial professional advice management concluded that the pension scheme rules determine that upon winding up the scheme the Company has an unconditional right to a refund once all the liabilities have been discharged and that the trustees of the scheme do not have the unilateral right to wind up the scheme, therefore any asset is not restricted and no additional liability is recognised. The principal assumptions in connection with the retirement benefit scheme are set out in note 7.2 of the Group financial statements.

IMPAIRMENT OF INVESTMENTS IN SUBSIDIARY UNDERTAKINGS AND AMOUNTS OWED BY SUBSIDIARY UNDERTAKINGS

Investments in subsidiary undertakings and amounts owed by subsidiary undertakings are reviewed for impairment whenever events or circumstances indicate that the carrying value may not be recoverable. The carrying value is estimated based on projected cash flows which may be long term in nature as detailed in note 8.

3. Employees

Staff costs	2023 £m	2022 £m
Wages and salaries	**4.2**	4.1
Social security costs	**0.3**	0.4
Share-based benefits	**2.3**	2.1
Other pension costs	**–**	0.1
Total staff costs	**6.8**	6.7

The average number of people (including executive directors) employed by the Company was 18 employees (2022: 18).

See pages 140 to 157 of the Directors' Remuneration report for details of the remuneration of executive and non-executive Directors and their interest in shares and options of the Company. Further details on share-based payments are set out in note 7.3 of the Group financial statements.

Notes to the parent company financial statements CONTINUED

4. Auditors' remuneration

The auditors' remuneration for audit services to the Company was £0.1m (2022: £0.1m) and the fees paid to BDO LLP and its associates for non-audit services for audit related assurance services for the Company were £15,000 (2022: £35,000).

5. Dividends

The Directors have not recommended a final dividend for the year ended March 2023 (2022: nil).

6. Intangible assets

	Computer Software £m
Cost	
At 1 April 2021, 31 March 2022 and 31 March 2023	**0.5**
Accumulated amortisation and impairment	
At 1 April 2021	0.2
Amortisation charge	0.1
At 31 March 2022	0.3
Amortisation charge	**0.1**
At 31 March 2023	**0.4**
Net book value	
At 31 March 2023	**0.1**
At 31 March 2022	0.2
At 31 March 2021	0.3

7. Property, plant and equipment

	Land £m	Fixtures and fittings £m	Total £m
Cost			
At 1 April 2021 and 31 March 2022	0.1	0.2	0.3
Disposal	**–**	**(0.2)**	**(0.2)**
At 31 March 2023	**0.1**	**–**	**0.1**
Accumulated depreciation and impairment			
At 1 April 2021 and 31 March 2022	–	0.1	0.1
Disposal	**–**	**(0.1)**	**(0.1)**
At 31 March 2023	**–**	**–**	**–**
Net book value			
At 31 March 2023	**0.1**	**–**	**0.1**
At 31 March 2022	0.1	0.1	0.2
At 31 March 2021	0.1	0.1	0.2

8. Investments

	Investments in subsidiary undertakings £m
At 1 April 2021	524.5
Additions	1.3
At 31 March 2022 and 31 March 2023	**525.8**

During the prior year the Company made a further investment of £1.3m in an existing subsidiary.

In the opinion of the Directors, the value of investments in subsidiary undertakings is not less than the aggregate amount of £525.8m (2022: £525.8m). This assessment is based on the value in use calculated with reference to the discounted cash flow forecasts for each of the reporting segments of the Group as set out in note 4.1 of the Group financial statements. The Group performs sensitivity analysis of the impairment testing by considering reasonably possible changes in the key assumptions used. The results of sensitivities performed demonstrated significant headroom and it is concluded that no reasonably possible change to the assumptions would result in an impairment charge.

9. Trade and other receivables

	2023 £m	2022 £m
Non-current assets		
Amounts owed by subsidiary undertakings	**113.9**	363.4
Current assets		
Amounts owed by subsidiary undertakings	**254.5**	4.1
Other receivables	**0.2**	0.4
Prepayments	**1.3**	2.0
	256.0	6.5

The carrying amounts of trade and other receivables are denominated in the following currencies:

	2023 £m	2022 £m
Sterling	**19.7**	33.6
Euro	**350.2**	336.3
	369.9	369.9

During the year an expected credit loss allowance of £nil (2022: £2.0m) was charged to the Income Statement in relation to loans owed by subsidiary undertakings in the UK Municipal business determined by calculating the net present value of the future cash flows available to repay the loan. The Directors do not consider there to be any significant increases in credit risk in relation to the remaining receivables.

Interest on amounts owed by subsidiary undertakings is received at rates of between 0% and 14% (2022: 0% and 14%), the balances are unsecured and repayable either on demand or in accordance with the loan agreements with a final repayment date of 30 September 2039.

Notes to the parent company financial statements CONTINUED

10. Deferred tax asset

Deferred tax is provided in full on temporary differences under the liability method using the applicable tax rate.

	Retirement benefit scheme £m	Tax losses £m	Other timing differences £m	Total £m
At 1 April 2021	0.6	5.0	0.5	6.1
(Charge) credit to Income Statement	(0.7)	2.3	(0.1)	1.5
(Charge) credit to equity	(1.7)	–	1.1	(0.6)
At 31 March 2022	(1.8)	7.3	1.5	7.0
(Charge) credit to Income Statement	(0.9)	(0.6)	0.5	(1.0)
Credit (charge) to equity	3.6	–	(0.8)	2.8
At 31 March 2023	**0.9**	**6.7**	**1.2**	**8.8**

The majority of the £8.8m (2022: £7.0m) deferred tax asset is expected to be recovered after more than one year.

As at 31 March 2023, the Company has unused tax losses (tax effect) of £6.7m (2022: £7.3m) available for offset against future profits. A deferred tax asset has been recognised in respect of £6.7m (2022: £7.3m) of such losses and recognition is based on management's projections of future profits in the Company. Tax losses may be carried forward indefinitely.

11. Cash and cash equivalents

The carrying amount of cash and cash equivalents of £17.3m (2022: £8.3m) was denominated in sterling.

12. Borrowings

	2023 £m	2022 £m
Non-current borrowings		
Retail bonds	**175.4**	168.3
Current borrowings		
Retail bonds	–	84.5

At 31 March 2023 the Group had two issues of green retail bonds. The bonds of £65.8m (€75m) (2022: £63.1m (€75m)) maturing in July 2024 have an annual gross coupon of 3.00% and the bonds of £109.6m (€125m) (2022: £105.2m (€125m)) maturing in July 2027 have an annual gross coupon of 3.00%. On 16 June 2022 the £86.5m (€100m) green retail bonds with an annual gross coupon of 3.65% were repaid on maturity. The retail bonds are unsecured and have cross guarantees from members of the Group. Further details are given in the Group financial statements in note 5.8.

Of the non-current borrowings of £175.4m (2022: £168.3m), £65.8m (2022: £nil) is due to be repaid between one and two years, £109.6m (2022: £63.1m) is due to be repaid between two and five years and £nil (2022: £105.2m) is due to be repaid after five years. The carrying amounts of borrowings are denominated in Euros.

13. Trade and other payables

	2023 £m	2022 £m
Trade payables	**0.4**	0.2
Other tax and social security payable	**0.4**	0.4
Accruals and other payables	**6.8**	9.5
Amounts owed to Group undertakings	**0.7**	0.1
	8.3	10.2

The carrying amounts of trade and other payables are denominated in the following currencies:

	2023 £m	2022 £m
Sterling	**3.8**	3.7
Euro	**4.5**	6.5
	8.3	10.2

Amounts owed to Group undertakings are interest free, unsecured and repayable upon demand.

14. Provisions

	£m
At 1 April 2022	1.9
Utilised in the year	**(0.1)**
At 31 March 2023	**1.8**

Of the £1.8m (2022: £1.9m) provisions £0.7m is current (2022: £0.8m) and £1.1m is non-current (2022: £1.1m). Provisions principally include warranties, whereby under the terms of the agreements for the disposal of certain businesses, the Company has given warranties to the purchasers which may give rise to payments. The Company has the liability until the end of the contractual terms in the agreements.

15. Retirement benefit scheme

The Company's defined benefit pension scheme (called the Shanks Group Pension Scheme) covers eligible UK employees and is closed to new entrants and closed for future benefit accrual. The plan provides benefits to members in the form of a guaranteed level of pension payable for life and the level of benefits provided depends on the members' length of service and salary. The total estimated contributions expected to be paid to the scheme in the year ending 31 March 2024 are £3.1m. Further details are provided in note 7.2 of the Group financial statements.

Notes to the parent company financial statements CONTINUED

16. Share capital and share premium

At the Annual General Meeting of Renewi plc held on 15 July 2021, shareholders approved the consolidation of the Company's share capital on the basis of one new ordinary share with a nominal value of £1.00 each for every ten existing ordinary shares of 10 pence each held. This was subsequently completed on 19 July 2021 when the issued share capital of 800,236,740 10 pence shares were replaced with 80,023,674 £1 shares.

	SHARE CAPITAL – ORDINARY SHARES		SHARE PREMIUM
	Number	£m	£m
Share capital allotted, called up and fully paid			
At 1 April 2021 (ordinary shares of 10p each)	800,141,536	80.0	401.4
Issued under share option schemes – prior to share consolidation (ordinary shares of 10p each)	95,204	–	–
Ordinary shares of 10p each held on 19 July prior to the consolidation	800,236,740	80.0	401.4
Adjustment to number of shares following the share consolidation	(720,213,066)	–	–
Issued under share option schemes (ordinary shares of £1 each)	36,263	–	0.2
At 31 March 2022 (ordinary shares of £1 each)	80,059,937	80.0	401.6
Issued under share option schemes (ordinary shares of £1 each)	**190,358**	**0.2**	**0.2**
At 31 March 2023 (ordinary shares of £1 each)	**80,250,295**	**80.2**	**401.8**

During the year 190,358 (2022: 36.263) ordinary shares of £1 were allotted. These new shares resulted from the exercise of share options under the Savings Related Share Option Schemes for an aggregated consideration of £0.4m (2022: £0.2m). Further disclosures relating to share-based options are set out in note 7.3 of the Group financial statements.

Renewi plc Employee Share Trust

The Renewi plc Employee Share Trust owns 853,223 (1.1%) (2022: 552,851 (0.7%)) £1 shares of the issued share capital of the Company in trust for the benefit of employees of the Group. The Trust waives its dividend entitlement. Retained earnings include ordinary shares held by the Trust to satisfy future share awards which are recorded at cost. During the year 400,597 (2022: 34,580) £1 shares were transferred to individuals under the LTIP and DAB schemes and in the prior year 798,433 10 pence shares were transferred to individuals under the LTIP and DAB schemes prior to the share consolidation. During the year 700,969 (2022: 237,000) £1 shares) were purchased by the Trust at a cost of £4.5m (2022: £1.5m).

17. Financial instruments

The carrying value of the Company's financial assets and financial liabilities is shown below:

	Note	2023 £m	2022 £m
Financial assets			
Trade and other receivables excluding prepayments	9	**368.6**	367.9
Cash and cash equivalents	11	**17.3**	8.3
		385.9	376.2
Financial liabilities			
Retail bonds	12	**175.4**	252.8
Trade and other payables excluding non-financial liabilities	13	**7.9**	9.8
		183.3	262.6

The fair value of financial assets and financial liabilities is not materially different to their carrying value except for the retail bonds which have a fair value of £172.7m (2022: £253.6m).

17. Financial instruments CONTINUED

The following table analyses the Company's financial liabilities into relevant maturity groupings. The maturities of the undiscounted cash flows, including interest and principal, at the balance sheet date are based on the earliest date on which the Company is obliged to pay.

	Within one year £m	Between one and five years £m	Over five years £m	Total £m
At 31 March 2023				
Retail bonds	**5.3**	**191.0**	**–**	**196.3**
Trade and other payables	**4.2**	**–**	**–**	**4.2**
	9.5	**191.0**	**–**	**200.5**
At 31 March 2022				
Retail bonds	92.7	79.8	108.7	281.2
Trade and other payables	3.8	–	–	3.8
	96.5	79.8	108.7	285.0

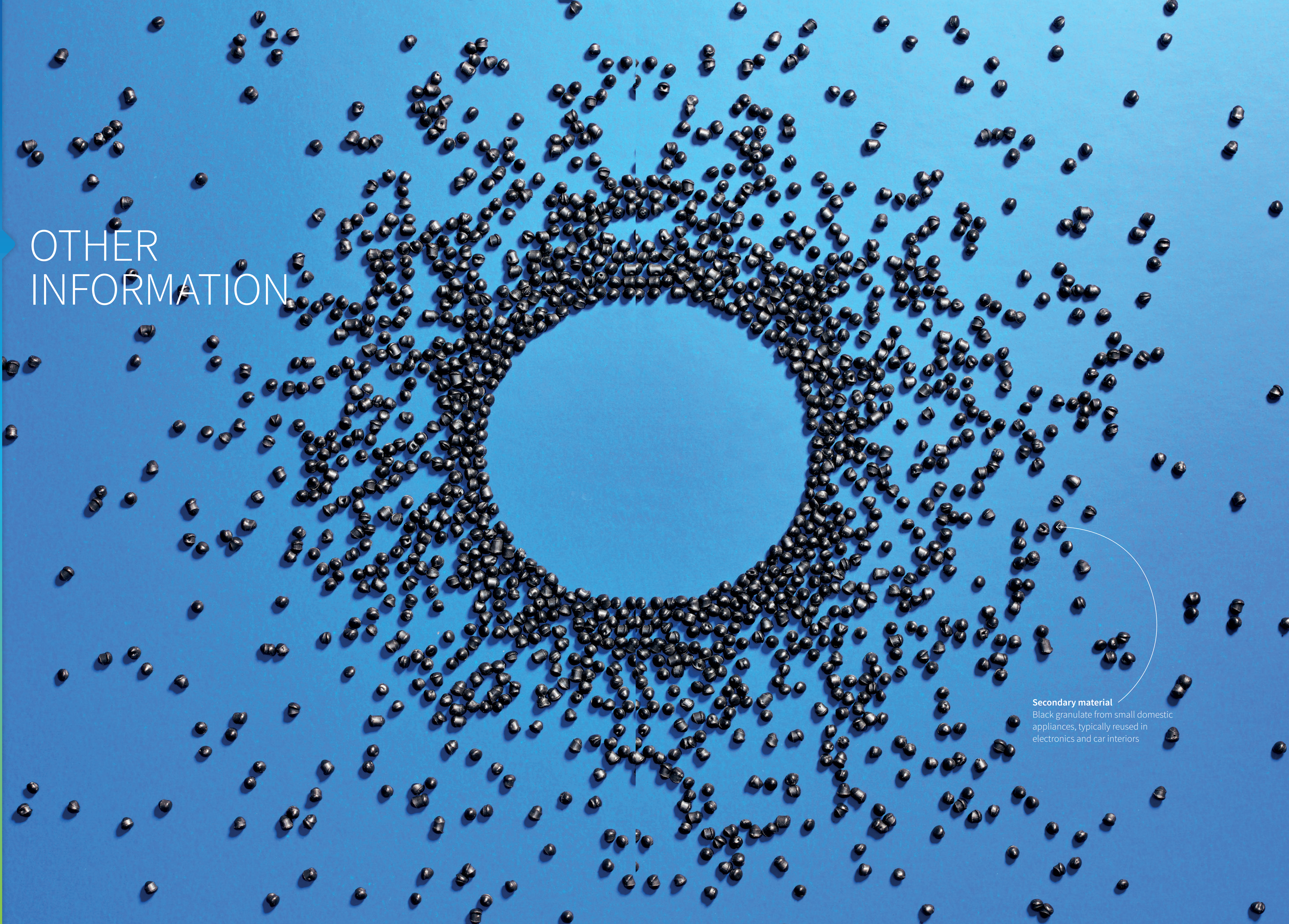
18. Contingent liabilities

In addition to the contingent liabilities as referred to in note 8.4 of the Group financial statements, the Company has given guarantees in respect of the Group's subsidiary undertakings' borrowing facilities totalling £224.6m (2022: £74.8m). The Company also has contingent liabilities in respect of both VAT and HM Revenue & Customs group payment arrangements of £0.7m (2022: £1.6m).

19. Related party transactions

A list of the Company's subsidiaries is set out in note 8.1 of the Group financial statements. Transactions with subsidiaries relate to interest on intercompany loans, management charges and dividends. Net interest income was £19.9m (2022: £18.6m), management charges were £5.2m (2022: £5.4m) and dividends received were £77.2m (2022: £3.5m). Total outstanding balances are listed in notes 9 and 13.

OTHER INFORMATION



Secondary material
Black granulate from small domestic appliances, typically reused in electronics and car interiors

Shareholder information

As at 31 March 2023	Holders	%	Shares held	%
Private shareholders	1444	77.38	733,765	0.91
Corporate shareholders	422	22.62	79,516,530	99.09
Total	**1866**	**100.00**	**80,250,295**	**100.00**

Size of shareholding	Holders	%	Shares held	%
1 - 5,000	1586	84.99	855,566	1.07
5,001 - 25,000	102	5.47	1,239,297	1.54
25,001 - 50,000	45	2.41	1,596,528	1.99
50,001 - 100,000	33	1.77	2,383,877	2.97
100,001 - 250,000	36	1.93	5,929,981	7.39
250,001 - 500,000	20	1.07	7,275,262	9.07
over 500,000	44	2.36	60,969,784	75.97
Total	**1,866**	**100.00**	**80,250,295**	**100.00**

REGISTRAR SERVICES

Administrative enquiries concerning shareholdings in the Company made via the London Stock Exchange should be directed to the Registrar, Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ.

Computershare can also be contacted by telephone on +44 (0)370 707 1290. Shareholders can manage their holding online by registering at investorcentre.co.uk.

Queries in relation to shareholdings through Euronext should be directed to Renewi's Euronext Listing and Paying Agent, ABN AMRO Bank N.V. who can be contacted at as.exchange. agency@nl.abnamro.com.

WEBSITE

Shareholders are encouraged to visit our website, which has a wealth of information about Renewi.

There is a section designed specifically for investors. It includes detailed coverage of the Renewi share price, annual results, performance charts, financial news and investor relations' videos. This Annual Report can also be viewed on our website, together with many other reports, at renewi.com.

DIVIDENDS

Shareholders are strongly encouraged to receive their cash dividends by direct transfer as this ensures dividends are credited promptly and efficiently. Shareholders who do not currently have their dividends paid directly to a bank or building society account, and who wish to do so, should complete a mandate form obtainable from Computershare. Overseas shareholders wishing to receive their dividend payment in local currency can now do so using Computershare's Global Payments Service.

FINANCIAL CALENDAR

13 July 2023	Annual General Meeting
November 2023	Announcement of interim results
31 March 2024	2024 financial year end
May 2024	Announcement of 2024 results

For updates to the calendar during the year, please visit the Company website: renewi.com.

SHAREGIFT

If shareholders have only a small number of shares, the value of which makes it uneconomical to sell, they may wish to consider donating them to the charity ShareGift (UK registered charity no. 1052686).

Further information may be obtained from its website at sharegift.org or by calling +44 (0)20 7930 3737.

ELECTRONIC SHAREHOLDER COMMUNICATION

Shareholders may elect to receive future shareholder documents and information by email or via the Company's website. This is intended to help the environment by reducing paper and transport as well as reducing administrative costs including printing and postage. Please contact the Company Registrar for details.

SHARE FRAUD WARNING

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way you will probably lose your money.

HOW TO AVOID FRAUD

Firms authorised by the Financial Conduct Authority (FCA) in the UK will rarely contact you out of the blue with an offer to buy or sell your shares. If you feel that the person contacting you is not legitimate, note their name and the firm they work for. You can check the Financial Services Register at fca.org.uk to see if the person and firm is authorised by the FCA. If the firm does not have contact details on the register or they are out of date, call the FCA on 0800 111 6768 (from the UK) or +44 20 7066 1000 (from abroad). You can search the list of unauthorised firms to avoid at fca.org.uk/scams. If you buy or sell shares from an unauthorised firm, you will not have access to the Financial Ombudsman or Financial Services Compensation Scheme. You should always consider getting independent financial advice before any transaction.

REPORT A SCAM

If you are approached by a fraudster, please tell the FCA using the share fraud reporting form at fca.org.uk/scams, where you can find out more about investment scams, or call the FCA Consumer Helpline. If you have already paid money to share fraudsters, you should contact Action Fraud on +44 (0)300 123 2040.

Non-financial statement

FRAMEWORK OF DISCLOSURE AROUND AVOIDED EMISSIONS

Context:

At the end of March 2023, the World Business Council for Sustainable Development (WBCSD) and its member companies, in collaboration with Carbone4 and its Net Zero Initiative have released the *Guidance on Avoided Emissions: Helping business drive innovations and scale solutions toward Net Zero*.
Source: wbcsd.org/Imperatives/Climate-Action/Resources/Guidance-on-Avoided-Emissions

Purpose of this disclosure

Renewi does recognise the importance of first reporting on its total carbon footprint and on communicating progresses on its carbon reduction goals to meet the Paris Agreement on climate change (see our chapter 'Reduce our carbon emissions').

Through its recycling activities and services, Renewi does contribute to the global carbon mitigation by not only reducing its own and value chain GHG emissions, but also does contribute to the acceleration of global decarbonisation efforts by delivering additional solutions enabling others to reduce emissions as well. The communication of Renewi does include a combination of Renewi's recycling rate and total enabled carbon avoidance. (see our chapter Enable the circular economy). Avoided emissions provide a broader picture to support the promotion and scaling of solutions needed to achieve net-zero.

Disclosure

Renewi uses the suggested framework from the guidance document to provide transparency on its compliance with the above mentioned guidelines.

Description of the contribution

Renewi does report avoided emissions from the recycling and sale of recyclates, secondary raw materials, waste derived fuels, renewable electricity and low carbon footprint biogas and finally sorting/incineration of residual waste toward energy recovery by third parties.

Acknowledgments

☑ **We comply with the three eligibility gates**

Gate 1 (Climate Action Credibility)

- Renewi has committed to set near-term science based targets this year. Renewi has communicated this year its GHG reduction ambitions set for its scope 1, 2 and 3 by end 2030 (FY31). These targets were developed by using the expertise of an environmental consulting agency and by using as well the latest SBTi recommendations and tools. Renewi will follow up this year in getting these goals approved by SBTi
- Since this year, Renewi does report its scope 1, 2 and 3 and will continue doing so every year through its Annual report and CDP Disclosure (Climate Change questionnaire)
- Additionally, we have set out on a journey towards external assurance of our sustainability data. We have started with limited assurance for our scope 1&2 carbon footprint, and will continue to increase the scope of external assurance going forward

✓ Renewi passes Gate 1.

Gate 2 (Climate Science Alignment)

- Renewi does confirm that the solution (see our contribution above) has mitigation potential according to the latest climate science and recognised sources.
- By reviewing the list of claimed interventions with an identified link to mitigation options from IPCC AR6 Working Group III summary for Policymakers, we confirm that our solutions are listed with the following recognised mitigation potential:

Solution	Recognised mitigation potential
Second-hand products	Industry: enhanced recycling
Production of secondary materials (e.g., plastics, glass, aluminium, steel)	Circular material flows (e.g., enhanced recycling)
Production of biogas/biomethane from sources like animal manure, organic waste or landfills	Reduce CH4 and N2O emissions in agriculture
Biofuel from organic food waste	Transport: Biofuels
A solution requiring a lower bake temperature	Energy efficiency in industry

- Our solutions are not directly applied to activities involving exploration, extraction, mining and/or production, distribution and sales of fossil fuels i.e., oil, natural gas and coal

✓ Renewi passes Gate 2.

Gate 3 (Contribution Legitimacy)

- Renewi's solutions have a direct and significant decarbonising impact by providing low carbon footprint raw materials and products on the market. By consuming our products, our customers lower down their carbon footprint scope 1, 2 and 3 (when solutions are energy sources) and their carbon footprint scope 3 (when solutions are secondary raw materials)

✓ Renewi passes Gate 3.

Non-financial statement CONTINUED

In summary, after assessing its solutions against the three eligibility gates, Renewi does confirm that its identified solutions have all passed the 3 eligibility gates and are entitled to claim avoided emissions.

☑ **We report avoided emissions separately from our GHG inventory**

Our total carbon footprint is disclosed in our chapter Reduce our carbon emissions. Our avoided emissions are reported in our chapter Enable the circular economy and jointly presented next to our recycling rate.

Renewi does report its carbon footprint scope 3 in compliance with GHG protocol. Carbon avoidance from the availability of secondary raw materials to customers is not taken into account in the reporting of scope 3 GHG emissions.

☑ **We don't claim neutrality through the use of avoided emissions**

Renewi does not use the word neutrality in the communication on the impact of its total carbon avoidance. As per the guidance document mentioned above, Core Principle 3 is clear and followed by Renewi.

Core Principle 3: Separate reporting of inventory and avoided emissions.

"Companies shall always separate Scope 1, 2 and 3 GHG emissions reporting from avoided emissions in their external company reporting and shall not use avoided emissions to offset GHG inventory emissions. As such, avoided emissions should also be kept separate from offsetting claims and carbon credits."

☐ **We assessed potential negative side-effects of our solution(s) in terms of environmental trade-offs and sustainability goals beyond GHG impact**

☐ **We assessed potential rebound effects of our solutions**

In order to identify and list limitations (potential negative side and rebounds effects), Renewi will be starting an internal assessment and will disclose the findings in the Annual Report FY24.

IMPACT

Renewi reports its GHG emissions avoided on a year on year at the scale of the company.

Carbon avoidance in the supply chain as a result of our activities

Volumes ('000 tonnes)	FY22	FY23
Materials separated for re-use/recycling	2,099	**2,061**
Waste-derived fuels produced and sold	767	**714**
Landfill gas/anaerobic digestion electricity production	41	**24**
Waste-derived fuel used at ATM	200	**186**
R1 Incineration emissions (negative)	(506)	**(436)**
Total avoided emissions	2,602	**2,548**

Company information

PRINCIPAL OFFICES

Renewi Commercial Waste Netherlands
Flight Forum 240
5657 DH Eindhoven
The Netherlands

Renewi Commercial Waste Belgium
Gerard Mercatorstraat 8
B-3920
Lommel, Belgium

Renewi Mineralz & Water
Vlasweg 12
4782 PW
Moerdijk
The Netherlands

Renewi Specialities
Renewi plc Corporate Head Office
Enigma
Wavendon Business Park
Wavendon, Milton Keynes
Buckinghamshire
MK17 8LX, UK
Tel: +44 (0)1908 650580

Registered Office
Renewi plc
16 Charlotte Square
Edinburgh
EH2 4DF
Registered in Scotland
No. SC077438

Corporate Head Office
Renewi plc Corporate Head Office
Enigma
Wavendon Business Park
Wavendon, Milton Keynes
Buckinghamshire
MK17 8LX, UK
Tel: +44 (0)1908 650580

Company Secretary
company.secretary@renewi.com

Website
renewi.com

CORPORATE ADVISERS

Independent Auditors
BDO LLP

Principal Bankers
ING Bank N.V.
Coöperatieve Rabobank U.A.
ABN AMRO Bank N.V.
KBC Bank N.V.
BNP Paribas Fortis S.A./N.V.
HSBC Bank plc
Landesbank Baden-Wurttemberg

Financial Advisers
Greenhill & Co International LLP

Corporate Brokers
Berenberg
Peel Hunt

Euronext Listing and Paying Agent
ABN AMRO Bank N.V.

Solicitors
Ashurst LLP
Dickson Minto W.S.

Remuneration Committee Advisers
Mercer Ltd

PR Advisers
Paternoster Communications Ltd

Glossary

ABS – Acrylonitrile butadiene styrene
ATM – Afvalstoffen Terminal Moerdijk, a brand in our Mineralz & Water Division
BDR – Barnsley, Doncaster and Rotherham
Benelux – The economic union of Belgium, the Netherlands and Luxembourg
Bio-LNG – Bio-liquefied natural gas
C&D – Construction and Demolition
CDP – Carbon Disclosure Project
CFS – A brand in our Mineralz & Water Division
CO_2 e – Carbon dioxide equivalent
Core net debt – Borrowings less cash from core facilities excluding PPP non-recourse net debt and lease liabilities as a result of IFRS 16
DAB – Deferred annual bonus
EBIT – Earnings before interest and tax
EBITDA – Earnings before interest, tax, depreciation and amortisation
ELWA – East London Waste Authority
EPS – Earnings per share
ESG – Environmental, social and governance
FCA – Financial Conduct Authority
GHG protocol – Greenhouse Gas protocol
HIT – Hazards, incidents or threats
I&C – Industrial and commercial
ICT – Information and communications technology
IFRS – International Financial Reporting Standards
IL&T – Human Environment and Transport Inspectorate
IPCC – Intergovernmental Panel on Climate Change
ISRS – International Sustainability Rating System
KPI – Key performance indicator
LLP – Limited liability partnerships
LTI – Lost time injuries
LTIP – Long-Term Incentive Plan
M&A – Mergers and acquisitions
MBT – Mechanical biological treatment
PFAS – Per- and polyfluoroalkyl substances
PFI – Private finance initiative
PPP – Public private partnership*
RCF – Revolving credit facility
ROA – Return on operating assets
ROCE – Return on capital employed
SDGs – UN Sustainable Development Goals
SHE – Safety, health and environment
SHEQ – Safety, health, environment and quality
SPV – Special purpose vehicle
TCFD – Task Force on Climate-related Financial Disclosures
TGG – Thermally treated soil
TSR – Total shareholder return
VGG – Van Gansewinkel Groep B.V.
WEEE – Waste from electrical and electronic equipment
ZEV – Zero-emission vehicle

*PPP refers to a public private partnership project in the UK between (1) one or more local authorities and (2) a special purpose vehicle owned either solely by Renewi or together with joint venture partners and financed with project finance debt, under which Renewi, as operator, performs some of the waste management functions of the relevant local authorities. These include, where appropriate, those projects that also benefit from central government private finance initiative (PFI) credits.

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waste no more

Renewi plc Enigma, Wavendon Business Park, Ortensia Drive, Wavendon, Milton Keynes, Buckinghamshire, England MK17 8LX