

Registered number: 02291198

SUEZ Recycling and Recovery UK Ltd

Annual report and financial statements

For the Year Ended 31 December 2020



SUEZ Recycling and Recovery UK Ltd

Company Information

Directors	J Scanlon F Duval G Mayson (appointed 1 January 2020) C Thorn (appointed 1 February 2020)
Company secretary	M H Thompson
Registered number	02291198
Registered office	SUEZ House Grenfell Road Maidenhead Berkshire SL6 1ES
Independent auditor	Mazars LLP Tower Bridge House St Katharine's Way London E1W 1DD

SUEZ Recycling and Recovery UK Ltd

Contents

	Page
Strategic report	1 - 18
Directors' report	19 - 23
Independent auditor's report	24 - 27
Statement of comprehensive income	28
Statement of financial position	29 - 30
Statement of changes in equity	31 - 32
Notes to the financial statements	33 - 68

SUEZ Recycling and Recovery UK Ltd

Strategic report For the Year Ended 31 December 2020

The Company's key financial and other performance indicators during the year were as follows:

	2020	2019	
	£000	£000	Change
Turnover	615,603	548,206	12%
Operating profit/(loss)	2,325	(645)	460%
Profit after tax	5,910	6,865	-14%
Shareholders' funds - equity	150,269	149,880	0.3%
Current assets as a % of current liabilities	140%	133%	

SUEZ Recycling and Recovery UK produced solid financial results in the year ended 31 December 2020; especially in light of the global COVID-19 pandemic.

The Company's collection activities were most impacted by the pandemic, with many customers temporarily closing down as a result of the UK lockdown announced in March 2020. Consequently, our revenue from industrial and commercial collections fell by £25m when compared with the prior year. However, these activities remained profitable thanks to our strong recovery when lockdown restrictions eased in summer 2020 and cost optimisations to mitigate the volume impacts.

The Company started a major new Municipal collection contract on 30th March 2020 in Somerset, shortly after the nationwide lockdown commenced. To successfully roll out such a large municipal contract in such circumstances was somewhat of an achievement. Planned service changes for this contract are being rolled out over the coming two years to improve efficiency and the customer service. The Somerset contract contributed £19m revenue to the Company in 2020. Elsewhere in our municipal business, contract extensions were agreed in 2020 for the Kensington and Chelsea contract and the Warwick contract.

The Company continued to see strong results from its Energy business in 2020. The turbines at the facilities in Wilton and Cornwall both performed well following some difficulties experienced in previous years. The lost hours in previous years at Cornwall and Wilton facilities were the subject of settlement claims against the EPC contractors, with the settlement of both these claims reflected in the 2020 Company accounts.

The Company's Household Waste Recycling Centres (HWRCs) were temporarily shut at the start of the COVID-19 pandemic, until Government guidance allowed such facilities to re-open under strict social distancing protocol. Transfer stations were to a lesser degree impacted by lower tonnages. Our Material Recycling Facilities (MRF) were also impacted by changes in waste mix resulting from the pandemic as well as low market driven prices for certain recyclables. During 2020 the Company saw the first full year of the contract with Greater Manchester Waste Authority, with SUEZ handling 1.2 million tonnes of GMWA waste. This contributed £86m revenue to the Company in 2020. Development work was completed in the year on the Longley Lane facilities that service this contract, with further development of the Raikes Lane Energy from Waste facility and Reliance street Refuse Derived Fuel (RDF) facility continuing into 2021.

The Company received £2.1m from the UK Government Coronavirus job retention scheme in 2020; mainly related to employees working in our collections business and support services. The Company's management committee took the decision to boost the income of employees placed on furlough to 100% of their normal salary, with the Government scheme covering 80% of normal salary up to £2,500 per month. In addition an extension wellness program was implemented to provide support for all employees covering topics from mental health through to financial management.

SUEZ Recycling and Recovery UK Ltd

Strategic report (continued) For the Year Ended 31 December 2020

The health and safety of our employees and customers is paramount, nevermore so than during the ongoing COVID-19 pandemic. In addition to adapting to and managing the risks associated with the pandemic, we achieved some notable health and safety successes in 2020 including deploying energy isolation standards UK wide and deploying bodycams at 70% of our HWRCs. Over 550 managerial safety visits took place despite the pandemic and our first health and safety training centre was opened. The UK team also won global SUEZ awards for best health and safety cultural transformation and for best wellbeing programme.

On 29 June 2021, the Board of Directors of the Company's ultimate holding company (SUEZ SA) accepted an offer from Veolia to purchase 100% of its share capital. Subject to approval from the relevant competition authorities, the takeover of SUEZ by Veolia will create the opportunity to become the global champion in ecological transition.

Principal risks and uncertainties

The companies within the SUEZ Recycling and Recovery Group in the UK (the Group) has established a risk committee that evaluates the main risks facing the Group and the measures in place to manage those risks. The principal risks and uncertainties facing the Group are broadly grouped as: operational risks, competitive risks, legislative risks, health and safety risks and financial instrument risks. These Group risks are considered to also all be relevant to SUEZ Recycling and Recovery UK Ltd.

Operational risks

The SUEZ R&R UK Group's operations involve some major public sector contracts, ranging from periods of 7 to 25 years or more, where default on the contract may result in substantial compensation payments to the client.

Long-term contracts also expose the Group to the risk that the contract's revenue profile over the life of the contract may not be sufficient to compensate the Group for unforeseen cost increases, and hence losses may result. The Group has put in place rigorous tender approval procedures to ensure all risks are properly considered. The Group's management and review procedures are aimed at ensuring any problems are identified at an early stage and steps are taken to mitigate any losses arising.

The success of the Group's operations is dependent upon the recruitment and retention of good quality staff. The Group's strategy seeks to make the SUEZ R&R UK Group the preferred employer in the waste management sector through its employment policies.

Competitive risks

Part of the SUEZ R&R UK Group's business involves contracts with local authorities which are subject to periodic competitive tender. Renewal of these contracts is uncertain and based on financial and performance criteria. The remaining business relies upon short-term contracts and non-contractual business from industrial and commercial customers, which is subject to normal price competition in the open market.

Legislative risks

The waste management business is subject to strict legislation and regulation. These standards are subject to continuous revision. Compliance with new standards can impose additional costs on the Group, and failure to comply could result in heavy penalties. The Group's management systems aim to ensure compliance with all relevant regulations.

Health and Safety risks

The SUEZ R&R UK Group acknowledges that its employees working within the waste management industry face significant potential hazards in their everyday work. The Group makes every effort to ensure that its Health and Safety policies are of the highest standard, are fit for purpose and are strictly adhered to on a daily basis.

Financial instrument risks

The Group has established a risk and financial management framework whose primary objectives are to protect the Group from events that hinder the achievement of their performance objectives.

Strategic report (continued)
For the Year Ended 31 December 2020

Exposure to price, credit, liquidity and cash flow risk

Price risk arises on financial instruments because of changes in, for example, commodity prices or equity prices. The Group's major joint venture and associated investments, which the Group does not intend to sell in the short-term, are held at net asset value and are therefore not exposed to price risk.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Group policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Cash flow risk is the risk of exposure to variability of cash flows relating to a recognised asset or liability, such as future interest payments on a variable rate debt. The Group produces long-term cash forecasts and monitors cash flows against these on a daily basis to ensure all financial obligations may be met as they fall due. Group funding requirements are periodically agreed with the SUEZ Group.

COVID-19

The Group are managed centrally by one Operations Committee. Strategy and policy are decided upon at this Group level, and thus the risks and issues caused by the COVID-19 outbreak are being addressed on a Group wide basis.

Since the outbreak of the COVID-19 virus in the United Kingdom, the Group has continually assessed the risks and impacts of the pandemic and the associated economic slowdown on its business. The Group's Gold Command, which consists of Company Directors, other Operations Committee members and senior personnel gathers frequently to assess the evolving situation regarding the pandemic and Government legislation, as well as specific guidance for our industry.

The key risks to our business are considered to be as follows:

- The Health and Safety of our employees as well as the users of our services.
- A fall in demand for industrial and commercial collection services associated with the economic slowdown.
- Cash management resulting from reduced customer receipts.

The Group has taken significant measures to mitigate these risks.

Health and Safety:

The Health and Safety of our employees and the general public is always the top priority of the Group; with the outbreak of COVID-19 further accentuating this. The Group has gone to great lengths to secure sufficient supplies of PPE for our operational teams. Furthermore, new guidance has been issued to operational teams (in particular those involved with collections) to manage social distancing protocol. The Group agreed with its local authority customers to close all of its Household Waste Recycling Centres (HWRCs) upon lockdown to help prevent further spread of the virus and to protect the general public and our staff. The Group has implemented new procedures at its HWRCs to ensure social distancing and to limit the number of members of the public using the site at any given time. These include using an electronic appointment system at some sites, and restricted access dependent on vehicle number plates.

Strategic report (continued)
For the Year Ended 31 December 2020

The Group has worked closely with our public sector customers to define the parameters under which the HWRCs were able to re-open and the Group and local authorities have managed strong communication around this, and social distancing, with the general public. All office based staff were remobilised to work from home from mid-March with a phased return to the office environment, where distancing measures have been introduced in line with government guidance. The Group has also been very active on social media platforms to publicise and promote safe waste handling guidelines for the general public.

Industrial and commercial collections:

The lockdown and economic slowdown has led to reduced volumes within our collections business. We anticipate that these volumes may take a period of months to recover to pre-COVID-19 levels and also provide an opportunity to grow. The Group benefits from diverse waste streams, with industrial and collections contributing to about 15% of the Group revenue. So whilst the drop in industrial and collection (I&C) tonnage does have an impact on the Group's revenue and profitability, we are not overly reliant on I&C. Further measures have been implemented to restrict the impact of falling I&C tonnage on our business, such as mothballing certain vehicles and using the UK Government Coronavirus Job Retention Scheme (furlough scheme) for some collection staff. We have also supported our I&C customers that have been most affected by the lockdown by offering a service holiday during the lockdown period.

Cash management:

The slowdown of activity within the UK economy has further highlighted the need for tight cash management. The Group has continued to receive cash for the fixed price elements of our contracts with local authorities, even when the HWRCs were closed. The Group has continued to generate net cash inflows from its operating activities in the period since lockdown in the UK. We are also ensuring that we continue to pay our key suppliers promptly in line with the guidance set out under the government's PPN Supplier Relief programme. We continue to closely monitor the credit status of our customers, especially in the I&C business, to minimise our exposure to bad debt risk which is partly mitigated via our credit insurance policies.

Like most business, COVID-19 will clearly have an impact on our Group's financial performance in 2020. The Directors remain confident that our strong relationships with our customers, our long-term contracts and our diversified business will provide strong foundations for continued success.

Section 172 statement

In accordance with the Companies Act 2006 (the 'Act') (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the Directors provide this statement describing how they have had regard to the matters set out in section 172(1) of the Act, when performing their duty to promote the success of the Company, under section 172.

Further details on key actions in this regard are also contained within the Statement of corporate governance arrangements section below.

In accordance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), this statement also provides details of how the Directors have engaged with and had regard to the interest of our key stakeholders.

SUEZ Recycling and Recovery UK Ltd

Strategic report (continued) For the Year Ended 31 December 2020

Statement of corporate governance arrangements

For the year ended 31 December 2020, under The Companies (Miscellaneous Reporting) Regulations 2018, the Company has applied and adopted the Wates Corporate Governance Principles for Large Private Companies (Principles).

Board

The Senior Management Team (Board) meet quarterly and is comprised of the board of Directors of the Company and the following senior management:

Title	Members
Optimisation Committee (OpCom)	Chief Executive; Chief Financial Officer; Chief Operations Officer; Chief Development Officer and Chief Human Resources Officer
Senior Managers	Finance Director; Director of Legal & Ethics Officer; Communications Director; External Affairs Director; Technical Development Director; and Head of Customer Insights
Attendees	Director of Public Sector Development; Head of Municipal Development; Senior Marketing Manager; Commercial Director – Projects; Regional Business Managers; Head of Project Management; Head of PPP Optimisation; Chief Information Officer and Trading Director.

SUEZ Recycling and Recovery UK continue with its adopted strategy following the Group's strategy, covering all business units and all geographies. SUEZ Group vision of 'becoming the clear leader of environmental services by 2030' fits very well with everything that the Company continues to work in aiming to 'live in a society where there is no more waste'. The need for companies like SUEZ Recycling and Recovery UK Group and the services that we provide has therefore never been greater as we support our customers to create a sustainable environment.

The vision

Our Group CEO works with senior leaders from across the business to continue to develop the four core values which have been adopted by every SUEZ operation worldwide, these values are:

- passion for the environment
- customer first
- respect
- team spirit

Earlier this year the Board decided to change the 'Sustainable Development and Social Value' critical success factor (CSF) to 'Sustainable Environment', to create a clearer statement about the overarching purpose of SUEZ Recycling and Recovery UK and our vital role in creating a more sustainable future as set out by the United Nations through the 17 Sustainable Development Goals (SDGs), which we have adopted to help drive what we do as a company in the area of Sustainable Environment.

In March 2020 the Board closely monitored developments of COVID-19 to ensure business continuity and preparedness in the case of a Coronavirus epidemic and set up a strategic UK task Group to follow a standard protocol used by organisations in response to emergency situations.

The lead decision making body for this Group is the Gold Command, comprising the OpCom, Head of Health and Safety, Head of HR Operations, Legal Director and Communications Director to monitor and respond to the situation on an ongoing basis. This Group work within the advice from the SUEZ Group and Public Health

Strategic report (continued)
For the Year Ended 31 December 2020

England and had daily calls to determine any actions needed.

In addition, we set up six Silver Command teams for each of our four regions, Weston and Maidenhead comprising the Gold Command members, Regional Directors and local health and safety, communications and HR representatives. These Groups liaised on a regular basis as the need required.

The Gold and Silver Command Groups met daily at the height of the crisis.

The Board focused on its three strategic priorities for the Company of having an engaged & empowered workforce, strong customer loyalty and to be a profitable and sustainable business, during the pandemic its priority on sustainability and social value, including the wellbeing and health and safety of its employees and business continuity took centre stage.

The Board sponsored the development of and approved various policies and procedures, including amongst others, 10+ half day mental health awareness and personal resilience Group training; the creation of our own set of Sustainability Standards which will become a minimum benchmark for how we will operate day to day to reduce our impact on the environment, a new COVID-19 Safety in Mind form on the H&S app to help safety leaders assess risks in the workplace and to make sure that we are following all government guidance when it comes to virus prevention.

Each of these are part of our risk management practices linking these risks to strategy in order to better define risks and to address all five key dimensions (strategy, people, detail, tasks, and drivers), effectively considering stakeholders' concerns, addressing these issues from a Group perspective. The CEO publishes and shares strategy and risk related information via a monthly newsletter sent to all employees and available on the Company's policy and procedure database on the Intranet.

The focus of the Board has been to drive the Group towards achieving its goals alongside its commitment to having a workforce that more accurately reflects society and has developed challenging targets to achieve this, which include overhauling our parental leave and flexible working policies, improving the gender pay gap and collaborating across the sector to help drive sector-wide change.

Health and safety matters

During this current period, it is more important than ever that the Company put health and safety first at all times and remember to always have Safety in Mind. The Board have always been clear that we are following the advice from Public Health England (PHE) when it comes to health and safety during this time and approved the issue by the Head of Health and Safety of a company announcement, which gave guidance on the following health and safety topics:

- Personal Protective Equipment
- Social distancing in Logistics
- The importance of Vigilance
- RIDDOR reporting

Wellness for All – A Guide to Emotional Resilience

As part of SUEZ Recycling and Recovery UK "Wellness for All" commitment, we worked with wellbeing experts from Golden Tree, who deliver our mental health training, on the topic of resilience. We created videos on resilience and produced this short guide to Emotional Resilience with Golden Tree.

Furloughing

The OpCom approved the initial list of those staff who would be furloughed for an initial period of four weeks, and the process. It was important for furloughed employees to understand that we will keep in contact but not discuss work matters and keep them up to date with what is happening in the business, notify them of any training they'll be asked to undertake, and ensure that they have any support they need during their furlough leave.

Supporting our employees and families

Throughout COVID-19, the Board followed Public Health England advice and supporting the government's request regarding self-isolation. We had 200+ staff self-isolating because they were considered vulnerable under the guidance due to being pregnant, at high/extreme risk based on underlying medical conditions, and more than 700 self-isolated for 7 or 14 days due to they, or a member of their family, having cold/flu or COVID-19 symptoms. This preventative measure was important to support the national effort to reduce the spread of the virus and protect our most vulnerable.

As part of the Group's drive to become more sustainable, the Group has set targets as part of its environmental strategy. The Group is well advanced in developing action plans and engaging with our workforce. The next steps will be to provide the necessary training to be able to deliver these targets, as well as engaging with our wider stakeholders.

The Directors of the Company delegate certain duties and responsibilities to various committees and receives regular and timely information (at least monthly) on all key aspects of the business including health and safety, risks and opportunities, the financial performance of the business, strategy, operational matters, market conditions and sustainability, all supported by Key Performance Indicators (KPIs) and identified a list of strategic priorities that were to be reviewed by management throughout 2020.

The Board seeks out opportunities whilst mitigating risk. The Company's key operational risks and mitigations are outlined in the Strategic Report above (page 3). The Board also considers all major projects (as defined by their value and risk profile) and approves them before any bids are finalised. The Group Risk Committee (as delegated by the Board) also considers further risks as part of the day to day management of the business.

The board is committed to the professional development of the board and ensure that each director attends training and development sessions, internal and external, to aid their development and contribution to the board and the success of the Company.

The board members form part of the group executive team whose effectiveness is reviewed annually by its parent company, SUEZ Groupe S.A.S. Each member of the board is aware of their duty toward the success of the Company.

SUEZ Recycling and Recovery UK is committed to promoting equal opportunities in employment. All employees, officers, consultants, contractors, casual workers and agency workers and any job applicants will receive equal treatment regardless of age, disability, gender reassignment, marital or civil partner status, pregnancy or maternity, race, colour, nationality, ethnic or national origin, religion or belief, sex or sexual orientation (Protected Characteristics). Its Diversity policy has regard to the SUEZ Group Agreement on Gender Equality in the Workplace and sets out the Company's approach to equal opportunities and the avoidance of discrimination at work. It applies to all aspects of employment with us, including recruitment, pay and conditions, training, appraisals, promotion, conduct at work, disciplinary and grievance procedures, and termination of employment. The Company is committed to:

- creating a working environment where the individual contributions of all our employees are recognised and valued.
- creating a working environment free from discrimination, bullying and harassment.
- its managers and supervisors to lead by example in ensuring compliance with this policy and in taking steps to eliminate discrimination and unequal treatment in the workplace.
- providing all employees with access to training, development and progression opportunities.
- try to reflect the diversity of our business at each level of management.
- review employment practices and procedures to ensure compliance with this policy.
- monitor this policy on an on-going basis and conduct a formal annual review.

All managers must set an appropriate standard of behaviour, lead by example and ensure that those they manage adhere to the policy and promote our aims and objectives with regard to equal opportunities.

SUEZ recycling and recovery UK is actively involved with the Equality and Human Rights Commission (EHRC), the Business Disability Forum and Remploy for the purpose of increasing our knowledge of diversity, promoting diversity within SUEZ Recycling and Recovery UK and benchmarking practice and performance.

The Company has implemented various internal codes of practice covering recruitment and selection, training and development, promotion, termination of employment, disabilities and monitoring.

The SUEZ Recycling and Recovery UK Works Council regularly reviews this policy to consider how it is working in practice and discuss ways in which SUEZ recycling and recovery UK's policies and procedures can be improved/amended to ensure a diverse workforce and create equality of opportunity.

The Company takes a strict approach to breaches of its Diversity policy and will deal with such breaches in accordance with its Disciplinary Policy. Serious cases of deliberate discrimination may amount to gross misconduct that may result in dismissal.

To ensure balance the Directors appoints a chairperson at each meeting. The board does not have any non-executive Directors. The Directors declare any conflict of interests at the start of the meeting. Where conflicts are declared these are dealt with in accordance with the Company's Articles of Association and where required, approved by the shareholders.

The board is made up of those Directors with specialist skills, background and experience. The members of the various committees in addition to the Board members ensure that there is a diversity of skills, backgrounds and experience covering all aspects of the Company's business as well as the interests of its stakeholders.

Committees

The Optimisation Committee (OpCom) structure has proved to be a critical component of our governance structure. The OpCom meets weekly and has been instrumental in maintaining focus between board meetings. As initiatives within the strategic plan have been progressing at pace the need for a decision-making body to meet regularly has been imperative. The OpCom is supported by the contribution of all the various committees.

The Risk Committee, consisting of OpCom members and business unit and functional leads, ensures that inherent and emerging risks are identified and managed appropriately and in a timely manner, continuing its focus on monitoring the effectiveness of the Group's approach to risk identification, classification and mitigation.

The SUEZ Group's Risk Management approach is articulated around a set of common beliefs leading to the definition of a mission statement with a number of high-level objectives. In the development of the Risk Management framework the following beliefs had a large influence on the approach retained:

- Every manager is a risk manager;
- The decision-making process should be systematically based on some kind of risk analysis;
- Risk management will be successfully implemented if it is approached bottom-up and top-down;
- This process requires a certain degree of formalism but through a light and flexible organization;
- The better the Company is at understanding and controlling its risks, the better the decisions it can make about taking risks or avoiding them;
- Not detecting a risk may be forgivable but not acting upon a detected risk is not;
- Within Risk Management, internal and external communication is key.

The mission statement for Enterprise Risk Management (ERM) as approved by the SUEZ Group Executive Committee is the following:

"Through the implementation of a formalised risk management process, SUEZ Group will strive to speak a common risk language across the organisation in order to enhance risk awareness and to improve decision-

Strategic report (continued)
For the Year Ended 31 December 2020

making, with a portfolio view, whenever possible. Beyond pure compliance (assurance to the Board of Directors and the control authorities), the objective of Risk Management is to proactively protect long-term value for all the stakeholders of the Group and to capture new opportunities for profitable business growth."

Risk is thus not only a threat: it is also an opportunity that has to be mastered. The main objectives of Risk Management are:

- Increase risk awareness throughout the Group ;
- Improve visibility and exchange of information by using a common risk language and structure ;
- Create common methodologies ;
- Introduce risk review and management at all levels;
- Implement common risk management strategies.

The aim is to achieve a cultural change of attitudes and behaviours vis-a-vis risk exposure and related opportunities. To that end, the process will rely on a light but effective network of risk officers and risk specialists under the stewardship of the Chief Risk Officer.

This network will be in charge of promoting the new risk management culture, preparing the change, making it happen and reviewing it. It will also aim at a common language, common methodologies and clear definition of roles and responsibilities towards risk management for both operational management and risk-related functions.

This process will not withdraw risk management from the responsibilities of the operational managers. On the contrary, in order to perform their work effectively, the risk officers will have to collaborate closely with the business unit managers but also with the other relevant support functions across the Group, including amongst others, internal audit, finance, legal, insurance, health & safety and environment.

Risk Management (RM)

A member of the Board/Management committee sponsors and supports the process by communicating about the Group, selecting the people to be involved and determining the methodologies to use.

In order to ensure coverage of all risks facing the business, the group is composed of people representing all aspects of the business (support, operational, regulatory, commercial and human resources), selected according to their knowledge, experience and ability to grasp new concepts and requirements.

In addition to participating in the SUEZ Group Risk Committee which meets once or twice a year, the Company's RM Committee meet quarterly to review and discuss existing and new risks. The Committee also review action plans, produces and keeps up to date the Risk Register and on a more frequent basis, reviews some specific risk indicators including the following:

- country and political risks (ratings, events etc.)
- financial risks (currency, interest rates, commodity, risk exposures)
- health & safety risks (workplace accidents, asbestos issues etc.)
- environmental risks (compliance to norms on emissions, sites at risk etc.)
- business continuity risks (physical and IT security, fraud detection etc.)
- insurable risks (coverage, premiums, deductibles, loss control etc.)
- other operational, commercial, legal and HR risks

The five distinct steps of the Risk Management Process can be summarized as:

Identification: Review all aspects of the business plan using interviews, brainstorming methods and risk catalogues in order to identify the risk areas. Risks may not necessarily be a high probability of occurrence but reflects only the fact that some assumptions supporting the business plan project may prove incorrect in the future.

Evaluation: Each individual risk is listed by assessing the likelihood, i.e. the probability of occurrence per time unit and the significance, i.e. the consequences of one occurrence in descriptive terms and if possible, in monetary terms. The weight or severity of the risk is then calculated by the probability of occurrence times the

Strategic report (continued)
For the Year Ended 31 December 2020

consequences and can be expressed in impact unit per time unit.

Handling: Rank the risks according to their weight on the business then review each risk and decide the best method to reduce the probability of occurrence and/or to mitigate consequences e.g. by change to operations and maintenance procedures (i.e. modify the way we operate the business) or transferring of the risks to another party via an agreement (e.g. insure or hedge the risk) or change the business asset base (i.e. invest into new system/equipment).

Using the table developed above the business unit is then able to report their risks and associated weight, grouped by categories, ranked by importance or sorted by specific criteria which may be of interest to the Board of Directors and/or the Stakeholders.

Reporting: The different risks are then consolidated in order to get a global view for the business. The top 10 risks (meaning the top 10 risk factors that can turn into either threats or opportunities) are then reported to the management.

Learning: After each risk assessment an "After Action" review is performed in order to learn from it. A global evaluation of the Risk Management process and to communication of the lessons learned is performed annually.

The lessons learned are shared across the SUEZ Group together with the methodologies and best practices. The SUEZ Risk Network is the vehicle for sharing this knowledge, using various IT tools such as a permanent team room and the intranet central repository for policies and procedures.

Each risk area within the business require a specific combination of capabilities and based on the top risks faced, specific strategies were developed, and specific capabilities built to implement those strategies. Capabilities consist of processes, tools, people (skills) and technology that are designed and deployed in an optimal fashion regarding the RM objectives of the Company.

In order to further improve its RM capabilities, the Company compares its practices with the "best in class" either inside or outside the Group.

Internal communication on risks and methods is a key enabler for continuous improvement of the RM process. To be effective communication is not only top-down but also bottom-up and horizontal across the Company.

To embed the risk culture within the Company there is a formal employee learning process available on various systems including SUEZ Group i-learning application, the intranet and SUEZ University amongst other initiatives.

The Audit Committee's primary concerns are the integrity of the Group's financial statements; the effectiveness of internal controls; the performance of the internal audit function; the performance and independence of the external auditors; and the Group's compliance with legal and regulatory requirements. The Committee has clearly defined terms of reference, that are reviewed annually and which outline the Committee's objectives and responsibilities relating to financial reporting, internal controls, risk management and the application of appropriate accounting standards and procedures.

The Group's Works Council committee is composed of elected employee representatives and members of the Group's leadership team as employer representatives and provides a forum that employees can use, through their employee representatives, whose contact details can be found on the intranet, to share their views, ideas and contribute to the continuous improvements within the organisation or to raise a concern about general health and safety or another company-wide topic. Invited guests introduce themselves and give the Committee an overview of their role in the Group. During the year the committee covered the implications of Brexit, provided health and safety updates and provided equality and diversity training.

The Hays Panel, the Group's Remuneration Committee's primary objective is to set remuneration at a level that will enhance the Company's resources by securing and retaining quality senior management who can deliver the Group's strategic ambitions in a manner consistent with both its purpose and the interests of its shareholders.

SUEZ Recycling and Recovery UK Ltd

Strategic report (continued) For the Year Ended 31 December 2020

Relations with Stakeholders

The board considers how the Company's activities may impact both current and future stakeholders and therefore controlling environmental and industrial risks is a priority objective of SUEZ Group and its Environmental & Industrial Risk Management Policy applies to the Company.

Governance

The CEO is responsible for the application of this policy with support from Environmental and Industrial Risk Officers and SUEZ Group corporate divisions. The policy is periodically revised through management reviews.

The risks being considered may be of accidental or natural origin. They may be a consequence of human or organisational factors, equipment failure or malicious acts:

- any type of pollution (air, soil, aquatic environments) or environmental nuisance (noise, vibration, odours, visual impact, etc.).
- damage to the environment, property or people caused by fire, explosion, machinery breakdown, natural disaster, collapse of structures, etc.

The policy is consistent with the Global Risk Management as well as the Health and Safety policies. The aim of this policy is to anticipate and effectively manage any risk associated with its activities that may affect the environment, operational facilities or property of third parties, employees or residents. These risks may also impact the continuity of service and the Group's reputation.

To achieve this objective, the Management System of environmental and industrial risks is based on:

- establishing a network of Environmental and Industrial Risk Officers, responsible for deploying this Policy.
- the early identification and prioritisation of risks covering organisational, human and technical aspects.
- the systematic implementation of measures to control the identified risks.
- compliance with the Group's Environmental and Industrial Management Rules and Standards.
- compliance with local regulations and, if necessary, overriding this to control its environmental and industrial risks.
- signing Progress Contracts formalising the objectives and targets
- follow-up of measures to control environmental and industrial risks.

The Board acknowledges that good governance and effective communication are essential on a day-to-day basis to deliver our purpose and to protect the Company's brand, reputation and relationships with all our stakeholder community, including shareholders, customers, employees, pensions, suppliers, government, regulators, local authorities and the local communities in which we work.

Moving forward and as part of every Group Board meeting, governance of the Group is included as a standing agenda item. The Board's key areas of focus in 2020 were in line with the Section 172 Companies Act 2006 requirements and during the year the Board undertook a key stakeholder review. Although the Group has multiple stakeholders, the Board considered that its key stakeholders were its employees, shareholders, customers, government, local authorities, regulators, suppliers and local communities.

The Board reviewed how the Directors and the Company engaged with these key stakeholders and refined its engagement strategy in certain areas to ensure that it continued to have a good understanding of their views and interests. In undertaking this review, the Board agreed which stakeholders it needs to engage with directly and where it could rely on information from management. The majority of our engagement with key stakeholders is carried out by our commercial and functional business teams. The Board engages directly with employees, shareholders and major key stakeholders.

To read more about how we engage with our wider stakeholders see the case studies below.

Employees

The Group communicates to its employees through presentations, internal group-wide emails, newsletters, social media channels and blogs on our intranet. An annual employee conference, delivered at various local

Strategic report (continued)
For the Year Ended 31 December 2020

locations around the country, provides a briefing on the Company's performance, gives an update on any initiatives that are being introduced and allows individuals to raise questions and concerns.

The Board has direct engagement (see case study below for more details) usually during site visits, Board presentations, social media channels and the blogs on our intranet, all of which give our employees the opportunity to interact with members of the Board and senior management.

U Say, the Group's employee engagement survey is carried out anonymously every two years to highlight areas of improvement. The Board considers the results of all employee engagement surveys a good barometer of the workforce's confidence in the Group's strategic direction, optimism in the future and career opportunities. In 2020 SUEZ Recycling and Recovery UK was once again included as one of The Sunday Times 25 Best Big Companies To Work For, taking 23rd spot on the prestigious and highly competitive 2020 list because the Company stood out due to our good levels of employee engagement and satisfaction in the 2019 survey, helping to raise £20,000 for our charity partner Macmillan Cancer Support.

In 2020, the Board continued via the CEO to send summaries of key themes from the Group Board meetings via our internal social media platform. Engagement with employees also takes place through works councils and various other committees and groups.

The key focus of the year was the formal introduction of Spot 2023 and due to the pandemic, Wellness, see case study for more details, announcing that based on employee feedback the Group would perform a review of its cost base to ensure that the Group was structured appropriately for the future.

Shareholders

Board engagement with shareholders is primarily through the Group's Chief Executive Officer and Group's Chief Financial Officer.

Customers

The Board engages with key customers and clients through the Regional Directors who provide the Board with regular information about customers in various reports produced throughout the business by the commercial and management teams.

Suppliers

The Group primarily engages with our suppliers via its website and procurement teams as well as through other business support functions, including the commercial and legal.

The Board receives information through various Group's board reports produced throughout the business.

Government

Due to the pandemic face to face meetings and site visits were replaced with video conferencing and telephone calls.

The Chief Executive, some Directors and senior managers, met with members of Government, other political parties and senior officials to provide an overview of the recycling and recovery industry and to provide feedback on potential changes being considered by the Government.

A minimal number of site visits were carried out by Members of Parliament during the year. Government and ministers gained a better understanding of the challenges facing the industry which will in turn potentially result in more favourable policies for our industry.

Regulators and Local Authorities

The Group's business is heavily regulated with a large number of our key clients being local authorities. We perform customer engagement surveys and the performance of the business is regularly reported to the Board and OpCom on a monthly basis. The findings are used to improve customer engagement with knowledge being shared across the Group. On all large contracts, the Group hosts local community events to engage with local stakeholders.

Strategic report (continued)
For the Year Ended 31 December 2020

All face to face meetings were replaced with video-conferencing and telephone calls during the pandemic. The Chief Executive, senior employees and, amongst others, the environmental, health and safety, and the planning teams met with members of Government, other political parties and senior officials to provide an overview of the recycling and recovery of waste industry and to provide feedback on potential changes being considered by the Government. Members of Parliament have visited a number of our sites during the year.

Government and ministers gained a better understanding of the challenges facing the industry which will in turn potentially result in more favourable policies for our industry.

Effect of engagement: A broad understanding of Government policy and regulation ensures that Board decisions are based on the full understanding of the environment in which we operate and helps the Board understand the key drivers of the recycling and recovery of waste policy at a national and local level and the impact that this can have on how the business operates.

The Group has also developed environmental targets with respect to waste, energy and nature continue to be developed throughout 2020. The company's website (www.suez.co.uk), intranet and social media channels provide extensive and up-to-date news on recent developments.

Local Communities

The Group, Company and our employees believe it is important to give something back to the communities we work in and to society. We do this in many ways. We organise these activities into a programme under our corporate responsibility strategy and call it Giving Something Back, see case study below for more details. The programme aims to encourage everyone in the company to get involved with local causes and support national charities.

Engagement takes place locally through our local offices and sites with many of our operations and the planning team having regular two-way conversations with community representatives to discuss our activities and the local topics that impact us both, including via the science, technology, engineering and mathematics (STEM) programme which helps to improve the learning and career prospects of local people, at the same time as enhancing our reputation and helping to develop our people and our education programmes, community consultation and involvement through various community trusts. However due to COVID-19 all activities were put on hold from March 2020.

SUEZ Recycling and Recovery UK now have four employees trained as business advisors, who work with schools to support students in all areas of running a business, and in 2020 sponsored the cost of joining the programme, giving more students in Cornwall the opportunity to take part in Young Enterprise. In line with Government recommendations, the programme supports the Gatsby Benchmarks of Good Careers guidance and helps the students gain key employability skills including teamwork, communication, problem solving, digital skills, resilience, initiative, organisation and financial capability.

Our network of employee education ambassadors, who are all passionate about resources and sharing their knowledge, visit schools to explain the importance of recycling and responsible waste management in a fun and informative way that links with the national curriculum. These ambassadors also visit local events and county fairs.

During the pandemic our employees gave back to the community in various ways including volunteering, delivering donated sweets and foodstuffs to the NHS unsung heroes' such as security, catering, laundry and mortuary staff working at the hospital, as well as front line medical teams and taking part in our SUEZ 2020 Challenge exercising on a virtual journey from Lands' End to John O'Groats (1,407km) in support of the Group's current national charity partner Macmillan Cancer Support, chosen by our employees and various other charities.

During the pandemic, the Company received thank you letters sent by council leaders and local residents and art work was left on bins by local children. Communities came out of their homes to clap and cheer for crews, from Doncaster to Somerset to Kensington and Chelsea, in appreciation as our workforce continued to work hard every day to provide a critical service.

Strategic report (continued)
For the Year Ended 31 December 2020

Case Study: Examples considering interest of key stakeholders when making decisions.

Customer Effort Score (CES) – the customer journey

In 2020 we changed the way we measure our customer feedback.

Customers are essential to any business, so to ensure that we keep the customers we have and to win new customers, it is important that we understand their needs and get their feedback on what it is like to work with the Group. This was more important than ever, given the coronavirus impacting businesses across the UK.

Normally, we conduct research with over 1,000 customers, using various methods from telephone interviews to email surveys. However, given that our customers are facing significant and unprecedented challenges, we suspended all research until further notice.

We completed the research for January to March in 2020, with the focus of our customer research shifting to measure how easy the Group is to deal with, from first contact to the end of a contract – CES, which is considered a strong predictor of customer loyalty and determines how much effort was required by the customer to get what they wanted from us as a service provider. Customers just want us to be easy to deal with. If we are, they stay with us.

We asked customers: 'How much do you agree that SUEZ Recycling and Recovery UK are easy to deal with?' They could choose to answer either - 'strongly disagree', 'disagree', 'neither', 'agree or strongly agree'.

The CES is reported as the percentage of customers who agreed or strongly agreed with the statement.

We spoke to I&C customers during the first three months of the year and we're delighted to say that the I&C CES has improved by 2 percentage points (%pts), from the 73% benchmark in 2019, to 75% for the first quarter in 2020.

The increase has been driven by strong performances in the South West and North and good improvements in the Central region. Six of our depots achieved or exceeded 80%. Coventry tops the leader board with a CES of 84%, followed by Poole, Stoke, Birmingham, Preston and Washington.

82% of our customers agree that they are satisfied with their experience with SUEZ, which is a testament to the hard work of our operational teams. Some customers also stated how good they think our drivers are - it's great to get such positive feedback on a range of teams.

The results makes it clear, now more than ever, at this time of businesses battling against the challenges that they face due to the coronavirus, that our customers see that we are there for them and making their life easier rather than more complicated. As an example, rather than have our small I&C customers worry about how they will pay for their waste collection services when their businesses might be temporarily closed, we have written to them offering a 'service holiday' without any financial penalty. Taking away headaches like this for our customers builds loyalty that hopefully will be beneficial for us in the longer term.

COVID-19 Webinar for Local Authority customers

Early in the pandemic the Group hosted a number of highly successful and well attended webinars for our local authority customers on COVID-19, providing an opportunity to discuss and debate all of the many topics facing councils during the pandemic.

Some of the key topics covered included:

- Social distancing on collection rounds and how this is best done.
- The importance of prioritising the safety of our staff and the public from the spread of coronavirus.
- HWRC closures, with everyone in agreement they should stay closed as they are not an essential journey, and so long as effective collections schemes are in operation there is little need for them. The use of communication channels to get the public to understand what is happening and to encourage them not to cut the lawn or do any DIY at Easter was mentioned as critical.

Strategic report (continued)
For the Year Ended 31 December 2020

- The need for joined up industry messaging and campaigning to get people to reduce their waste, segregate better, and not do unnecessary things that will result in side waste etc.
There was also positive feedback on the Group's stance regarding HWRCs and our influence with Defra, the EA and other key bodies in getting the sector to move together.

Following the webinars all of our local authority customers communicated advice to their residents through their communications channels. The Group supported our customers by sharing them through our own social media channels and created our own communications on this topic, including two infographics and a video. It was noted that other local authorities and waste management companies did the same.

Suppliers - SPOT23 project delivers operational efficiencies for subcontractors and team

SUEZ have around 200 subcontractors working across the country allowing us to provide services to customers in locations that we may not be able to reach on our own. Any and all waste streams may be subcontracted, and often this may be because specialist teams are needed to handle the types of waste being collected. The Subcontractor Team look after the relationships and day to day management of all subcontractors nationwide.

The subcontractor portal is an online system built to help the subcontractor team communicate with all the subcontractors they work with. It has useful features where they can store documents, send messages or share work, and makes it much simpler for the team to keep all the necessary documentation in one place. Having the portal makes it much easier for the sales teams around the country to get information about the availability of services and pricing, too.

The development of the portal also contributes to the SPOT2023 objective. The 'SUEZ Performance and Operational Transformation' (SPOT) plan, is being implemented worldwide and focuses on making the business more efficient by 2023.

One of the bigger tasks the system has helped with is invoicing. Before the portal, the team had to consolidate around 14,000 invoices every month, but this is now down to just 200. A job that was taking two to three hours to complete is now processed in just seconds. This is great news for the accounts and finance teams too as their books line up much neater, and any issues are now able to be fixed in the same month. Sandra Law, one of the Customer Support Officers for the subcontractor team said: "We are finding the invoicing side of it useful and easy to use"

There are still more improvements to come too. The next phase of the project focuses on day-to-day operational communications and making some processes automated. All of these improvements allow us to centralise communication with our subcontractors, and also helps us to ensure that we are maintaining customer service standards as if their collections were handled by us directly.

Sustainability development goal 3 (SDG3) - good health and wellbeing

SDG 3 is all about helping everyone lead a healthy life both physically and mentally, because this plays an important role in any prosperous society and in these unprecedented times actions to create a more sustainable future were not put on hold as our actions and essential services actively contributed to some of the key building blocks necessary for a sustainable future, as set out by the United Nations through the 17 Sustainable Development Goals (SDGs), which we adopted to help drive what we do as a company in the area of Sustainable Environment.

Taking care of everyone within our Company and those we come into contact with is embedded in our culture, thanks to our Safety in Mind programme and our excellent safety record. As well as employee benefits such as our BUPA dental plan, eye care tests, occupation health services and employee assistance programme, LifeWorks; all intended to help us keep safe and healthy.

We went one step further in our vision of 'Wellness for All', which was created by our people for our people, who together shared their experiences and ideas, and developed the Charter, including defining our Group's eight areas of wellness. The Charter aims to help develop a culture that more actively promotes and supports the wellness of each of us every day.

Strategic report (continued)
For the Year Ended 31 December 2020

The first key action focused on psychological wellbeing with the roll out of mental health awareness training across the company. So far around 100 people have been trained, with more sessions planned in the future.

With the current COVID-19 pandemic challenging the health of our nation and that of the rest of the world, the wellbeing of our people and society has never been more paramount. SUEZ is playing a crucial role in protecting public health by continuing to provide essential collection services; while doing as much as we can to protect our people, our customers, contractors and the public we come into contact with.

According to our Chief Human Resources Officer "taking care of our health and wellbeing every day is important. SUEZ's approach to the wellness of our people is part of our DNA and is actively contributing to SDG 3. We are committed to continuing to develop our culture of 'wellness for all' every day, through our response to the current pandemic challenge and beyond to help keep our people safe and well."

We also ran a series of five specially-commissioned videos, each lasting around five minutes. These each focus on a different aspect of emotional resilience and wellbeing. The key emotional resilience themes which the videos cover are:

1. Connect
2. Take Notice
3. Be active
4. Give
5. Keep learning

Each included practical ideas and tips, plus a meditation exercise for people to take part in if they wished. Links to each of the five videos were communicated to the entire workforce.

100% renewable electricity powers all SUEZ operations in the UK

SUEZ Recycling and Recovery UK has agreed a renewable electricity self-supply deal, which enables SUEZ to power UK operations with 100% own-generated renewable electricity, thereby reducing the businesses impact on the environment when compared with non-renewable sources.

As a net exporter of energy with over 300 sites in the UK, many of which generate renewable electricity, SUEZ aims to close the loop by using own-generated electricity from its facilities to power all business operations in the UK. The renewable electricity generated by us is a combination of energy generated from energy-from-waste facilities and landfill gas sites - SUEZ exports over 500 GWh* of electricity every year. In the UK, approximately 10% of the renewable electricity generated is supplied directly back to the business through the self-supply deal.

SUEZ receives a Renewable Energy Guarantee of Origin (REGO) certificate for every megawatt hour of renewable electricity generated, from the regulator, Ofgem, which verifies that the electricity is 100% renewable. SUEZ is able to supply the rest of the business and operations at all of its 300 sites across the UK with own-generated renewable power. This includes self-supply to large Private Finance Initiative (PFI) waste contracts, including Greater Manchester, Cornwall and West London. As the deal is REGO certified, the electricity is guaranteed as 100% renewable. In 2020 SUEZ generated over 1.4 million MWh of electricity, which is enough to power approximately 350,000** homes.

Our Chief Executive Officer said: "In the UK, SUEZ is committed to driving toward a circular economy. In line with this goal, a key part of our business is producing energy from our customers' waste that cannot be recycled. Electricity generated in this process is exported into the network with approximately 10% of the power being used to supply SUEZ's UK facilities. This means that all our operations are 100% self-sufficient and powered by 100% renewable electricity."

*500 GWh export figure excludes the power generated from our off-balance (SPV) assets.

**Calculated using the average household consumption for a medium sized property, which is currently at 4000kWh or (4MWh)."

Strategic report (continued)
For the Year Ended 31 December 2020

Community – Reducing plastic packaging

In January the Company hosted a film crew producing a feature on energy-from-waste (EfW) for the One Show at Tees Valley. This followed an announcement by Tesco of its initiative to further reduce plastic packaging with the need to do much more than this to meet Government targets.

The feature looked at how the technology works and sought to address some common concerns that members of the public have about the role of EfW and the way it works. It included a tour of the site, staff interviews and our own drone footage. Key messages from the production were:

- the need to correctly sort recyclable materials so they don't end up in residual waste
- The contribution of EfW to energy generation
- The highly regulated nature of the industry and controls on emissions
- That PHE is satisfied with the technology and there are other far greater sources of emissions
- Our industry is evolving and will continue to do so over the next few decades, with new solutions coming forward

Personal development, which includes training, is one of the eight factors of engagement identified by specialists, Best Companies, as being a key driver of employee engagement. The Group launched two new digital training courses.

Benefits: The Group has set up various schemes, open to all employees, which include amongst others, dental; money off vehicle service, maintenance and repairs, winter vehicle health-checks and MOT, readership subscription to an online magazine dedicated to our industry, mobile phone and broadband, software suite and gym membership, U-Save and MyWagez.

REMUNERATION

The performance of SUEZ Recycling and Recovery UK is dependent on the quality and commitment of its employees. SUEZ Recycling and Recovery UK recognises the importance of rewarding staff in a fair, transparent and consistent manner and has a stated strategic objective of encouraging an engaged and empowered workforce and has adopted a Salary Policy, the aims of which are:

- Recruit and retain high quality employees to deliver the SUEZ Recycling and Recovery UK objectives;
- Achieve internal fairness and consistency in the operation of the salary related practices within SUEZ recycling and recovery UK;
- Ensure the Policy is understandable and as transparent as practicable;
- Provide salary practice and levels of payment which are sufficiently flexible and competitive within the external recruitment market place.

Hays panel

How the remuneration for its Directors, senior managers and workforce set and what this encompasses e.g performance, behaviours.

The Remuneration Committee meets within the auspices of the Optimisation Committee, but may meet as a specific meeting if required and its purpose is:

To review and approve any material changes as a result of any review and change to the Salary Policy, led by the HR Director;

- to develop a proactive approach to improving terms and conditions in general
- to formally sign off the Salary Reviews each year
- to formally sign off bonus payments at the appropriate time of the year
- to consider any recommendations for significant departmental salary repositioning based on market research.


SUEZ Recycling and Recovery UK Ltd

Strategic report (continued)
For the Year Ended 31 December 2020

- Job evaluations, using the standard roles and responsibilities document, are carried out by a panel of 4 trained assessors in the Hay Job Evaluation process (the process used by SUEZ recycling and recovery UK).
- Job grades and salary bands
- Annual reviews
- Genuine material factors such as market forces, skills and qualifications, internal transfers, promotions, demotions, salary supplements, associated benefits

This report was approved by the board on 30th SEP 2021 and signed on its behalf.

C Thorn
Director



SUEZ Recycling and Recovery UK Ltd

Directors' report For the Year Ended 31 December 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 Company and of the profit or loss of the Company for that period.

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

Principal activity

The principal activities of the Company are waste management encompassing waste disposal collection and ancillary services.

Results and dividends

The profit for the year, after taxation, amounted to £6,476,000 (2019 - £6,865,000).

In the year ended 31 December 2020 no dividends have been declared or paid to the parent company SUEZ Recycling and Recovery Holdings UK Limited (2019 - £Nil).

Directors

The Directors who served during the year were:

D Palmer-Jones (resigned 1 January 2020)
J Scanlon
F Duval
G Mayson (appointed 1 January 2020)
C Thorn (appointed 1 February 2020)

SUEZ Recycling and Recovery UK Ltd

Directors' report (continued) For the Year Ended 31 December 2020

Directors' indemnity

The company has granted indemnity to one or more of its Directors against liabilities in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

Environmental impact

Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR) covering energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and information relating to energy efficiency actions.

	Current reporting year 2020
Total energy consumption used to calculate emissions (kwh)	6,621,617,359
Emissions from the combustion of landfill gas & biogas (tCO ₂ e) (Scope 1)	40
Emissions from combustion of gas (tCO ₂ e) (Scope 1)	4,803
Emissions from combustion of fuel for transport purposes (tCO ₂ e) (Scope 1)	55,328
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (tCO ₂ e) (Scope 3)	690
Emissions from purchased electricity (tCO ₂ e) (Scope 2, location-based)	17,381
Total gross CO ₂ e ((tCO ₂ e)	863,843
Intensity ratio: tCO ₂ e gross figure	0.08

Methodology

Carbon emissions reported using the GHG Protocol Corporate Accounting and Reporting.

Standard Revised Edition together with the carbon conversion factors published by the UK's Department for Business, Energy and Industrial Strategy (BEIS) in July 2020. Where UK Government factors are unavailable, the Entreprises pour l'Environnement (EpE) Protocol for the Quantification of Greenhouse Gas Emissions from Waste management Activities - Version 5 - October 2013 tool has been used which has the 'Built on the GHG Protocol' label.

Energy Efficiency Action

- Utilisation of Supatrak to promote route and driver efficiencies
- Introduction of electric vehicles into our company car scheme with 100 orders placed
- Trialled an electric Refuse Collection Vehicle
- Introduced 4 electric vehicle charging points at our Suffolk EFW to support the transition to an electric company car fleet
- Commenced the roll out of environmental awareness training to all employees
- Reduced travel and increased digital meetings
- Introduction of a sustainability champions network & 10 sustainability principles including a focus on reduced resource consumption
- Introduced of an employee app, the Sustainable Environment Activity Tracker to encourage employees to log sustainability initiatives and to undertake further actions linked to reducing resource consumption
- Conducted a number of internal/external webinars on decarbonisation to raise awareness and knowledge

Directors' report (continued)
For the Year Ended 31 December 2020

across the value chain

- Increased the waste throughput capacity of Suffolk EFW by 26,000 tonnes, in turn increasing electricity generation by 11,000MWh
- Introduced digital technologies to spot non-conforming wastes at our West London Transfer Station to reduce blockages and downtime and associated resource consumption for plant restarts.
- Improved the purchasing process associated with chemicals to order in larger quantities, reduce the packaging and access to more sustainable products.
- Commenced the roll out of the installation of LED lighting across all of our facilities
- Switched to electronic duty of care paperwork for our I&C Customers
- MoU with BP to explore carbon capture and storage from energy from waste

In the period covered by the annual report, SUEZ Recycling and Recovery UK has undertaken a number of energy and carbon reduction improvement actions associated with the electricity and fuel we consume, the infrastructure and equipment we use, and the training and education we provide to our employees as well as our wider stakeholders in order to further our efforts towards sustainable resource consumption and achieving net zero:

Electricity

- We have continued to purchase 100% renewable electricity for our operations.

Fuel

- We have continued to use Supatrak to promote route and driver efficiencies to minimise fuel consumption.
- We have promoted the uptake of digital meetings, to minimise travel, associated fuel use and carbon emissions where possible.

Infrastructure & equipment

- We have introduced electric vehicles into our company car scheme with 100 orders placed during the period, together with installing 4 electric vehicle charging points at our Suffolk EFW to support our transition towards an electric company car fleet. With regards to our larger fleet, we have also undertaken trials of electric refuse collection vehicles in partnership with the supply chain.
- We have commenced an LED lighting installation program across all of our facilities, increased the waste throughput capacity of Suffolk EFW by 26,000 tonnes, in turn increasing electricity generation by 11,000MWh and, introduced digital technologies at our West London to identify non-conforming wastes which will in turn reduce blockages and downtime and associated resource consumption when restarting the plant.
- We are reviewing the digitalisation of our processes and during the period, switched to electronic Duty of Care paperwork for our I&C Customers.
- We have signed a Memorandum of Understanding (MoU) with BP to explore the feasibility of the UK's first carbon capture and storage (CCS) from energy-from-waste (EfW).

Awareness and education

- We have introduced our 10 Sustainability Principles and network of Sustainability Champions to put sustainable behaviours at the heart of how we operate, together with introducing an employee app for employees to record the actions they complete to encourage and motivate further action. We have also attended and hosted various internal and external webinars to raise awareness on reducing consumption and associated carbon emissions.

**Directors' report (continued)
For the Year Ended 31 December 2020**

Additionally, we have generated 1,419,728MWh of electricity and 390,595MWh of heat as a result of extracting value from the resources we manage.

In 2021, we aim to continue to improve our energy efficiency and reduce our carbon emissions whilst also working with our customers and supply chain to help them decarbonise. We intend to continue with the LED lighting installation program, introduce our sustainable business travel policy and truly embed our sustainability champions network and implementation of our 10 sustainability principles to further drive a reduction in resource consumption and our efforts towards achieving net zero.

Future developments

The Directors expect the company will continue to be profitable and trade at similar volumes for the foreseeable future.

Post Balance Sheet Events

Since the balance sheet date SUEZ and Veolia boards have announced that they had reached a final agreement on the details of a takeover which includes SUEZ subsidiaries in the UK, including the Company, forming part of Veolia. The agreement was ratified at the SUEZ Annual General Meeting on 30 June 2021. This has been treated as a non adjusting post balance sheet event.

Going Concern

The Company's going concern is intrinsically linked to the performance, risks and going concern of the SUEZ UK R&R Group. The SUEZ UK R&R Group, along with its ultimate parent company SUEZ SA, has considerable financial resources together with long term contracts with a number of customers across different geographic areas and within different sectors of the recycling industry. As a consequence, the Directors believe that the SUEZ R&R UK Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The UK Group benefits from a current account overdraft facility from the French parent company (SUEZ SA) to finance day to day activities. It also benefits from long term loans from SUEZ SA regarding some of our major infrastructure projects. The loans are subject to contractual terms and repayment schedules in line with the operational activities of the infrastructure that they finance. We consider it highly unlikely that SUEZ SA would cancel the overdraft facility that we have in place. However, should this unlikely event occur, we believe we would be able to replace the facility with external debt thanks to our strong credit reputation and relationships with UK banks. The UK Group currently has no external (non Group) loans in place. The impact of COVID-19 has been assessed and factored into the cashflow forecasts for the UK Group and it is not expected that the overdraft facility with SUEZ SA will be breached in the next 12 months, with adequate headroom for any unknown events.

Having made enquiries, the Directors have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Engagement with employees

The company's employee involvement policy is driven by the SUEZ R&R UK Group. The SUEZ R&R UK Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meetings and the SUEZ R&R UK Group magazine. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

SUEZ Recycling and Recovery UK Ltd

Directors' report (continued)
For the Year Ended 31 December 2020

Engagement with suppliers, customers and others

Further details of engagement with suppliers, customers and other stakeholders are contained within the Statement of corporate governance arrangements section of the strategic report on pages 11 to 18.

Disabled employees

Applications for employment from disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

Donations

The Company made £295,000 of charitable donation in the year (2019: £95,000). The Company made no political during the year or in the prior year.

Matters covered in the Strategic report

As permitted by Paragraph 1A of Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, certain matters which are required to be disclosed in the Directors' report have been omitted as they are included in the Strategic report. These matters relate to financial instrument risk and review of the business performance.

Statement of corporate governance arrangements

Details of corporate governance arrangements can be found in the Strategic Report on pages 6 to 18.

Disclosure of information to auditor

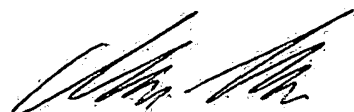
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The reappointment of the auditors will be considered at the Company's AGM.

This report was approved by the board on 30th SEPT 2021 and signed on its behalf.



C Thorn
Director

SUEZ Recycling and Recovery UK Ltd

Independent auditor's report to the member of SUEZ Recycling and Recovery UK Ltd

Opinion

We have audited the financial statements of SUEZ Recycling and Recovery UK Ltd (the 'Company') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework'. (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements 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 are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our audit procedures to evaluate the Directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the company's ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the Directors' going concern assessment;
- Evaluating the Directors' method to assess the company's ability to continue as a going concern;
- Reviewing the Directors' going concern assessment;
- Evaluating the key assumptions used and judgements applied by the Directors in forming their conclusions on going concern; and
- Reviewing the appropriateness of the Directors' disclosures in the financial statements.

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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent auditor's report to the member of SUEZ Recycling and Recovery UK Ltd (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exception

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

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

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

Independent auditor's report to the member of SUEZ Recycling and Recovery UK Ltd (continued)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 19, 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 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 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 the financial statements.

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. Based on our understanding of the company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to the UK tax legislation, pensions legislation, employment regulation and health and safety regulation, environmental legislation, anti-bribery, corruption and fraud, money laundering, non-compliance with implementation of government support schemes relating to COVID-19, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

We evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to the valuation of goodwill, intangible and tangible fixed assets, recognition of deferred tax assets, landfill provisions, maintenance provisions and the defined benefit pension scheme liability valuation.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

SUEZ Recycling and Recovery UK Ltd

Independent auditor's report to the member of SUEZ Recycling and Recovery UK Ltd (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located 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 Company's member 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 Company's member those matters we are required to state to them in an auditors' 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 Company and the Company's member for our audit work, for this report, or for the opinions we have formed.



Jonathan Seaman (Senior statutory auditor)

for and on behalf of

Mazars LLP

Chartered Accountant and Statutory Auditor

Tower Bridge House

St Katharine's Way

London

E1W 1DD

Date: 1 October 2021

SUEZ Recycling and Recovery UK Ltd

**Statement of comprehensive income
For the Year Ended 31 December 2020**

	Note	2020 £000	2019 £000
Turnover	4	615,603	548,206
Cost of sales		(556,548)	(485,474)
Gross profit		59,055	62,732
Administrative expenses		(62,959)	(63,601)
Other operating income	5	2,096	224
Operating loss	6	(1,808)	(645)
Income from fixed asset investments	9	3,170	4,959
Impairment losses on investments	16	-	(168)
Interest receivable	10	8,932	8,729
Interest payable and similar expenses	11	(3,195)	(5,077)
Other finance expense	12	(230)	(270)
Profit before tax		6,869	7,528
Tax on profit	13	(393)	(663)
Profit for the financial year		6,476	6,865
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Actuarial loss on defined benefit schemes		(6,652)	(4,684)
Movements of deferred tax relating to pension loss		1,625	796
		(5,027)	(3,888)
Total comprehensive income for the year		1,449	2,977

The notes on pages 33 to 68 form part of these financial statements.

The profit and total comprehensive income is attributable to continuing operations.

Statement of financial position
As at 31 December 2020

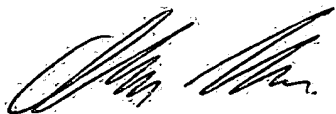
	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	14	7,927	8,822
Tangible fixed assets	15	126,726	143,803
Investments	16	9,129	9,129
		143,782	161,754
Current assets			
Stocks	17	7,269	5,618
Debtors: amounts falling due after more than one year	18	118,956	119,768
Debtors: amounts falling due within one year	18	183,707	160,970
Cash at bank and in hand	19	582	591
		310,514	286,947
Creditors: amounts falling due within one year	20	(221,624)	(215,913)
Net current assets		88,890	71,034
Total assets less current liabilities		232,672	232,788
Creditors: amounts falling due after more than one year	21	(36,216)	(44,325)
		196,456	188,463
Provisions for liabilities			
Other provisions	25	(22,688)	(21,638)
		(22,688)	(21,638)
Net assets excluding pension liability		173,768	166,825
Pension liability	30	(22,439)	(16,945)
Net assets		151,329	149,880

SUEZ Recycling and Recovery UK Ltd
Registered number: 02291198

Statement of financial position (continued)
As at 31 December 2020

	Note	2020 £000	2019 £000
Capital and reserves			
Called up share capital	26	60,131	60,131
Share premium account	27	11,733	11,733
Capital redemption reserve	27	60	60
Profit and loss account	27	79,405	77,956
Shareholder's funds - equity		151,329	149,880

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



30th Sept 2021

C Thorn
Director

The notes on pages 33 to 68 form part of these financial statements.

SUEZ Recycling and Recovery UK Ltd

**Statement of changes in equity
For the Year Ended 31 December 2020**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2020	60,131	11,733	60	77,956	149,880
Comprehensive income for the year					
Profit for the year	-	-	-	6,476	6,476
Actuarial losses on pension scheme	-	-	-	(5,027)	(5,027)
Other comprehensive loss for the year	-	-	-	(5,027)	(5,027)
Total comprehensive income for the year	-	-	-	1,449	1,449
Total transactions with owners	-	-	-	-	-
At 31 December 2020	60,131	11,733	60	79,405	151,329

The notes on pages 33 to 68 form part of these financial statements.

SUEZ Recycling and Recovery UK Ltd

**Statement of changes in equity
For the Year Ended 31 December 2019**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 January 2019	60,131	11,733	60	74,979	146,903
Comprehensive income for the year					
Profit for the year	-	-	-	6,865	6,865
Actuarial losses on pension scheme	-	-	-	(3,888)	(3,888)
Other comprehensive income for the year	-	-	-	(3,888)	(3,888)
Total comprehensive income for the year	-	-	-	2,977	2,977
Total transactions with owners	-	-	-	-	-
At 31 December 2019	60,131	11,733	60	77,956	149,880

The notes on pages 33 to 68 form part of these financial statements.

SUEZ Recycling and Recovery UK Ltd

Notes to the financial statements For the Year Ended 31 December 2020

1. General information

SUEZ Recycling and Recovery UK Ltd is a private company limited by shares incorporated, domiciled and registered in England & Wales, United Kingdom. These financial statements cover the individual entity. The address of its registered office and principal place of business is SUEZ House, Grenfell Road, Maidenhead, Berkshire SL6 1ES. The Company's Registered number is 02291198.

The principal activities of the Company are waste management encompassing waste disposal collection and ancillary services.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The Company's intermediate parent company is SUEZ Recycling and Recovery Holdings UK Ltd, incorporated and registered in the United Kingdom, which owns 100% of the Company ordinary share capital. The ultimate parent company is SUEZ SA, a company incorporated and registered in France.

The Group in which the Company is incorporated into is SUEZ SA. The consolidated financial statements of SUEZ may be obtained from Tour CB21, 16 Place de L'Iris, 92040 Paris La Defense Cedex, France.

The financial statements have been presented in Pounds Sterling as this is the functional currency of the Company and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006. The recognition, measurement and disclosure requirements of International Financial Reporting Standard (IFRS) have been applied to these financial statements and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium sized Companies and Groups Regulations 2008/410 ('Regulations').

These financial statements have been prepared under the historical costs convention.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**Notes to the financial statements
For the Year Ended 31 December 2020**

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures.
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement.
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets.
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements.
- the requirements of IAS 7 Statement of Cash Flows.
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures.
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.
- the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.
- the requirements of paragraphs 6 to 21 of IFRS 1 First-time adoption of International Financial Reporting.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- The requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases.

The company has **NOT** taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based payment
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture.

2. Accounting policies (continued)

2.3 Going concern

The Company's going concern is intrinsically linked to the performance, risks and going concern of the SUEZ UK R&R Group. The SUEZ UK R&R Group, along with its ultimate parent company SUEZ SA, has considerable financial resources together with long term contracts with a number of customers across different geographic areas and within different sectors of the recycling industry. As a consequence, the directors believe that the SUEZ R&R UK Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The UK Group benefits from a current account overdraft facility from the French parent company (SUEZ SA) to finance day to day activities. It also benefits from long term loans from SUEZ SA regarding some of our major infrastructure projects. The loans are subject to contractual terms and repayment schedules in line with the operational activities of the infrastructure that they finance. We consider it highly unlikely that SUEZ SA would cancel the overdraft facility that we have in place.

However, should this unlikely event occur, we believe we would be able to replace the facility with external debt thanks to our strong credit reputation and relationships with UK banks. The UK Group currently has no external (non Group) loans in place. The impact of COVID-19 has been assessed and factored into the cashflow forecasts for the UK Group and it is not expected that the overdraft facility with SUEZ SA will be breached in the next 12 months, with adequate headroom for any unknown events also.

Having made enquiries, the directors have a reasonable expectation that the company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

2. Accounting policies (continued)

2.4 Revenue

Turnover is measured at the fair value of the consideration received or receivable once performance obligations have been fulfilled. Turnover is reduced for value added taxes and trade discounts and commodity rebates. The methodology and assumptions for the calculations of trade discounts and commodity rebates are monitored and adjusted regularly with reference to contractual and legal obligations, historical trends, past experiences and projected market conditions. The nature of the service provided by the Company means that returns or refunds are extremely limited. Landfill Tax is included within both revenue and cost of sales.

Sale of Recyclates

Revenue from the sale of recyclates is recognised when the performance obligation has been met, the goods are delivered and titles have passed and therefore at a point in time.

Disposal of Waste

Revenue from waste processing, treatment and landfill facilities is recognised when the performance obligation has been met which is deemed to be when waste is physically received at the Company's sites.

Collection revenues are recognised at the point of collection from customer sites. For municipal collections, revenue is recognised in accordance with quantities specified in the customer contracts.

Operation and maintenance revenue is measured by a contractual fixed and variable fee. Differences between the amounts recognised in the income statement and amount invoiced at the period end are as a contract asset or contract liability within debtors and creditors shown in the statement of financial position.

Electricity Revenue

Energy generation revenue is recognised at the point that power is supplied to the customer based on the quantity of units supplied.

Transaction prices are derived by underlying contractual arrangements.

There are no constraints for the Company over variable revenue considerations.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are made up of waste collection rounds acquired by the company. Such assets are assessed as having a finite useful economic life of 10 years amortised on a straight-line basis. Amortisation is recognised within administration on the statement of comprehensive income.

**Notes to the financial statements
For the Year Ended 31 December 2020**

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 10 - 30 years, straight line
Landfill airspace and engineering	- On the basis of airspace used
Plant & machinery	- 3 - 15 years, straight line
Motor vehicles	- 4 - 10 years, straight line
Fixtures & fittings	- 3 - 5 years, straight line
Assets under construction	- Depreciation commences upon completion of asset

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.7 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. 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 an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Valuation of investments

Investments in subsidiaries, associates and joint ventures are measured at cost less accumulated impairment.

2.9 Stocks

Stocks relate to spare parts and fuel and are valued at cost after making due allowance for obsolete and slow moving items. Cost is based on the cost of purchase on a first in, first out basis.

**Notes to the financial statements
For the Year Ended 31 December 2020**

2. Accounting policies (continued)

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Financial instruments

Financial assets and financial liabilities are initially measured at fair value.

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company recognises its financial assets at amortised cost using the effective interest rate method, less provision for impairment.

The Company assesses possible increase in credit risk for financial assets measured at amortised cost at the end of each reporting period. For trade receivables the simplified approach is used, and the loss allowance is measured at the estimate of the lifetime expected credit losses. The amount of any loss allowance is recognised in profit or loss.

Impairment of financial assets

Financial assets, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

The expected credit losses are estimated based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast future conditions at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort.

2. Accounting policies (continued)

2.11 Financial instruments (continued)

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of financial position.

2.12 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Government grants

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants towards staff costs are recognised as income over the periods necessary to match them with the related costs and are presented as a credit in the Statement of comprehensive income within 'other operating income'.

2.14 Interest expense

Interest expenses are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company is the sponsoring entity for a number of defined benefit pension schemes and the pension charge is based on full actuarial valuations dated between 31 December 2018 and 5 April 2019.

In accordance with IAS 19 'Employee benefits', the service cost of the pension provision relating to the period, together with the cost of any benefits relating to past service, is charged to the profit and loss account. A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit equivalent to the Group's long term expected returns on assets (based on the market value of the scheme assets at the start of the period) is included in the profit and loss account under 'Net finance charge on pension scheme obligations'.

The difference between the market value of the assets of the scheme and the present value of the accrued pension liabilities is shown as an asset or liability on the balance sheet net of deferred tax. Any difference between the expected return on assets that is actually achieved is recognised as other comprehensive income along with differences arising from experience or assumption changes.

2.16 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2. Accounting policies (continued)

2.17 Provisions for liabilities

Provisions are recognised where: the company has a present or legal 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 estimated.

Provisions for environmental and landfill costs and landfill gas revenues

Provisions for environmental and landfill costs include provisions associated with the closure and post-closure of landfill sites. The company estimates its total future requirements for closure costs and for post-closure monitoring and maintenance of the site after the anticipated closure, this is built up over time as the cells are capped.

Closure costs:

Provision is made for final capping and site inspection costs. These costs are incurred during the operating life of the site and the company provides for these costs as the permitted airspace is used.

Post closure costs:

Provision is made for inspection, ground water monitoring, leachate management, methane gas control and recovery, and the operation and maintenance costs to be incurred during the period after the site closes.

Post-closure provisions have been shown at net present value. The current cost estimated has been inflated at 2.40% (2019 - 2.36%) and discounted by between 5.99% and 6.01% (2019 between 6.31% and 6.35%). The unwinding of the discount element is shown in the financial statements as a financial item.

Future revenues from the generation of electricity from landfill gas during the post-closure period, where contracts are in place for its sale, are deducted from the provision balances and are discounted in line with the post-closure provision.

The company provides for both closure and post-closure costs as the permitted airspace is used.

Maintenance Provisions

Maintenance provision associated with the costs of maintaining and replacing assets as required under the terms of contracts in place with Local Authorities. The company estimates its total future requirements for maintenance costs for the facilities operated and maintained under the respective contracts to create a provision. This provision is then released over the life of the contract.

**Notes to the financial statements
For the Year Ended 31 December 2020**

2. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all temporary differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.19 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in 'Creditors' on the Statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are

2. Accounting policies (continued)

2.19 Leases (continued)

subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Intangible Assets', 'Tangible Fixed Assets' and 'Investment Property' lines, as applicable, in the Statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.11.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

The company has the right to opt for renewal or termination on certain property and equipment leases it has signed as lessee, and uses its judgment to determine if there are strong economic incentives to exercise them and therefore include the lease payments within the lease liability calculation.

Notes to the financial statements
For the Year Ended 31 December 2020

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Due to uncertainties inherent in the estimation process, the Company regularly revises its estimates in light of currently available information. Final outcomes could differ from those estimates.

The key estimates and judgments used by the Company in preparing the Financial Statements relate mainly to:

- Goodwill, Intangible and tangible fixed assets - measurement of recoverable amount.

Estimates

In respect of identifying and measuring impairment. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Estimates are used by management in determining the fair value less costs to sell and its value in use. These estimates included forecasted future cash flows, discount rates and future market conditions.

Judgments

Management make judgments in respect of identifying the indications of impairment through reference to both internal and external sources of information. No impairments have been recognised in the year current year (2019: 5.2m).

At 31 December 2020 the company's, goodwill net book value was £4.2m (2019: £4.2m), intangible asset net book value was £3.7m (2019: £4.5m), and tangible fixed assets net book value was £126.7m (2019: £143.8m). (Notes 14 & 15)

- Taxation

Judgments

Management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. Budgets and forecast are used as a basis for these judgments. As at 31st December 2020 the company's deferred tax asset was £9,990,000 (2019: £8,684,000) (Note 24).

- Landfill provisions

Estimates

The post closure costs associated with environmental control after landfill sites close are uncertain. The key factors are the volumes of leachate requiring treatment, the amounts of landfill gas produced by the site and the amounts of electricity income this can generate, the speed at which the waste decomposes and other requirements set out by the environmental regulator. The provision requirement is reviewed and updated, if required, on an annual basis. The provision is recognised in the financial statements at net present value using a discounted rate estimated by management to reflect the time value of money.

At 31 December 2020 the company's landfill provisions were £5.3m (2019: £5.5m) (Note 25)

A 0.5% increase to the discount rate would result in £364,000 increase in provision.

A 0.5% decrease to the discount rate would result in £413,000 decrease in provision.

- Maintenance provision

Estimates

Estimates are made of maintenance costs to be incurred over the length of operating certain facilities under operations and maintenance contracts. These cost estimates are prepared by technical experts within SUEZ based on experience in operating similar facilities along with the specific maintenance needs of each facility and contract. These cost estimates are reviewed and

3. Judgments in applying accounting policies (continued)

updated each year by senior management and are used as the basis for the maintenance provision.

At 31 December 2020 the company's maintenance provisions were £17.4m (2019: £16.2m) (Note 25)

- Leases

Estimates

Lease liabilities are recognised at net present value using discount rate estimated by management to reflect the time value of money. The discount rates use are between 1.38% and 3.17%. A 0.5% increase in this estimate would decrease the liability as 31 December 2020 by £2,989,000; a 0.5% decrease would increase the liability by £3,388,000.

Judgements

Management judgment is required to determine whether break clauses within lease contracts are likely to be exercised as this impacts the valuation of amounts recognised under IFRS16. Where an extension option exists it must meet the IFRS16 criteria and if it is determined that the criteria is met then the lease will be extended, impacting the right of use asset and lease liability valuation.

As at December 2020 the net book value of leased assets were £37,311,000 (2019: £45,390,000) (Note 15). The lease liability at 31 December 2020 was £45,574,000 (2019: £54,975,000) (Note 22).

As well as relying on estimates and judgments as above, the Company management also makes judgments to define the appropriate accounting treatment to apply to certain activities and transactions, when the effective IFRS standards and interpretations do not specifically deal with the related accounting issue.

SUEZ Recycling and Recovery UK Ltd

**Notes to the financial statements
For the Year Ended 31 December 2020**

4. Turnover

An analysis of turnover by class of business is as follows:

	2020	2019
	£000	£000
Disposal of waste	580,503	514,261
Sale of recyclates	32,964	31,390
Generation of electricity	2,136	2,555
	615,603	548,206
	2020	2019
	£000	£000
United Kingdom	615,603	548,206
	615,603	548,206

If the services rendered by the company exceed the payment, a contract asset is recognised, if the payments exceed the services rendered a contract liability is recognised.

During the year ended 31 December 2020, £360,000 has been recognised in revenue relating to the release of contract liabilities held at the end of the prior year 31 December 2019.

There has been no revenue recognised in the reporting period from performance obligations satisfied in previous periods.

At the year end there is £484,000 of revenue still to be recognised in relation to remaining performance obligations that are unsatisfied.

5. Other operating income

	2020	2019
	£000	£000
Research & Development expenditure credit	-	224
Coronavirus Job Retention Scheme	2,096	-
	2,096	224

SUEZ Recycling and Recovery UK Ltd

**Notes to the financial statements
For the Year Ended 31 December 2020**

6. Operating loss

The operating profit/(loss) is stated after charging/(crediting):

	2020	2019
	£000	£000
Depreciation of tangible fixed assets	22,937	23,613
Impairment of tangible fixed assets	-	5,230
Amortisation of intangible assets	895	868
Loss on disposal of fixed assets	142	467
Exchange differences	-	18
Cost of stocks recognised as an expense	18,454	19,885
Coronavirus Job Retention Scheme	(2,096)	-

7. Auditor's remuneration

For the year ended 31 December 2020, auditor's remuneration for the Suez R&R UK Group, covering group reporting and statutory audits, was £403,000 (2019: £438,000). This cost was borne by a fellow group company in both years.

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the parent company.

SUEZ Recycling and Recovery UK Ltd

**Notes to the financial statements
For the Year Ended 31 December 2020**

8. Employees

Staff costs were as follows:

	2020	2019
	£000	£000
Wages and salaries	105,734	90,112
Social security costs	10,229	8,784
Cost of pension	9,759	6,876
	125,722	105,772

All employees are employed by SUEZ Recycling and Recovery UK Ltd and paid by SUEZ Recycling and Recovery Holdings UK Limited. Costs are then recharged to the company.

The average monthly number of employees, including the directors, during the year was as follows:

	2020	2019
	No.	No.
Operations	3,411	2,803
Administration and management	351	398
	3,762	3,201

During the year, no director received any emoluments from the Company (2019 - £NIL). The Directors are remunerated through the parent company whose financial statements are publicly available.

9. Income from investments

	2020	2019
	£000	£000
Dividends received from associate companies	3,170	4,959

10. Interest receivable

	2020	2019
	£000	£000
Interest receivable from associate companies	8,932	8,729
	8,932	8,729

Notes to the financial statements
For the Year Ended 31 December 2020

11. Interest payable and similar expenses

	2020 £000	2019 £000
Bank interest payable	405	2,028
Unwinding of discount rate	494	300
Loans from group undertakings	1,359	1,227
Interest on lease liabilities	937	1,522
	<u>3,195</u>	<u>5,077</u>

12. Other finance expense

	2020 £000	2019 £000
Net interest on net defined benefit liability	230	270
	<u>230</u>	<u>270</u>

13. Taxation

	2020 £000	2019 £000
Corporation tax		
Current tax on profits for the year	(83)	42
Adjustments in respect of previous periods	157	(84)
	<u>74</u>	<u>(42)</u>
Total current tax	<u>74</u>	<u>(42)</u>
Deferred tax		
Origination and reversal of temporary differences	107	420
Relating to defined benefit pension schemes	255	208
Adjustments in respect of previous periods	(43)	77
Total deferred tax	<u>319</u>	<u>705</u>
Taxation on profit on ordinary activities	<u>393</u>	<u>663</u>

In addition to the amounts included in the profit and loss, a £1,625,000 credit relating to deferred tax has been recognised in other comprehensive income for the remeasurement of defined benefit liabilities. (2019 - £796,000).

SUEZ Recycling and Recovery UK Ltd

**Notes to the financial statements
For the Year Ended 31 December 2020**

13. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	<u>6,870</u>	<u>7,528</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,305	1,431
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	201	251
Adjustments to tax charge in respect of prior periods	114	(7)
Non-taxable income	(611)	(1,034)
Remeasurement of deferred tax for changes in tax rates	<u>(616)</u>	<u>22</u>
Total tax charge for the year	<u>393</u>	<u>663</u>

Factors that may affect future tax charges

The increase to the UK corporation tax rate from 19% to 25% was substantively enacted on 24 May 2021 and will be effective from 1 April 2023. The change had not been substantively enacted at the balance sheet date and, therefore, is not recognised in these financial statements.

The estimated impact of the rate change is an increase to the net Deferred Tax asset of £2,154,000 with a credit to the income statement of £1,339,000 and a credit to other comprehensive income of £815,000.

**Notes to the financial statements
For the Year Ended 31 December 2020**

14. Intangible assets

	Goodwill £000	Intangible Assets £000	Total £000
Cost			
At 1 January 2020	4,252	8,226	12,478
At 31 December 2020	4,252	8,226	12,478
Amortisation			
At 1 January 2020	-	3,656	3,656
Charge for the year on owned assets	-	895	895
At 31 December 2020	-	4,551	4,551
Net book value			
At 31 December 2020	4,252	3,675	7,927
At 31 December 2019	4,252	4,570	8,822

Impairment review of goodwill

The Company reviews at each reporting period whether there are any indicators of impairment in accordance with IAS 36 Impairment of Assets. An annual impairment review is completed by comparing the carrying amount of the goodwill to its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal and its value in use. If the recoverable amount is less than the carrying amount, an impairment loss is allocated, first to reduce the carrying amount of the goodwill and then to the assets of the cash-generating unit. The recoverable amount has been determined by calculating the value in use using a discounted cash flow model.

SUEZ Recycling and Recovery UK Ltd

Notes to the financial statements
For the Year Ended 31 December 2020

15. Tangible fixed assets

	Land & Buildings £000	Plant & machinery £000	Motor vehicles £000	Fixtures & fittings £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 January 2020	115,336	140,513	72,935	3,096	3,726	335,606
Additions	604	1,962	388	984	408	4,346
Transfers intra group	-	304	27	-	-	331
Disposals	(15)	(27,681)	(9,528)	(12)	-	(37,236)
Transfers between classes	38	748	112	11	(909)	-
Right of use assets additions	73	-	1,929	-	-	2,002
Disposals of right of use assets	(777)	(1,649)	(935)	-	-	(3,361)
At 31 December 2020	<u>115,259</u>	<u>114,197</u>	<u>64,928</u>	<u>4,079</u>	<u>3,225</u>	<u>301,688</u>
Depreciation						
At 1 January 2020	45,678	102,109	42,174	1,842	-	191,803
Charge for the year on owned assets	1,909	6,500	4,570	469	-	13,448
Charge for the year on right-of-use assets	2,906	2,320	4,263	-	-	9,489
Transfers intra group	-	90	-	-	-	90
Disposals	(2)	(27,629)	(9,449)	(12)	-	(37,092)
Right of use Disposals	(288)	(1,560)	(928)	-	-	(2,776)
At 31 December 2020	<u>50,203</u>	<u>81,830</u>	<u>40,630</u>	<u>2,299</u>	<u>-</u>	<u>174,962</u>
Net book value						
At 31 December 2020	<u>65,056</u>	<u>32,367</u>	<u>24,298</u>	<u>1,780</u>	<u>3,225</u>	<u>126,726</u>
At 31 December 2019	<u>69,658</u>	<u>38,404</u>	<u>30,761</u>	<u>1,254</u>	<u>3,726</u>	<u>143,803</u>

**Notes to the financial statements
For the Year Ended 31 December 2020**

15. Tangible fixed assets (continued)

The net book value of owned and leased assets included as "Tangible fixed assets" in the Statement of financial position is as follows:

	2020	2019
	£000	£000
Tangible fixed assets owned	89,417	98,413
Right-of-use tangible fixed assets	37,311	45,390
	126,728	143,803

Information about right-of-use assets is summarised below:

Net book value

	2020	2019
	£000	£000
Property	21,974	25,296
Plant and machinery	2,792	5,202
Motor vehicles	12,545	14,892
	37,311	45,390

Depreciation charge for the year ended

	2020	2019
	£000	£000
Property	(2,906)	(3,199)
Plant and machinery	(2,320)	(2,997)
Motor vehicles	(4,263)	(4,010)
	(9,489)	(10,206)

SUEZ Recycling and Recovery UK Ltd

**Notes to the financial statements
For the Year Ended 31 December 2020**

16. Fixed asset investments

	Investments in subsidiary companies £000	Investments in associates £000	Investment in joint ventures £000	Total £000
Cost or valuation				
At 1 January 2020	13,449	36	6	13,491
At 31 December 2020	13,449	36	6	13,491
Impairment				
At 1 January 2020	4,362	-	-	4,362
At 31 December 2020	4,362	-	-	4,362
Net book value				
At 31 December 2020	9,087	36	6	9,129
At 31 December 2019	9,087	36	6	9,129

Details of the subsidiaries, joint ventures and associates can be found under note 34.

17. Stocks

	2020 £000	2019 £000
Raw materials and consumables	7,269	5,618
	7,269	5,618

In the year ended 31 December 2020 £18,429,000 (2019: £19,885,000) was the amount of inventory recognised as an expense. £nil has been written down in the year (2019: £nil).

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

**Notes to the financial statements
For the Year Ended 31 December 2020**

18. Debtors

	2020	2019
	£000	£000
Due after more than one year		
Amounts owed by joint ventures and associated undertakings	93,824	90,599
Contract asset	25,132	29,169
	118,956	119,768

Amounts owed by participating interests include loans with gross values of £4,066,000 (2019 - £3,652,000) to Northumberland Energy Recovery Holdings Limited, £14,975,000 (2019 - £15,530,000) to South Tyne & Wear Energy Recovery Holdings Limited, £40,452,000 (2019 - £37,213,000) to Merseyside Energy Recovery Holdings Limited, £23,103,000 (2019 - £23,475,000) to West London Energy Recovery Holdings Limited and £11,202,000 (2019 - £10,704,000) to Cornwall Energy Recovery Holdings Limited. These balances accrue interest at between 8.5% and 11% per annum, the timing of the repayment is at the discretion of the associate but before the end of the associate's underlying project agreement.

	2020	2019
	£000	£000
Due within one year		
Trade debtors	100,379	102,190
Other debtors	1,121	968
Prepayments	5,377	6,967
Contract asset	66,840	42,161
Deferred taxation	9,990	8,684
	183,707	160,970

Trade debtors are stated after provision for impairment of £3,552,000 (2019 - £1,521,000).

19. Cash and cash equivalents

	2020	2019
	£000	£000
Cash at bank and in hand	582	591
	582	591

SUEZ Recycling and Recovery UK Ltd

**Notes to the financial statements
For the Year Ended 31 December 2020**

20. Creditors: Amounts falling due within one year

	2020	2019
	£000	£000
Amounts owed to group undertakings	178,716	178,653
Corporation tax	-	42
Lease liabilities	9,255	10,650
Contract liability	3,950	728
Other creditors	11,750	7,781
Accruals	17,953	18,059
	221,624	215,913

Amounts owed by the company to group undertakings due within one year accrue interest at 0.75% (2019 0.75%) and are repayable on demand.

21. Creditors: Amounts falling due after more than one year

	2020	2019
	£000	£000
Lease liabilities	36,216	44,325
	36,216	44,325

**Notes to the financial statements
For the Year Ended 31 December 2020**

22. Leases**Company as a lessee**

The company has leases for Property, Plant and Machinery & Vehicles.

These include 61 properties with lease terms remaining of between 1 and 63 years; 96 piece of plant and machinery used in the various sites across the Company; 229 cars provided to employees as part of the company car scheme; and 409 vans and trucks used predominately in the I&C and Municipal area of the business.

Lease liabilities are due as follows:

	2020 £000	2019 £000
Not later than one year	9,255	10,650
Between one year and five years	21,969	26,306
Later than five years	14,350	18,019
	<u>45,574</u>	<u>54,975</u>

Contractual undiscounted cash flows are due as follows:

	2020 £000	2019 £000
Not later than one year	10,531	12,057
Between one year and five years	23,362	28,745
Later than five years	16,855	20,933
	<u>50,748</u>	<u>61,735</u>

The total cash outflow in 2020 was £11,124,000 (2019: £12,950,000)

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

	2020 £000	2019 £000
Interest expense on lease liabilities	937	1,522
Expenses relating to short-term leases	5,445	3,535
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	501	544

SUEZ Recycling and Recovery UK Ltd

**Notes to the financial statements
For the Year Ended 31 December 2020**

23. Financial instruments

	2020	2019
	£000	£000
Financial assets		
Financial assets that are debt instruments measured at amortised cost	287,878	265,676
Financial liabilities		
Financial liabilities measured at amortised cost	(253,890)	(259,462)

Financial assets measured at amortised cost comprise trade, other debtors, contract assets, amounts owed by group companies and cash.

Financial liabilities measured at amortised cost comprise group, other creditors, lease liabilities and accruals.

24. Deferred taxation

	2020	2019
	£000	£000
At beginning of year	8,684	8,594
Charged to the profit or loss	(319)	(706)
Charged to other comprehensive income	1,625	796
At end of year	9,990	8,684

The deferred tax asset is made up as follows:

	2020	2019
	£000	£000
Accelerated capital allowances	5,462	5,458
Other differences	265	332
Relating to defined benefit pension liability	4,263	2,894
	9,990	8,684

SUEZ Recycling and Recovery UK Ltd

**Notes to the financial statements
For the Year Ended 31 December 2020**

Deferred taxation (continued)

	1 January 2019 £000	Recognised in income £000	Recognised in equity £000	31 December 2019 £000
Accelerated capital allowances	5,458	4	-	5,462
Other differences	332	(67)	-	265
Relating to defined benefit pension liability	2,894	(256)	1,625	4,263
	<u>8,684</u>	<u>(319)</u>	<u>1,625</u>	<u>9,990</u>

The deferred tax assets of the Company are considered to be recoverable based on the future taxable profits of the wider SUEZ R&R UK Group. The directors have considered the business plans of the Group in determining that these amounts are recoverable. The expectation is that the group will make a taxable profit in the future and the deferred tax will be recovered via group relief.

25. Provisions

	Environment al and landfill costs £000	Maintenance provision £000	Total £000
At 1 January 2020	5,486	16,152	21,638
Charged to profit or loss	764	10,743	11,507
Unwind of discount	494	-	494
Utilised in year	(1,439)	(9,512)	(10,951)
At 31 December 2020	<u>5,305</u>	<u>17,383</u>	<u>22,688</u>

Environmental and landfill costs

The provision for environmental and landfill costs has been calculated in accordance with the accounting policy set out in note 2.17. The closure costs will be incurred prior to and during the closure of the company's landfill sites, whilst the post closure provision will be utilised over the 60 years thereafter.

Maintenance provision

Provision has been made for the costs of maintaining and replacing assets as required under the terms of contracts in place with customers under operating and maintenance arrangements. The company expects for these costs to be incurred for more than 15 years.

SUEZ Recycling and Recovery UK Ltd

**Notes to the financial statements
For the Year Ended 31 December 2020**

26. Share capital

	2020	2019
	£000	£000
Allotted, called up and fully paid		
60,130,696 (2019 - 60,130,696) ordinary shares of £1.00 each	60,131	60,131

These shares carry no rights to fixed income or have any preferences or restrictions attached on them.

27. Reserves**Share premium account**

A non-distributable reserve where the premium paid for new shares above their nominal value is recognised.

Capital redemption reserve

The capital redemption reserve is a non-distributable reserve into which amounts are transferred following the redemption or purchase of the Company's own shares.

Profit & loss account

The profit and loss account is distributable reserves made up of retained earnings.

28. Contingent liabilities

The company has provided unsecured guarantees to third parties in respect of performance bonds, the term of the bond range between 1.5 years and 1009 years. At 31 December 2020 guarantees outstanding amounted to £101,525,000 (2019 - £96,602,000).

29. Capital commitments

At 31 December 2020 the Company had capital commitments as follows:

	2020	2019
	£000	£000
Contracted for but not provided in these financial statements	3,055	3,667
	3,055	3,667

**Notes to the financial statements
For the Year Ended 31 December 2020**

30. Pension commitments

Defined contribution pension scheme

The SUEZ R&R UK Group operates a defined contribution pension scheme, the assets of which are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £6,624,000 (2019 - £5,655,000). Contributions totaling £nil (2019 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

The company operates a Defined benefit pension schemes.

The company is the sponsoring entity of the following Defined benefit pension schemes which are operated by SUEZ R&R Group:

SITA Final Salary pension Scheme
SITA Contract Services Limited Retirement Benefits Scheme
SITA (GB) Limited (Charnwood) Retirement Benefits Scheme
The SITA Section of the Citrus Plan
LWS Pension Scheme
Hemmings Group Holdings Limited and Associated or Subsidiary Companies Pension Scheme

The Schemes offer both pensions in retirement and death benefits to members. Five of the six Schemes are closed to new members

The information presented below has been made for the total of these balances. The Schemes are administered by Trustees and the assets are held separately to the legal entity that is the Group.

The Trustee board of the Schemes is composed of employer and member nominated Trustees (where the legal minimum proportion of member nominated Trustees has been upheld). The Trustees are required by law to act in the best interests of the members of the Scheme. The Trustees are responsible for the investment policy with regard to the assets of the Schemes.

The Group considers two measures of the Schemes surplus or deficit. The accounting position is shown on the Group balance sheet. The funding position, calculated at the triennial actuarial assessment, is used to agree contributions to the Schemes. The two measures will vary because they are for different purposes, and are calculated at different rates and in different ways. The key calculation difference is that the funding position considers the expected returns of Scheme assets when calculating the Schemes liability, whereas the accounting position under IAS 19 discounts liabilities based on corporate bond yields.

The amounts in the financial statements for the year ended 31 December 2020, relating to pensions, are based on the most recent actuarial valuations for each scheme updated by Deloitte to take account of IAS19 in order to assess the liabilities of the scheme at 31 December 2018 and 5 April 2019.

The Schemes expose the Group to actuarial risks such as market (investment) risk, interest rate risk, inflation risk currency risk and longevity risk.

Investment risk

The present values of the Schemes' liabilities are calculated using a discount rate determined by reference to yields available on high quality AA rated corporate bond yields; in other words, from the position of being fully funded then if the return on the Schemes' assets were below this rate, it would create a deficit in the Schemes.

**Notes to the financial statements
For the Year Ended 31 December 2020**

30. Pension commitments (continued)**Interest risk**

A decrease in the corporate bond yield will increase the Schemes' liabilities; however, this will be partially offset by an increase in the value on the Schemes' corporate bond assets.

Longevity risk

The present value of the Schemes' liabilities are calculated by reference to the best estimate of the mortality of the Schemes' members both during and after their employment. An increase in the life expectancy of the Schemes' members will increase the Schemes' liabilities.

Inflation risk

The present value of the Schemes' liabilities are calculated by reference to the future expected pension indexation (both indexation in deferment and pension increases in payment), which will depend on future inflation expectations.

As such, an increase in the expectation of future inflation will increase the Schemes' liabilities.

Scheme assets are stated at their market values at the respective balance sheet dates and overall expected rates of return are established by the directors following discussions with the Group's actuaries. The liabilities in the scheme are measured on an actuarial basis using the projected unit method.

Reconciliation of present value of plan liabilities:

	2020 £000	2019 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	(111,032)	(102,228)
Current service cost	(1,747)	(1,221)
Interest cost	(1,981)	(2,546)
Actuarial gains/losses	(12,060)	(9,822)
Contributions	(222)	(244)
Benefits paid	4,521	5,029
At the end of the year	(122,521)	(111,032)

SUEZ Recycling and Recovery UK Ltd

**Notes to the financial statements
For the Year Ended 31 December 2020**

30. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2020 £000	2019 £000
At the beginning of the year	94,087	88,746
Return on plan asset	5,408	5,138
Interest income	1,751	2,276
Contributions by employer	3,135	2,712
Contributions by scheme participants	222	244
Benefits paid	(4,521)	(5,029)
At the end of the year	100,082	94,087
	2020 £000	2019 £000
Fair value of plan assets	100,082	94,087
Present value of plan liabilities	(122,521)	(111,032)
Net pension scheme liability	(22,439)	(16,945)

The amounts recognised in profit or loss are as follows:

	2020 £000	2019 £000
Interest on obligation	(230)	(270)
Total	(230)	(270)

The company expects to contribute £3,167,000 to its Defined benefit pension schemes in 2021.

**Notes to the financial statements
For the Year Ended 31 December 2020**

30. Pension commitments (continued)

Principal actuarial assumptions at the Statement of financial position date (expressed as weighted averages):

	2020	2019
	%	%
Discount rate	1.40	2.05
Future salary increases	1	1
Future pension increases	1	1
Inflation assumption	1.60	1.95
Average remaining working life of participating interests	9 years	10 years

A half percentage point decrease in the discount rate assumption would lead to an increase in pension liabilities of 10%.

A half percentage point increase in the inflation assumption would lead to an increase in pension liabilities of 7%.

The assumptions used in the valuation and sensitivity analysis above are provided by the Company's actuary and used within the models their provide to the Company.

In calculating the pension liabilities, the directors, upon consultation with the scheme actuary, have used VITA curves with improvements according to CMI 2015 tables (non-peaked) with a 1.5% underpin for most schemes. For the Citrus scheme, the VITA curves have been used with a long cohort.

Asset value split by region and asset class:

	Europe	North America	Asia & Oceania	Other	Total
Equities	24.8%	-	-	-	24.8%
Bonds	68.1%	-	-	-	68.1%
Property	-	-	-	-	-
Cash	4.0%	-	-	-	4.0%
Other	3.1%	-	-	-	3.1%
Total	100.0%	-	-	-	100.0%

SUEZ Recycling and Recovery UK Ltd

**Notes to the financial statements
For the Year Ended 31 December 2020**

31. Related party transactions

Under the provisions of FRS101, the company has taken the exemptions not to disclose details of related party transactions with Group entities as it is a wholly owned subsidiary, and the consolidated financial statements in which the company results are included are available to the public.

The company undertook the following transaction with its associate undertakings:

	2019 Income £000	Outstanding at 31 Dec 2019 £000	2018 Income £000	Outstanding at 31 Dec 2018 £000
Sales to Northumberland Energy Recovery Limited	18,765	1	19,410	1
Sales to Cornwall Energy Recovery Limited	23,597	24	21,477	737
Sales to South Tyne & Wear Energy Recovery Limited	17,043	3	20,160	1
Sales to Merseyside Energy Recovery Limited	17,249	-	14,463	(2,425)
Sales to West London Energy Recovery Limited	19,284	-	19,492	57

In addition to the above trading amounts, SUEZ Recycling and Recovery UK Ltd has made loans of £4,066,000 (2019 - £3,652,000) to Northumberland Energy Recovery Holdings Limited, £14,975,000 (2019 - £15,530,000) to South Tyne & Wear Energy Recovery Holdings Limited, £40,452,000 (2019 - £37,213,000) to Merseyside Energy Recovery Holdings Limited, £23,103,000 (2019 - £23,478,000) to West London Energy Recovery Holdings Limited and £11,202,000 (2019 - £10,704,000) to Cornwall Energy Recovery Holdings Limited, all associate companies.

32. Controlling party

The company is a subsidiary of SUEZ SA, a company incorporated in France. SUEZ SA is the ultimate parent company at 31 December 2020.

The largest group of which SUEZ Recycling and Recovery UK Ltd is a member and for which group financial statements are drawn up is that headed by SUEZ SA, whose consolidated financial statements are available from Tour CB21, 16 Place de L'Iris, 92040 Paris La Defense Cedex, France.

In the opinion of the directors, SUEZ Recycling and Recovery Holdings UK Limited controls the company as a result of controlling 100% of the issued share capital of SUEZ Recycling and Recovery UK Ltd. At the year end SUEZ SA was the ultimate controlling party, being the ultimate controlling party of SUEZ Recycling and Recovery Holdings UK Limited.

33. Post balance sheet events

Since the balance sheet date SUEZ and Veolia boards have announced that they had reached a final agreement on the details of a takeover which includes SUEZ subsidiaries in the UK, including the Company, forming part of Veolia. The agreement was ratified at the SUEZ Annual General Meeting on 30 June 2021. This has been treated as a non adjusting post balance sheet event.

SUEZ Recycling and Recovery UK Ltd

**Notes to the financial statements
For the Year Ended 31 December 2020**

34. Subsidiaries, joint ventures and associates**a. Subsidiaries**

Company name	Country	Percentage	Description
Binn Landfill (Glenfarg) Limited	Scotland	100	Landfill site operator
Group Fabricom Limited	England & Wales	100	Holding company
Midland Land Reclamation Limited	England & Wales	100	Landfill site operator
Northumberland Waste Management Limited	England & Wales	100	Landfill site operator
Shropshire Waste Management Limited	England & Wales	93.3	Landfill site operator
SUEZ Recycling and Recovery Kirklees Ltd	England & Wales	100	Waste disposal and electricity generation
SUEZ Recycling and Recovery Lancashire Ltd	England & Wales	100	Waste disposal and landfill site operator
SHUKCO 347 LTD	England & Wales	100	Waste disposal
SUEZ Recycling and Recovery South Gloucestershire Ltd	England & Wales	100	Municipal services
SHUKCO 348 LTD	England & Wales	100	Landfill site operator
SUEZ Recycling and Recovery Tees Valley Ltd	England & Wales	100	Waste disposal and electricity generation
SUEZ Recycling and Recovery Isle Of Man Ltd *	Isle of Man	100	Energy from waste plant operator
SUEZ Recycling and Recovery Surrey Ltd	England & Wales	100	Waste disposal
Tyne Waste Limited	England & Wales	100	Waste disposal and landfill site operator
Cliffeville Limited	England & Wales	100	Landfill site operator
SUEZ Recycling and Recovery Suffolk Ltd *	England & Wales	100	EFW plant
SHUKCO LTD	England & Wales	100	Holding Company
SHUKCO 327 LTD	England & Wales	100	Holding Company
SHUKCO 340 LTD	England & Wales	100	Holding Company
A & J Bull Limited	England & Wales	100	Dormant
Attwoods Israeli Investments Limited	England & Wales	100	Dormant
Attwoods Limited	England & Wales	100	Dormant
Dorset Waste Management Limited	England & Wales	100	Dormant
SUEZ Recycling and Recovery Alternative Fuels Ltd	England & Wales	100	Dormant
Gulvain Energy Limited	Scotland	100	Dormant
Gurteens Limited	England & Wales	100	Dormant
Hemmings Waste Management Limited	England & Wales	100	Dormant

**Notes to the financial statements
For the Year Ended 31 December 2020**

34. Subsidiaries, joint ventures and associates (continued)**a. Subsidiaries (continued)**

Company name	Country	Percentage	Description
LWS Collection Services Limited	England & Wales	100	Dormant
Nene Valley Waste Limited	England & Wales	100	Dormant
Ryton Waste Disposal Limited	England & Wales	100	Dormant
SHUKCO 303 Limited	England & Wales	100	Dormant
SHUKCO 323 LTD	England & Wales	100	Dormant
SHUKCO 336 LTD	England & Wales	100	Dormant
SHUKCO 337 LTD	England & Wales	100	Dormant
SHUKCO 338 LTD	England & Wales	100	Dormant
SHUKCO 341 LTD	England & Wales	100	Dormant
SHUKCO 342 LTD	England & Wales	100	Dormant
SHUKCO 343 LTD	England & Wales	100	Dormant
SHUKCO 345 LTD	England & Wales	100	Dormant
SHUKCO 350 LTD	England & Wales	100	Dormant
Sid Knowles Waste Limited	England & Wales	100	Dormant
Attwoods Holdings Limited	England & Wales	100	Dormant
SITA UK Limited	England & Wales	100	Dormant
SUEZ Recycling and Recovery UK Pension Plans Trustees Ltd	England & Wales	100	Dormant
Sortwaste Environmental Limited	England & Wales	100	Dormant
United Waste Property Limited	England & Wales	100	Dormant
United Water UK Limited	England & Wales	100	Dormant
Whinney Hill Stone Sales Limited	England & Wales	100	Dormant
Wilson Waste Management Limited	England & Wales	100	Dormant
Wm E Christer (Gravel) Limited	England & Wales	100	Dormant

b. Joint ventures

Company name	Country	Percentage	Description
NS NORM Limited	England & Wales	50	Nuclear decontamination
Lidsey Landfill Limited	England & Wales	50	Landfill operator

SUEZ Recycling and Recovery UK Ltd

**Notes to the financial statements
For the Year Ended 31 December 2020**

34. Subsidiaries, joint ventures and associates (continued)**c. Associates**

Company name	Country	Percentage	Description
Cornwall Energy Recovery Holdings LTD *	England & Wales	33	Holding company
Cornwall Energy Recovery LTD *	England & Wales	33	Waste disposal
Northumberland Energy Recovery Holdings LTD *	England & Wales	42.5	Holding company
Northumberland Energy Recovery LTD *	England & Wales	42.5	Waste disposal
South Tyne & Wear Energy Recovery Holdings Limited *	England & Wales	45	Holding company
South Tyne & Wear Energy Recovery Limited *	England & Wales	45	Waste management
Merseyside Energy Recovery Holdings LTD *	England & Wales	40	Holding company
Merseyside Energy Recovery LTD*	England & Wales	40	Waste management
West London Energy Recovery Holdings LTD *	England & Wales	33	Holding company
West London Energy Recovery LTD *	England & Wales	33	Waste management

All shares held are Ordinary Share Capital (including 'A' and 'B' Ordinary Share Capital) aside from SHUKCO LTD and SUEZ Recycling and Recovery Tees Valley Ltd where both Ordinary Share Capital and Preference Shares are held.

* Company has a 31 March year end as key customer is the local authority and thus it is considered beneficial for the company and the local authority to have co terminus accounting periods.

Registered office of all subsidiaries, joint ventures and associates is SUEZ House, Grenfell Road, Maidenhead, Berkshire, SL6 1ES. With exception of;

- Binn Landfill (Glenfarg) Limited - 15 Atholl Crescent, Edinburgh, EH3 8HA.
- Gulvain Energy Limited - 15 Atholl Crescent, Edinburgh, EH3 8HA.
- SUEZ Recycling and Recovery Northern Ireland Ltd - Cleaver Fulton Rankin Solicitor, 50 Bedford Street, Belfast, BT2 7FW.
- Glenfarg Organics Limited - Orchard Bungalow Offices, Binn Farm, Glenfarg, Perthshire, United Kingdom, PH2 9PX.
- SUEZ Recycling and Recovery Isle Of Man Ltd - Isle of Man Energy from Waste Facility, Richmond Hill, Isle of Man. IM4 1JH