Strategic report *(continued)*

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 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.

Strategic report *(continued)*

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

Decision making, business development and opportunities (continued)

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 and exploring options with Thalia WB ODC Limited and Cambridgeshire County Council to upgrade various facilities to comply with revised permit requirements.

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 show 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.

Employee interest

The Company has no employees but has an ongoing desire to provide a safe, flexible and open working environment for the benefit of all professional, technical and operative staff that are engaged for the delivery of the services provided by the Company. The Company monitors the adequacy of its supplier policies and practice in relation to employment through directorship presence and enquiry on the board of the principal subcontractor.

Strategic report *(continued)*

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.

The Company is 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. The Thalia group are currently re-basing its carbon emissions based on the 2023 data to revise its carbon reduction roadmap addressing Scope 1 and 2 emissions accordingly.

The Directors 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

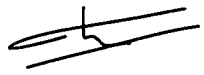
The Company and senior management team had regular meetings and dialogue with the Company's key client, lenders and operating sub-contractor and the Directors received regular updates on relationships with supply chain and strategic partners from the operational and financial reviews as well as from 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 attend regular community waste forums and liaison groups.

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.

Strategic report *(continued)*

At a meeting of the board of Directors on 28 June 2024, F Hevia Gonzalez was authorised to approve and issue the financial statements for the year ended 31 December 2023.



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28 June 2024