Statement by the Directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006

The Directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act) in the decisions taken during the year ended 31 December 2023.

On 30 November 2022, Ferrovial completed a transaction to transfer the remaining ownership of the Thalia group from the Amey group to Ferrovial. Ferrovial has a strong track record in developing and operating innovative, efficient and sustainable infrastructure across multiple asset classes. Respect for the environment and striving to support social development are behind all its actions and commitments. This transfer of ownership allows the Thalia group (including the Company) to focus on its core activities and provides a strong foundation for the Company to succeed and transform today's waste into tomorrow's energy.

The Company has performed in line with expectations. Financially, the Company's performance has been stable and validates the strategic plan to build an efficient and thriving business while exploring profitable opportunities for future growth. The Thalia group implemented improved cash reporting and enhanced financial reporting of key performance indicators.

In discharging their duties in relation to s172(1) of the Companies Act 2006, the Directors have paid regard to the following matters:

Decision making, Business Development and Opportunities

As the Company is a subsidiary of the Thalia group of companies, and ultimately wholly owned by the Ferrovial group of companies, the Company's directors discharge their duties within policies, procedures and authorisation limits set out on a group-wide basis.

During 2023, the Thalia Group (including the Company) completed its transfer to Ferrovial and focused on its core ambition to become a sustainably profitable business by driving operational excellence and new growth. This saw the strengthening of Thalia's external brand, mission and values: Ambitious, Collaborative, Responsible and Inclusive. The Thalia Group's (including the Company) governance structure and associated policies and procedures were reviewed and a robust approach to risk management more directly related to its core activities was embedded into the business.

The directors and senior leadership team regularly monitored the strategic plan adopted at the start of the financial year using both non-financial and financial key performance indicators. The strategic plan is designed to have a long-term beneficial impact on the wider Thalia group (including the Company) and to contribute to its success in delivering better quality and more innovative services to clients to 2025 and beyond.

In 2023 the Company focused on the transition to the Thalia operating model, an improved cash position and business resilience, growth of the trade business and exploring options with Thalia WB SPV Limited and Cambridgeshire County Council to upgrade various facilities to comply with revised permit requirements. In 2024, the operational focus will be on completing improvement plans to optimise site utilisation and exploring profitable opportunities for future growth to move the business forward outside its existing contracts.

Statement by the Directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006 continued.

Health and Safety

The Company's priority is that everyone who works for or us, and those who encounter our activities, return home safe and well at the end of each day. This is underpinned by our Thalia Code: Ready to Go, Kitted Out, Stick to the Plan, Stay Alert framework, which ensures a consistent message and understanding across the entire workforce and allows everyone to stop work and seek advice if they feel unsafe. Everyone who works for or on behalf of the Company is expected to follow the Thalia Code.

Regular health and safety reporting is shared across the Company and the wider Thalia group to reduce incidents and improve health and safety in the workplace. The monthly improvement review group reviews investigations into incidents, close calls and high potential events or observations and learnings to provide assurance that investigations are robust and far reaching, ratify identified actions, agree any further strategic actions and ensure the broad sharing of learning across the business.

During the year, the Thalia group established Engagement Tours that target an operational area or specific activity where members of our senior leadership team engage with our people to identify areas of improvement to support our day-today operation including the health and safety of its stakeholders including employees.

Trends over the past five years show that our targeted safety and audit programmes demonstrate an improvement on our leading KPIs focused on learning and preventive action.

The Company's objective is to focus on action management, investigation, training and occupational health surveillance during 2024.

People

The Company does not have any employees, but staff were seconded into it from Thalia Services Limited during this period. The directors recognise the value of an ongoing focus on creating an engaged workforce to retain, recognise and reward talent to support the Company's long-term growth.

As one of the Thalia group's values, 'Inclusion' remains a top priority. The directors recognise the importance of championing diversity and are committed to creating a diverse workforce, keeping our people engaged, safe and nurturing a culture of wellbeing. This includes refining our recruitment approach through initiatives like Opening Doors, which aims to attract the most talented and diverse candidates and taking steps to reduce bias in the recruitment process by utilising gender-neutral advertising and blind CVs. Our network of Mental Health First Aiders and Key Influencers have contributed significantly to this agenda.

The Thalia group continues to pay the Real Living Wage and our cycle pay increases are reviewed to ensure they are equitable, and anomalies are addressed. The Thalia group's mean Gender Pay Gap is -1.7%.

The employee engagement surveys had a high level of participation (61%) with the responses informing actions to improve the experiences employees have within the workforce. The establishment of the Celebrate platform provides a meaningful system that enables all employees to say thanks and send recognition to our colleagues.

Based on an objective to focus on our people's growth, communication and engagement, the Thalia Group are aiming for Investors in People accreditation during 2024.

Statement by the Directors in performance of their statutory duties in accordance with s172(1) of the Companies Act 2006 continued.

Environmental, Social Value and Governance (ESG)

The Thalia group's cornerstone corporate objective is a commitment to place ESG at the core of our business to promote sustainability and corporate responsibility, with a clear focus on minimising the impact of waste on the communities and the environment in which we operate.

During 2023, the Thalia group established our ESG commitments aligned to the UN Sustainable Development Goals through which we view all of our critical decisions. We received GRESB certification and will utilise this benchmark report to inform improvement during 2024.

We are committed to reporting transparently and are aligning our monitoring and measurements activities to externally recognised standards. Our certified Integrated Management System enables us to create a data-led approach to achieving our ESG commitments. We are currently re-basing our carbon emissions based on the 2023 data to revise our carbon reduction roadmap addressing Scope 1 and 2 emissions accordingly.

The Company continues to transition from fossil fuel-based plant, kit and vehicles to those with alternative energy sources and work with clients to reduce their carbon emissions through the services we deliver. For example, through the optimisation of collections and working with our supply chain, the Company significantly reduced the number of waste vehicle movements.

We are committed to acting ethically, and with integrity in our business activities, a commitment that is supported by our modern slavery and related policies. Thalia's modern slavery working group brings focus to this critical area and coordinates the delivery of an action plan to reduce the risk of modern slavery occurring within the wider Thalia group and its supply chain.

During 2023, the Thalia group (including the Company) worked hard to achieve greater visibility of all tiers of our supply chain. This included the implementation of a new digital procurement platform to assist with the management of our supply chain. Updated ethical training modules were implemented via the group's Elevate online (or e-learning) platform.

Engagement

The Company and senior management team had regular meetings and dialogue with the Company's key clients, lenders and regulators and the directors received regular updates on relationships with supply chain and strategic partners from the operational and financial reviews as well as from routine business updates and presentations.

The Company is proud of the support it gives to the communities in which we operate. The Company's approach is to maximise the opportunity to assist our communities through the creation of sustainable, high quality employment and education opportunities and the minimisation of the impact our activities have on the local environment. We carry out a range of activities and communications to engage with our people, suppliers, clients and communities including community rewards and supporting local campaigns and actively encourage our people to take part in local volunteering opportunities. We also run regular community waste forums and liaison groups, hosted a site visit with the aim to assist manufacturers design packaging to be easier for consumers to recycle and work with approved reuse schemes providing items for reuse.

The Company has continued to engage and promote the use of social value providers and suppliers. Our spending with these suppliers provides a meaningful contribution towards our social value commitment.

Streamlined Energy and Carbon Report

As a waste treatment company delivering critical services to the community, we recognise the urgency and focus needed to reduce carbon emissions and are focusing our efforts to support our Net Zero target. As well as reducing our own carbon emissions, the Company's activities provide us with an opportunity to reduce the carbon emissions of our clients.

The Company is required to report under the Streamlined Energy and Carbon Reporting (SECR) Framework under the Companies and Limited Liability Partnerships Regulations 2018.

2023 is the first year that the data the Company collected, collated, reviewed and maintained attributable to it only. The Company worked with external consultants to re-baseline its carbon emissions and energy usage based on our 2023 operations. UK greenhouse gas emissions and energy usage data for the period to 31 December 2023;

	2023
Energy consumption used to calculate emissions (kWh)	4,629,943
Scope 1 emissions (tCO2e)	
Transport	2,676
Scope 2 emissions (tCO2e)	
Purchased Electricity	959
Total gross emissions (tCO2e)	3,635
Intensity ratio	0.014

Data Collection and Collation

Emissions data has been taken from electricity invoice data for 2023.

Our intensity ratio has been calculated using tonnes of waste received and treated on site (258,654.24tonnes) this data is located on our Elemos weighbridge system.

Thalia's weighbridge system will issue weighbridge tickets generated from secure computerised records and the system will have been authorised by a weights and measures inspector as fit for use in accordance with Section 11 of the Weights and Measures Act 1985 (or equivalent). All Thalia weighbridges will be appropriately calibrated, tested and independently certified at least annually.

3,635/258,654.24– see above

No gas is used on site.

Streamlined Energy and Carbon Report continued.

Qualification and reporting methodology

The data provided is the data available from the Company's account for 2023. Transport data is linked the Company's fleet and the plant.

Conversion factors used from: Greenhouse gas reporting: conversion factors 2023 - GOV.UK (www.gov.uk)

Purchased Electricity KwHr x KgCO2e/1000 = TCO2e

Energy efficiency actions taken

Thalia is currently undertaking a benchmarking exercise utilising an external consultant using 2023 carbon data. This benchmarking exercise feeds into the sustainability strategy currently being written for the business utilising ESG pillars ambitions and targets and aligning to UN Sustainable Development Goals.

This benchmarking and auditing is expected to identify areas of potential improvement and initiatives will include energy optimisation.

Comparatives

Thalia WB ODC Limited was carved out of The Amey Group in November 2022, and now instead forms part of the Thalia Group. During the year ending 31 December 2022 all Streamlined, Energy & Carbon reporting data was collected, collated, reviewed, maintained, and reported by The Amey Group. At the point of preparing the accounts for that period it was not possible to identify the data attributable to Thalia WB ODC Limited only and it was therefore impracticable to report on this for the year ending 31st December 2022 therefore we have no comparative information disclosed.

Approved by the Board on 27 September 2024 and signed on its behalf by:

Andrew Oyesiku
Director
27 September 2024