UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 or 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2023
or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission File Number 001-03970

ENVIRI CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**23-1483991**
(State or other jurisdiction of incorporation or organization)	(I.R.S. employer identification number)
Two Logan Square 100-120 North 18th Street, 17th Floor, Philadelphia, Pennsylvania	**19103**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code **267-857-8715**

Harsco Corporation
Former name, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $1.25 per share	NVRI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit). Yes ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer” “smaller reporting company,” and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 31, 2023
Common stock, par value $1.25 per share	79,755,066

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Glossary of Defined Terms

Unless the context requires otherwise, "Eviri," the "Company," "we," "our," or "us" refers to Enviri Corporation on a consolidated basis. The Company also uses several other terms in this Quarterly Report on Form 10-Q, which are further defined below:

Term	Description
AOCI	Accumulated Other Comprehensive Income (Loss)
AR Facility	Trade receivables securitization facility
ASU	Financial Accounting Standards Board Accounting Standards Update
CE	Clean Earth reportable business segment
CERCLA	Comprehensive Environmental Response, Compensation, and Liability Act of 1980
Consolidated Adjusted EBITDA	EBITDA as calculated in accordance with the Company's Credit Agreement
Credit Agreement	Credit Agreement governing the Senior Secured Credit Facilities
DEA	United States Drug Enforcement Administration
Deutsche Bahn	National railway company in Germany
DTSC	California Department of Toxic Substances Control
EBITDA	Earnings before interest, tax, depreciation and amortization
ESOL	Stericycle Environmental Solutions business
FASB	Financial Accounting Standards Board
HE	Harsco Environmental reportable business segment
ICMS	Type of value-added tax in Brazil
IKG	The former Harsco Industrial IKG business
ISDA	International Swaps and Derivatives Association
LIBOR	London Interbank Offered Rates
Network Rail	Infrastructure manager for most of the railway in the U.K.
New Term Loan	$500 million term loan raised in March 2021 under the Senior Secured Credit Facilities, maturing on March 10, 2028
OCI	Other Comprehensive Income (Loss)
PA DEP	Pennsylvania Department of Environmental Protection
Rail	The former Harsco Rail reportable business segment
Revolving Credit Facility	$700 million multi-year revolving credit facility under the Senior Secured Credit Facilities
ROU	Right of use
SBB	Federal railway system of Switzerland
SCE	Supreme Council for Environment in Bahrain
SEC	Securities and Exchange Commission
Senior Notes	5.75% Notes due July 31, 2027
Senior Secured Credit Facilities	Primary source of borrowings comprised of the New Term Loan and the Revolving Credit Facility
SOFR	Secured Overnight Financing Rate
SPE	The Company's wholly-owned bankruptcy-remote special purpose entity, which is used in connection with the AR Facility
SPRA	State Revenue Authorities from the State of São Paulo, Brazil
TSDF	Treatment, storage, and disposal facility permits issued under the Resource Conservation and Recovery Act
U.S. GAAP	Accounting principles generally accepted in the U.S.

PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

ENVIRI CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(In thousands)	June 30 2023	December 31 2022
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 85,484**	$ 81,332
Restricted cash	**3,882**	3,762
Trade accounts receivable, net	**296,521**	264,428
Other receivables	**41,941**	25,379
Inventories	**84,644**	81,375
Prepaid expenses	**22,142**	30,583
Current portion of assets held-for-sale	**271,189**	266,335
Other current assets	**19,121**	14,541
Total current assets	**824,924**	767,735
Property, plant and equipment, net	**649,662**	656,875
Right-of-use assets, net	**98,662**	101,253
Goodwill	**764,949**	759,253
Intangible assets, net	**339,076**	352,160
Deferred income tax assets	**14,804**	17,489
Assets held-for-sale	**90,541**	70,105
Other assets	**70,019**	65,984
Total assets	**$ 2,852,637**	$ 2,790,854
LIABILITIES		
Current liabilities:		
Short-term borrowings	**$ 3,853**	$ 7,751
Current maturities of long-term debt	**14,595**	11,994
Accounts payable	**212,570**	205,577
Accrued compensation	**51,973**	43,595
Income taxes payable	**5,337**	3,640
Current portion of operating lease liabilities	**26,140**	25,521
Current portion of liabilities of assets held-for-sale	**153,199**	159,004
Other current liabilities	**139,300**	140,199
Total current liabilities	**606,967**	597,281
Long-term debt	**1,382,140**	1,336,995
Retirement plan liabilities	**48,505**	46,601
Operating lease liabilities	**73,537**	75,246
Liabilities of assets held-for-sale	**6,358**	9,463
Environmental liabilities	**26,494**	26,880
Deferred tax liabilities	**33,425**	30,069
Other liabilities	**47,804**	45,277
Total liabilities	**2,225,230**	2,167,812
COMMITMENTS AND CONTINGENCIES		
ENVIRI CORPORATION STOCKHOLDERS’ EQUITY		
Common stock	**145,966**	145,448
Additional paid-in capital	**232,463**	225,759
Accumulated other comprehensive loss	**(544,606)**	(567,636)
Retained earnings	**1,593,477**	1,614,441
Treasury stock	**(849,808)**	(848,570)
Total Enviri Corporation stockholders’ equity	**577,492**	569,442
Noncontrolling interests	**49,915**	53,600
Total equity	**627,407**	623,042
Total liabilities and equity	**$ 2,852,637**	$ 2,790,854

See accompanying notes to unaudited condensed consolidated financial statements.

ENVIRI CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

(In thousands, except per share amounts)	Three Months Ended June 30 2023	Three Months Ended June 30 2022	Six Months Ended June 30 2023	Six Months Ended June 30 2022
Revenues from continuing operations:				
Revenues	**$ 520,168**	$ 481,052	**$ 1,015,821**	$ 933,849
Costs and expenses from continuing operations:				
Cost of sales	**406,627**	403,199	**807,315**	780,218
Selling, general and administrative expenses	**76,850**	67,935	**148,785**	137,088
Research and development expenses	**500**	296	**676**	352
Goodwill impairment charge	**—**	104,580	**—**	104,580
Property, plant and equipment impairment charge	**14,099**	—	**14,099**	—
Other (income) expenses, net	**(2,223)**	2,045	**(8,374)**	866
Total costs and expenses	**495,853**	578,055	**962,501**	1,023,104
Operating income (loss) from continuing operations	**24,315**	(97,003)	**53,320**	(89,255)
Interest income	**1,567**	693	**3,022**	1,337
Interest expense	**(25,724)**	(16,692)	**(50,052)**	(31,784)
Facility fees and debt-related income (expense)	**(2,730)**	2,149	**(5,093)**	1,617
Defined benefit pension income (expense)	**(5,407)**	2,247	**(10,742)**	4,657
Income (loss) from continuing operations before income taxes and equity income	**(7,979)**	(108,606)	**(9,545)**	(113,428)
Income tax benefit (expense) from continuing operations	**(10,319)**	3,115	**(17,242)**	1,894
Equity income (loss) of unconsolidated entities, net	**(309)**	(114)	**(442)**	(245)
Income (loss) from continuing operations	**(18,607)**	(105,605)	**(27,229)**	(111,779)
Discontinued operations:				
Income (loss) from discontinued businesses	**7,556**	1,879	**8,175**	(37,218)
Income tax benefit (expense) from discontinued businesses	**(4,787)**	(770)	**(5,374)**	5,821
Income (loss) from discontinued operations, net of tax	**2,769**	1,109	**2,801**	(31,397)
Net income (loss)	**(15,838)**	(104,496)	**(24,428)**	(143,176)
Less: Net (income) loss attributable to noncontrolling interests	**4,399**	(1,095)	**3,464**	(2,254)
Net income (loss) attributable to Enviri Corporation	**$ (11,439)**	$ (105,591)	**$ (20,964)**	$ (145,430)
Amounts attributable to Enviri Corporation common stockholders:				
Income (loss) from continuing operations, net of tax	**$ (14,208)**	$ (106,700)	**$ (23,765)**	$ (114,033)
Income (loss) from discontinued operations, net of tax	**2,769**	1,109	**2,801**	(31,397)
Net income (loss) attributable to Enviri Corporation common stockholders	**$ (11,439)**	$ (105,591)	**$ (20,964)**	$ (145,430)
Weighted-average shares of common stock outstanding	**79,816**	79,509	**79,725**	79,437
Basic earnings (loss) per common share attributable to Enviri Corporation common stockholders:				
Continuing operations	**$ (0.18)**	$ (1.34)	**$ (0.30)**	$ (1.44)
Discontinued operations	**0.03**	0.01	**0.04**	(0.40)
Basic earnings (loss) per share attributable to Enviri Corporation common stockholders	**$ (0.14)** (a)	$ (1.33)	**$ (0.26)**	$ (1.83) (a)
Diluted weighted-average shares of common stock outstanding	**79,816**	79,509	**79,725**	79,437
Diluted earnings (loss) per common share attributable to Enviri Corporation common stockholders:				
Continuing operations	**$ (0.18)**	$ (1.34)	**$ (0.30)**	$ (1.44)
Discontinued operations	**0.03**	0.01	**0.04**	(0.40)
Diluted earnings (loss) per share attributable to Enviri Corporation common stockholders	**$ (0.14)** (a)	$ (1.33)	**$ (0.26)**	$ (1.83) (a)

(a) Does not total due to rounding

See accompanying notes to unaudited condensed consolidated financial statements.

ENVIRI CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (Unaudited)

	Three Months Ended June 30	
(In thousands)	**2023**	**2022**
Net income (loss)	**$ (15,838)**	$ (104,496)
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of deferred income taxes of $1,139 and $(4,616) in 2023 and 2022, respectively	**10,589**	(58,646)
Net gain (loss) on cash flow hedging instruments, net of deferred income taxes of $(1,529) and $(301)in 2023 and 2022, respectively	**4,434**	720
Pension liability adjustments, net of deferred income taxes of $(292) and $(312)in 2023 and 2022, respectively	**(627)**	28,810
Unrealized gain (loss) on marketable securities, net of deferred income taxes of $(2) and $4 in 2023 and 2022, respectively	**5**	(10)
Total other comprehensive income (loss)	**14,401**	(29,126)
Total comprehensive income (loss)	**(1,437)**	(133,622)
Comprehensive (income) loss attributable to noncontrolling interests	**6,234**	1,808
Comprehensive income (loss) attributable to Enviri Corporation	**$ 4,797**	$ (131,814)

	Six Months Ended June 30	
(In thousands)	**2023**	**2022**
Net income (loss)	**$ (24,428)**	$ (143,176)
Other comprehensive income (loss):		
Foreign currency translation adjustments, net of deferred income taxes of $2,611 and $(6,454) in 2023 and 2022, respectively	**23,035**	(61,493)
Net gain (loss) on cash flow hedging instruments, net of deferred income taxes of $(682) and $(631) in 2023 and 2022, respectively	**1,874**	1,860
Pension liability adjustments, net of deferred income taxes of $(710) and $(664) in 2023 and 2022, respectively	**(3,362)**	42,528
Unrealized gain (loss) on marketable securities, net of deferred income taxes of $(2) and $4 in 2023 and 2022	**6**	(13)
Total other comprehensive income (loss)	**21,553**	(17,118)
Total comprehensive income (loss)	**(2,875)**	(160,294)
Less: Comprehensive (income) loss attributable to noncontrolling interests	**4,941**	1,131
Comprehensive income (loss) attributable to Enviri Corporation	**$ 2,066**	$ (159,163)

See accompanying notes to unaudited condensed consolidated financial statements.

ENVIRI CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Six Months Ended June 30	
(In thousands)	2023	2022
Cash flows from operating activities:		
Net income (loss)	$ (24,428)	$ (143,176)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation	67,496	66,067
Amortization	16,032	17,067
Deferred income tax (benefit) expense	7,622	(10,396)
Equity (income) loss of unconsolidated entities, net	442	245
Dividends from unconsolidated entities	—	526
(Gain) loss on early extinguishment of debt	—	(2,254)
Goodwill impairment charge	—	104,580
Property, plant and equipment impairment charge	14,099	—
Other, net	4,146	1,020
Changes in assets and liabilities, net of acquisitions and dispositions of businesses:		
Accounts receivable	(56,383)	87,607
Income tax refunds receivable, reimbursable to seller	—	7,687
Inventories	(7,952)	(8,435)
Contract assets	(3,535)	7,836
Right-of-use assets	16,211	14,383
Accounts payable	12,960	18,847
Accrued interest payable	(192)	(740)
Accrued compensation	9,194	(5,884)
Advances on contracts	(12,978)	(13,626)
Operating lease liabilities	(14,790)	(14,095)
Retirement plan liabilities, net	(5,468)	(21,587)
Other assets and liabilities	5,714	12,067
Net cash (used) provided by operating activities	28,190	117,739
Cash flows from investing activities:		
Purchases of property, plant and equipment	(66,341)	(61,791)
Proceeds from sales of assets	1,439	6,591
Expenditures for intangible assets	(427)	(100)
Proceeds from notes receivable	11,238	8,605
Net proceeds (payments) from settlement of foreign currency forward exchange contracts	(2,408)	4,999
Payments for settlements of interest rate swaps	—	(2,123)
Other investing activities, net	84	153
Net cash used by investing activities	(56,415)	(43,666)
Cash flows from financing activities:		
Short-term borrowings, net	601	(31)
Current maturities and long-term debt:		
Additions	123,996	104,961
Reductions	(90,727)	(152,861)
Contributions from noncontrolling interests	1,654	—
Sale of noncontrolling interests	—	1,901
Stock-based compensation - Employee taxes paid	(1,238)	(1,698)
Payment of contingent consideration	—	(6,915)
Net cash (used) provided by financing activities	34,286	(54,643)
Effect of exchange rate changes on cash and cash equivalents, including restricted cash	(1,789)	(5,751)
Net increase in cash and cash equivalents, including restricted cash	4,272	13,679
Cash and cash equivalents, including restricted cash, at beginning of period	85,094	87,128
Cash and cash equivalents, including restricted cash, at end of period	$ 89,366	$ 100,807
Supplementary cash flow information:		
Change in accrual for purchases of property, plant and equipment included in accounts payable	$ (3,170)	$ 6,836

See accompanying notes to unaudited condensed consolidated financial statements.

ENVIRI CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY (Unaudited)

	Enviri Corporation Stockholders' Equity						
	Common Stock						
(In thousands, except share amounts)	Issued	Treasury	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balances, December 31, 2021	$ 144,883	$ (846,622)	$ 215,528	$ 1,794,510	$ (560,139)	$ 57,610	$ 805,770
Net income	—	—	—	(39,839)	—	1,159	(38,680)
Total other comprehensive income (loss), net of deferred income taxes of $(2,520)	—	—	—	—	12,490	(482)	12,008
Vesting of restricted stock units and other stock grants, net 176,253 shares	378	(1,632)	(378)	—	—	—	(1,632)
Amortization of unearned portion of stock-based compensation, net of forfeitures	—	—	3,629	—	—	—	3,629
Balances, March 31, 2022	145,261	(848,254)	218,779	1,754,671	(547,649)	58,287	781,095
Net income	—	—	—	(105,591)	—	1,095	(104,496)
Total other comprehensive income, net of deferred income taxes of $(5,225)	—	—	—	—	(26,223)	(2,903)	(29,126)
Contributions from noncontrolling interest	—	—	—	—	—	1,900	1,900
Stock appreciation rights exercised, net 16,671 shares	29	(66)	(29)	—	—	—	(66)
Vesting of restricted stock units and other stock grants, net 23,224 shares	29	—	(29)	—	—	—	—
Amortization of unearned portion of stock-based compensation, net of forfeitures	—	—	2,396	—	—	—	2,396
Balances, June 30, 2022	$ 145,319	$ (848,320)	$ 221,117	$ 1,649,080	$ (573,872)	$ 58,379	$ 651,703

	Enviri Corporation Stockholders' Equity						
	Common Stock						
(In thousands, except share amounts)	Issued	Treasury	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balances, December 31, 2022	$ 145,448	$ (848,570)	$ 225,759	$ 1,614,441	$ (567,636)	$ 53,600	$ 623,042
Net income (loss)	—	—	—	(9,525)	—	935	(8,590)
Total other comprehensive income (loss), net of deferred income taxes of $1,901	—	—	—	—	6,794	358	7,152
Purchase of subsidiary shares from noncontrolling interest	—	—	398	—	—	(398)	—
Vesting of restricted stock units and other stock grants, net 177,574 shares	395	(1,108)	(395)	—	—	—	(1,108)
Amortization of unearned portion of stock-based compensation, net of forfeitures	—	—	3,456	—	—	—	3,456
Balances, March 31, 2023	145,843	(849,678)	229,218	1,604,916	(560,842)	54,495	623,952
Net income (loss)	—	—	—	(11,439)	—	(4,399)	(15,838)
Total other comprehensive income (loss), net of deferred income taxes of $(684)	—	—	—	—	16,236	(1,835)	14,401
Contributions from noncontrolling interests	—	—	—	—	—	1,654	1,654
Vesting of restricted stock units and other stock grants, net 82,415 shares	123	(130)	(123)	—	—	—	(130)
Amortization of unearned portion of stock-based compensation, net of forfeitures	—	—	3,368	—	—	—	3,368
Balances, June 30, 2023	**$ 145,966**	**$ (849,808)**	**$ 232,463**	**$ 1,593,477**	**$ (544,606)**	**$ 49,915**	**$ 627,407**

See accompanying notes to unaudited condensed consolidated financial statements.

ENVIRI CORPORATION
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

1. Basis of Presentation

Effective June 5, 2023, the corporate name of the Company was changed from Harsco Corporation to Enviri Corporation.

The Company has prepared these unaudited condensed consolidated financial statements in accordance with U.S. GAAP for interim financial information and with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X of the SEC. Accordingly, the unaudited condensed consolidated financial statements do not include all information and disclosure required by U.S. GAAP for annual financial statements. The December 31, 2022 Condensed Consolidated Balance Sheet information contained in this Quarterly Report on Form 10-Q was derived from the 2022 audited consolidated financial statements. These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements, including the notes thereto, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022. In the opinion of management, all adjustments (all of which are of a normal recurring nature) that are necessary for a fair statement are reflected in these unaudited condensed consolidated financial statements.

Liquidity

The Company's cash flow forecasts, combined with existing cash and cash equivalents and borrowings available under the Senior Secured Credit Facilities, indicate sufficient liquidity to fund the Company's operations for at least the next twelve months. As such, the Company's unaudited consolidated financial statements have been prepared on the basis that it will continue as a going concern for a period extending beyond twelve months from the date the unaudited consolidated financial statements are issued. This assessment includes the expected ability to meet required financial covenants and the continued ability to draw down on the Senior Secured Credit Facilities (see Note 9).

Reclassifications

Certain reclassifications have been made to prior year amounts to conform with current year classifications. These reclassifications did not have a material impact on the Company's condensed consolidated financial statements, including the notes thereto.

2. Recently Adopted and Recently Issued Accounting Standards

The following accounting standards have been adopted in 2023:

On January 1, 2023, the Company adopted changes issued by the FASB that clarify that an acquirer of a business should recognize and measure contract assets and contract liabilities in a business combination in accordance with accounting standards governing revenue from contracts with customers. The adoption of these changes did not have an immediate impact on the Company's consolidated financial statements, but will be applied prospectively to future business combinations.

On January 1, 2023, the Company adopted changes issued by the FASB that require a buyer in a supplier finance program, also referred to as reverse factoring, payables finance, or structured payables arrangements, to disclose sufficient information about the program to allow a user of financial statements to understand the program's nature, activity during the period, changes from period to period, and potential magnitude, by disclosing qualitative and quantitative information about the program. The adoption of these changes did not have a material impact on the Company's condensed consolidated financial statements, including the notes thereto.

3. Discontinued Operations

Harsco Rail Segment
The Company is in the process of selling its Rail business with a sale expected to occur in 2023. The intention to sell the business was first announced in the fourth quarter of 2021. The sales process was delayed in 2022 due to certain macroeconomic conditions, including rising interest rates. The former Harsco Rail Segment has historically been a separate reportable segment with primary operations in the United States, Europe and Asia Pacific.

The former Harsco Rail Segment's balance sheet positions as of June 30, 2023 and December 31, 2022 are presented as Assets held-for-sale and Liabilities of assets held-for-sale in the Condensed Consolidated Balance Sheets and are summarized as follows:

(in thousands)	June 30 2023	December 31 2022
Trade accounts receivable, net	**$ 52,368**	$ 41,049
Other receivables	**5,209**	4,037
Inventories	**109,242**	105,256
Current portion of contract assets	**68,167**	84,848
Other current assets	**36,008**	30,950
Property, plant and equipment, net	**44,392**	41,004
Right-of-use assets, net	**6,412**	5,635
Goodwill	**13,026**	13,026
Intangible assets, net	**2,616**	2,746
Deferred income tax assets	**2,701**	6,887
Noncurrent portion of contract assets	**20,420**	—
Other assets	**974**	807
Total Rail assets included in Assets held-for-sale	**$ 361,535**	$ 336,245
Accounts payable	**$ 52,561**	$ 49,083
Accrued compensation	**2,534**	1,211
Current portion of operating lease liabilities	**2,925**	2,635
Current portion of advances on contracts	**34,089**	45,037
Other current liabilities	**61,090**	61,039
Operating lease liabilities	**3,472**	3,121
Deferred tax liabilities	**2,368**	5,480
Other liabilities	**518**	861
Total Rail liabilities included in Liabilities of assets held-for-sale	**$ 159,557**	$ 168,467

The results of the former Harsco Rail Segment are presented as discontinued operations and, as such, have been excluded from both continuing operations and segment results for the six months ended June 30, 2023, and 2022. Certain key selected financial information included in Income (loss) from discontinued operations, net of tax, for the former Harsco Rail Segment is as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	2023	2022	2023	2022
Amounts directly attributable to the former Harsco Rail Segment:				
Service revenues	**$ 10,765**	$ 7,488	**$ 18,485**	$ 14,198
Product revenues (a)	**78,083**	64,364	**135,415**	109,477
Cost of services sold	**7,290**	4,229	**12,916**	8,524
Cost of products sold (a)	**60,762**	52,548	**106,505**	125,094
Income (loss) from discontinued businesses	**9,315**	5,163	**12,066**	(30,732)
Additional amounts allocated to the former Harsco Rail Segment:				
Selling, general and administrative expenses (b)	**$ 594**	$ 1,862	**$ 1,071**	$ 3,511

(a) Changes in product revenues and cost of products sold for 2023 compared with 2022 reflect, in part, estimated forward loss provisions and adjustments on certain long-term contracts, as discussed below.
(b) The Company includes costs to sell the Rail business in the caption Income (loss) from discontinued businesses on the Condensed Consolidated Statements of Operations.

The Company has retained corporate overhead expenses previously allocated to the former Harsco Rail Segment of $1.1 million and $2.1 million for each of the three and six months ended June 30, 2023 and 2022, respectively, as part of Selling, general and administrative expenses on the Condensed Consolidated Statements of Operations.

The Company's former Harsco Rail Segment is currently manufacturing highly-engineered equipment under large long-term fixed-price contracts with Network Rail, Deutsche Bahn, and SBB. The Company has previously recognized estimated forward loss provisions related to these contracts as additional costs in building the machines and continued supply chain related delays were encountered. The Company will continue to update its estimates to complete these contracts, which will include the effect of negotiations with the customer regarding price increases, change orders and extensions to delivery schedules.

In the second quarter of 2023, the Company reversed a portion of its estimated forward loss provision adjustment in the amount of $23.6 million related to its Network Rail contract. The favorable adjustment was the result of an amendment to the contract with Network Rail in the second quarter which extended the delivery schedule for the machines and reduced the estimate of liquidated damages. The reduction in liquidated damages was recorded as an increase to revenue and contract assets. Partially offsetting this were higher estimated material, engineering and labor costs due to additional experience gained during the manufacturing process. For the three and six months ended June 30, 2022, the Company recorded forward loss provisions of $0.3 million and $24.5 million, respectively, for these contracts, principally for additional estimated contractual liquidated damages which were recorded as a reduction of revenue.

For the Deutsche Bahn contract, in the second quarter of 2023, the Company recorded an additional forward loss provision of $8.4 million. The additional loss provision was due to increased costs related to the critical European-based supplier that had filed for bankruptcy in the second quarter of 2022 and ceased operations during the second quarter of 2023, as well as an increase in estimated component costs and engineering costs. For the six months ended June 30, 2022, the Company recorded a forward loss provision totaling $7.4 million due principally to estimated contractual penalties that would be triggered by supplier delays and thus recorded as a reduction of revenue.

For the SBB contract, in the second quarter of 2023 the Company recorded an additional forward loss provision of $6.1 million. The additional forward loss provision was due to increased estimates for material, engineering and commissioning costs for the remaining vehicles. For the six months ended June 30, 2022, the Company recorded a forward loss provision totaling $3.5 million due to additional supply chain delays and cost overruns.

The estimated forward loss provisions represent the Company's best estimate based on currently available information. It is possible that the Company's overall estimate of liquidated damages, penalties and costs to complete these contracts may change, which would result in an additional estimated forward loss provision at such time.

As of June 30, 2023, the contracts with Network Rail, Deutsche Bahn and the second contract with SBB are 51%, 38% and 83% complete, respectively. The first contract with SBB has been completed.

The following is selected financial information included on the Condensed Consolidated Statements of Cash Flows attributable to the former Harsco Rail Segment:

	Six Months Ended June 30	
(In thousands)	**2023**	**2022**
Cash flows from investing activities		
Purchases of property, plant and equipment	**$ 1,236**	$ 1,031

4. Accounts Receivable and Note Receivable

Accounts receivable consist of the following:

(In thousands)	**June 30 2023**	**December 31 2022**
Trade accounts receivable	**$ 305,106**	$ 272,775
Less: Allowance for expected credit losses	**(8,585)**	(8,347)
Trade accounts receivable, net	**$ 296,521**	$ 264,428
Other receivables (a)	**$ 41,941**	$ 25,379

(a) Other receivables include employee receivables, insurance receivable, tax claims and refunds and other miscellaneous items not included in Trade accounts receivable, net.

The provision for expected credit losses related to trade accounts receivable was as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	**2023**	**2022**	**2023**	**2022**
Provision for expected credit losses related to trade accounts receivable	**$ (113)**	$ (268)	**$ 394**	$ 57

At June 30, 2023, $13.6 million of the Company's trade accounts receivable were past due by twelve months or more, with $4.0 million of this amount reserved. There has been a recent increase in aged receivables for certain international customers within the HE segment. Collection of the remaining balance is still ultimately expected.

One of HE’s steel mill customers in the Middle East has idled operations and has missed contractual progress payments. The Company has approximately $5.5 million of net receivables with this customer. The customer has indicated it plans to restart operations. Accordingly, the Company believes this amount is fully collectible; however, if there is an adverse change in the Company's view on collectability, there could be a charge against income in future periods.

Accounts Receivable Securitization Facility
In June 2022, the Company and its SPE entered into an AR Facility with PNC Bank, National Association ("PNC") to accelerate cash flows from trade accounts receivable. The AR Facility has a three-year term. The maximum purchase commitment by PNC is $150.0 million.

The total outstanding balance of trade receivables that have been sold and derecognized by the SPE is $150.0 million and $145.0 million as of June 30, 2023 and December 31, 2022, respectively. The SPE owned $79.0 million and $69.7 million of trade receivables as of June 30, 2023 and December 31, 2022, respectively, which is included in the caption Trade accounts receivable, net, on the Condensed Consolidated Balance Sheets. See Note 9, Debt and Credit Agreements, for AR Facility expenses incurred.

Proceeds received from the AR Facility were as follows and are included in cash from operating activities in the Condensed Consolidated Statements of Cash Flows:

	Six Months Ended June 30	
(In millions)	**2023**	**2022**
Upon execution in June 2022	**$ —**	$ 120.0
Additional proceeds	**5.0**	—
Total received	**$ 5.0**	$ 120.0

Factoring Arrangements
The Company maintains factoring arrangements with a financial institution to sell certain accounts receivable that are also accounted for as a sale of financial assets. The following table reflects balances for net amounts sold and program capacities for the arrangements:

(In millions)	**June 30 2023**	**December 31 2022**
Net amounts sold under factoring arrangements	**$ 15.2**	$ 17.3
Program capacities	**32.2**	31.4

Note Receivable
In January 2020, the Company sold IKG for $85.0 million including cash and a note receivable, subject to post-closing adjustments. The note receivable from the buyer has a face value of $40.0 million, bearing interest at 2.50%, that is paid in kind and matures on January 31, 2027. Any unpaid principal, along with any accrued but unpaid interest is payable at maturity. Prepayment is required in case of a change in control or a percentage of excess cash flow, as defined in the note receivable agreement. Because there are no scheduled payments under the terms of the note receivable, the balance is classified as noncurrent as of June 30, 2023 and December 31, 2022, and is included in the caption Other assets on the Condensed Consolidated Balance Sheet. During the three and six months ended June 30, 2023, the Company received a payment of $11.2 million related to excess cash flow.

(In millions)	**June 30 2023**	**December 31 2022**
Note receivable, at amortized cost	**$ 13.4**	$ 23.9
Note receivable, fair value	**15.1**	23.8

5. Inventories

Inventories consist of the following:

(In thousands)	June 30 2023	December 31 2022
Finished goods	**$ 14,411**	$ 11,809
Work-in-process	**1,107**	2,030
Raw materials and purchased parts	**26,927**	27,946
Stores and supplies	**42,199**	39,590
Total inventories	**$ 84,644**	$ 81,375

6. Property, Plant and Equipment

Property, plant and equipment ("PP&E") consist of the following:

(In thousands)	June 30 2023	December 31 2022
Land	**$ 72,090**	$ 72,020
Land improvements	**16,907**	16,750
Buildings and improvements	**208,666**	217,926
Machinery and equipment	**1,566,383**	1,513,238
Uncompleted construction	**78,420**	84,472
Gross property, plant and equipment	**1,942,466**	1,904,406
Less: Accumulated depreciation	**(1,292,804)**	(1,247,531)
Property, plant and equipment, net	**$ 649,662**	$ 656,875

In the third quarter of 2020, a customer of HE in China ceased steel making operations at its steel mill site in order to relocate the operations to a new site, as a result of a government mandate to improve environmental conditions of the area, which led to HE having idled equipment on-site. The Company continues to provide services to the same customer at the new site. The customer had entered into an agreement with the government where it will receive compensation for the losses the customer has incurred as a result of the forced shutdown. The Company has continued discussions with the customer regarding compensation, including pursuing other avenues of recovery and seeking relief directly from the local government. Based on further discussions with the customer during the quarter ended June 30, 2023, the Company determined that recovery was no longer probable and recorded an impairment charge of $14.1 million related to the now abandoned equipment at the previous site, which is included in the caption Property, plant and equipment impairment charge in the Condensed Consolidated Statements of Operations.

7. Leases

The components of lease expense were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	2023	2022	2023	2022
Finance leases:				
Amortization expense	**$ 2,022**	$ 979	**$ 3,563**	$ 1,957
Interest on lease liabilities	**578**	182	**932**	365
Operating leases	**9,127**	8,432	**17,681**	16,501
Variable and short-term lease expense	**13,602**	11,986	**25,688**	25,329
Sublease income	**(1)**	(1)	**(3)**	(3)
Total lease expense from continuing operations	**$ 25,328**	$ 21,578	**$ 47,861**	$ 44,149

8. Goodwill and Other Intangible Assets

The Company tests for goodwill impairment annually, or more frequently if indicators of impairment exist, or if a decision is made to dispose of a business. The Company performs its annual goodwill impairment test as of October 1 and monitors for triggering events on an ongoing basis. During the three months ended June 30, 2022, there was a triggering event due to lower near-term earnings expectations due to the impacts of inflation. As a result, a goodwill impairment charge of $104.6 million was recorded for the Clean Earth reporting unit. This charge had no impact on the Company's cash flows or compliance with debt covenants.

During the six months ended June 30, 2023, the Company determined that there were no events or indicators present that would indicate that it was more-likely-than-not that its reporting units' fair values were less than their carrying amounts, which would require a further interim impairment analysis. However, a continued economic downturn, including continued cost inflation and labor shortages, as well as rising interest rates, could impact the Company's future projected cash flows and discount rates used to estimate fair value, which could result in an impairment charge to any of the Company's reporting units in a future period.

9. Debt and Credit Agreements

Long-term debt consists of the following:

(In thousands)	June 30 2023	December 31 2022
Senior Secured Credit Facilities:		
New Term Loan	**$ 490,000**	$ 492,500
Revolving Credit Facility	**410,000**	370,000
5.75% Senior Notes	**475,000**	475,000
Other financing payable (including finance leases) in varying amounts	**35,323**	26,661
Total debt obligations	**1,410,323**	1,364,161
Less: deferred financing costs	**(13,588)**	(15,172)
Total debt obligations, net of deferred financing costs	**1,396,735**	1,348,989
Less: current maturities of long-term debt	**(14,595)**	(11,994)
Long-term debt	**$ 1,382,140**	$ 1,336,995

The Senior Secured Credit Facilities contain a consolidated net debt to Consolidated Adjusted EBITDA ratio covenant, which is not to exceed 5.50x for the quarter ended June 30, 2023 and through and including the quarter ending December 31, 2023 and then decreasing quarterly until reaching 4.00x on December 31, 2024. The total net leverage ratio covenant applicable to the third quarter of 2024 and earlier is subject to a 0.50x decrease upon divestiture of Rail. The Company's required coverage of consolidated interest charges is set at a minimum of 2.75x through the end of 2024 (subject to an increase to 3.00x upon closing of the divestiture of Rail).

At June 30, 2023, the Company was in compliance with its debt covenants under the Senior Secured Credit Facilities, with a total net debt to Consolidated Adjusted EBITDA ratio of 4.63x and a total interest coverage ratio of 3.01x. The Company believes it will continue to maintain compliance with these covenants based on its current outlook. However, the Company's estimates of compliance with these covenants could change in the future with a continued deterioration in economic conditions, higher than forecasted interest rate increases, the timing of working capital including the collection of receivables or an inability to successfully execute its plans by quarter to realize increased pricing and to implement cost reduction initiatives that substantially mitigate the impacts of inflation and other factors adversely impacting its realized operating margins.

Facility Fees and Debt-Related Income (Expense)

The components of the Condensed Consolidated Statements of Operations caption Facility fees and debt-related income (expense) were as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	2023	2022	2023	2022
Gain on extinguishment of debt	**$ —**	$ 2,254	**$ —**	$ 2,254
Unused debt commitment and amendment fees	**—**	(6)	**(12)**	(538)
Securitization and factoring fees	**(2,730)**	(99)	**(5,081)**	(99)
Facility fees and debt-related income (expense)	**$ (2,730)**	$ 2,149	**$ (5,093)**	$ 1,617

10. Employee Benefit Plans

Defined Benefit Pension Plan Net Periodic Pension Cost (Benefit) (In thousands)	Three Months Ended June 30			
	U.S. Plans		International Plans	
	2023	2022	2023	2022
Service costs	**$ —**	$ —	**$ 308**	$ 417
Interest costs	**2,543**	1,429	**7,538**	4,128
Expected return on plan assets	**(1,750)**	(2,698)	**(7,784)**	(9,720)
Recognized prior service costs	**—**	—	**115**	113
Recognized actuarial losses	**1,150**	1,183	**3,579**	3,313
Defined benefit pension plan net periodic pension cost (benefit)	**$ 1,943**	$ (86)	**$ 3,756**	$ (1,749)

Defined Benefit Pension Plans Net Periodic Pension Cost (Benefit) (In thousands)	Six Months Ended June 30			
	U.S. Plans		International Plans	
	2023	2022	2023	2022
Service costs	**$ —**	$ —	**$ 615**	$ 849
Interest costs	**5,086**	2,858	**14,952**	8,522
Expected return on plan assets	**(3,500)**	(5,397)	**(15,441)**	(20,104)
Recognized prior service costs	**—**	—	**229**	233
Recognized actuarial losses	**2,301**	2,366	**7,098**	6,857
Defined benefit pension plans net periodic pension cost (benefit)	**$ 3,887**	$ (173)	**$ 7,453**	$ (3,643)

Cash contributions to U.S. and international defined benefit pension plans totaled $0.8 million and $15.3 million for the six months ended June 30, 2023, respectively. The Company's estimate of expected cash contributions to be paid during the remainder of 2023 for the U.S. and international defined benefit pension plans is $1.0 million and $8.8 million, respectively.

11. Income Taxes

Income tax expense related to continuing operations for the three and six months ended June 30, 2023 was $10.3 million and $17.2 million, respectively. Income tax benefit related to continuing operations for the three and six months ended June 30, 2022 was $3.1 million and $1.9 million, respectively. The change in the income tax expense for the three and six months ended June 30, 2023 compared with the income tax benefit for the three and six months ended June 30, 2022 is the result of improved business performance in the CE segment, the gain on the relocation of an HE site, the increased disallowed interest expense in the U.S. resulting from higher interest expense on the Company's Senior Secured Credit Facilities, a valuation allowance for a deferred tax asset in a certain foreign entity of $3.7 million, as well as the tax benefit on a portion of the CE goodwill impairment in 2022 not recurring in 2023.

The Company has historically calculated its quarterly tax provision based on its best estimate of the full year tax rate applicable to the quarter. For the three and six months ended June 30, 2023, due to the insignificant amount of pre-tax book loss relative to the size of permanent book-tax differences and a varying net income/(loss) pattern projected for the year, the Company’s tax provision estimate was determined using an actual year-to-date method. In the prior year, the estimate was based on the forecasted full year rate.

The reserve for uncertain tax positions on June 30, 2023 was $4.3 million, including interest and penalties. Within the next twelve months, it is reasonably possible that $1.3 million unrecognized income tax benefits will be recognized upon settlement of tax examinations and the expiration of various statutes of limitations.

12. Commitments and Contingencies

Environmental

The Company is involved in a number of environmental remediation investigations and cleanups and, along with other companies, has been identified as a “potentially responsible party” for certain byproduct disposal sites. While each of these matters is subject to various uncertainties, it is probable that the Company will agree to make payments toward funding certain of these activities, and it is possible that some of these matters will be decided unfavorably to the Company. The Company has evaluated its potential liability and its financial exposure is dependent upon such factors as the continuing evolution of environmental laws and regulatory requirements, the availability and application of technology, the allocation of cost among potentially responsible parties, the years of remedial activity required and the remediation methods selected.

The Company evaluates its liability for future environmental remediation costs on a quarterly basis. Although actual costs to be incurred at identified sites in future periods may vary from the estimates (given inherent uncertainties in evaluating environmental exposures), the Company does not expect that any costs that are reasonably possible to be incurred by the Company in connection with environmental matters in excess of the amounts accrued would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

The following table summarizes information related to the location and undiscounted amount of the Company's environmental liabilities:

(In thousands)	June 30 2023	December 31 2022
Current portion of environmental liabilities (a)	**$ 7,135**	$ 7,120
Long-term environmental liabilities	**26,494**	26,880
Total environmental liabilities	**$ 33,629**	$ 34,000

(a) The current portion of environmental liabilities is included in the caption Other current liabilities on the Condensed Consolidated Balance Sheets.

Legal Proceedings

In the ordinary course of business, the Company is a defendant or party to various claims and lawsuits, including those discussed below. Unless stated otherwise below, the Company has not determined a loss to be probable or estimable for these legal proceedings.

On March 28, 2018, the United States Environmental Protection Agency (the “EPA”) conducted an inspection of ESOL’s off-site waste management facility in Detroit, MI. On November 23, 2021, the EPA proposed a civil penalty of $390,092 as part of a proposed Administrative Consent Order for alleged improper air emissions at the site. The allegations in the proposed Administrative Consent Order and civil penalty relate exclusively to the period prior the Company’s purchase of the ESOL business. The Company and EPA have reached an agreement, in principle, to settle the EPA's claim, and a consent order is expected to be finalized during the three months ended September 30, 2023. The agreement, in principle, includes a payment of $270,000 from the Company, which was recorded as a liability during the quarter ended June 30, 2023. It is possible that part of this obligation may be satisfied through a supplemental environmental project agreed upon by the parties. While it is the Company's position that any loss related to this issue will be recoverable under indemnity rights under the ESOL purchase agreement and representations and warranties insurance policies purchased by the Company, there can be no assurance that the Company's position will ultimately prevail.

On January 27, 2020, the EPA issued a Notice of Potential Liability to the Company, along with several other companies, concerning the Newtown Creek Superfund Site located in Kings and Queens Counties in New York. The Notice alleges certain facilities formerly owned or operated by subsidiaries of the Company may have resulted in the discharge of hazardous substances into Newtown Creek or its Dutch Kills tributary. The site has been subject to CERCLA response activities since approximately 2011. The U.S. EPA expects to propose a sitewide cleanup plan no sooner than 2024 and announced in July 2021 that it would defer its decision on a potential early action response for the lower two miles of the Creek until the sitewide studies are completed. The Company is one of approximately twenty (20) Potentially Responsible Parties ("PRPs") that have received notices, though it is believed other PRPs may exist. The Company vigorously contests the allegations of the Notice and currently does not believe that this matter will have a material effect on the Company’s financial position or results from operations.

On June 25 and 26, 2018, the DTSC conducted a compliance enforcement inspection of ESOL's facility in Rancho Cordova, California, which was then owned by Stericycle, Inc. On February 14, 2020, the DTSC filed an action in the Superior Court for the State of California, Sacramento Division, alleging violations of California's Hazardous Waste Control Law and the facility's hazardous waste permit arising from the inspection. On August 27, 2020, the DTSC issued a Notice of Denial of Hazardous Waste Facility Permit Application, denying the renewal of the facility's hazardous waste permit. The Company has exhausted its legal challenges to the denial of the Hazardous Waste facility permit, and the hazardous waste facility is in the process of closing. The Company continues to utilize the site for non-hazardous waste and is evaluating additional potential alternate uses for the site. The DTSC investigation and compliance issues leading to the compliance tier assignment were ongoing well before the Company's acquisition of the ESOL business, and the Company was aware of the investigation and many of the issues raised in the investigation at the time of the purchase. Accordingly, the Company is indemnified for certain fines and other costs and expenses associated with this matter by Stericycle, Inc. The Company has not accrued any amounts in respect of these alleged violations and cannot estimate the reasonably possible loss or the range of reasonably possible losses that it may incur.

The Company has had ongoing meetings with the SCE over processing salt cakes, a processing byproduct, stored at the Al Hafeerah site. The Company's Bahrain operations that produced the salt cakes has ceased operations. An Environmental Impact Assessment and Technical Feasibility Study for facilities to process the salt cakes was approved by the SCE during the first quarter of 2018. Commissioning of the facilities was completed during the third quarter of 2021 and the processing of the salt cakes has commenced. The Company's current reserve of $5.7 million at June 30, 2023 continues to represent the Company's best estimate of the ultimate costs to be incurred to resolve this matter. The Company continues to evaluate this reserve and any future change in estimated costs which could be material to the Company's results of operations in any one period.

On July 27, 2018, Brazil's Federal and Rio de Janeiro State Public Prosecution Offices (MPF and MPE) filed a Civil Public Action against one of the Company's customers (CSN), the Company's Brazilian subsidiary, the Municipality of Volta Redonda, Brazil, and the Instituto Estadual do Ambiente (local environmental protection agency) seeking the implementation of various measures to limit and reduce the accumulation of customer-owned slag at the site in Brazil. On August 6, 2018 the 3rd Federal Court in Volta Redonda granted the MPF and MPE an injunction against the same parties requiring, among other things, CSN and the Company's Brazilian subsidiary to limit the volume of slag sent to the site. Because the customer owns the site and the slag located on the site, the Company believes that complying with this injunction is the steel producer's responsibility. On March 18, 2019 the Court issued an order fining the Company 5,000 Brazilian reais per day (or approximately $1 thousand per day) and CSN 20,000 Brazilian reais per day (or approximately $4 thousand per day) until the requirements of the injunction are met. On November 1, 2019 the Court issued an additional order increasing the fines assessed to the Company to 25,000 Brazilian reais per day (or approximately $5 thousand per day) and raising the fines assessed to CSN to 100,000 Brazilian reais per day (or approximately $21 thousand per day). The Court also assessed an additional joint fine of 10,000,000 Brazilian reais (or approximately $2.1 million) against CSN and the Company. The Company is appealing the fines and the underlying injunction. Both the Company and CSN continue to have discussions with the Prosecution Offices and governmental authorities on the injunction and the possible resolution of the underlying case. Beginning on March 25, 2022, the Courts entered a series of orders suspending the litigation proceedings as well as the accrual of interest and penalties while the parties discuss a possible resolution of the matter. The Company does not believe that a loss relating to this matter is probable or estimable at this point.

On October 19, 2018, local environmental authorities issued an enforcement action against the Company concerning the Company’s operations at a customer site in Ijmuiden, Netherlands. The enforcement action alleged violations of the Company’s environmental permit at the site, which restricts the release of any visible dust emissions. On January 12, 2022, the Administrative Supreme Court upheld the Company’s challenge of these enforcement actions as they relate to the slag tipping area of the site. As a result, all fines asserted against the Company to date have been invalidated and all fines paid to date have been reimbursed. This order is not appealable. On or about October 14, 2021, the Company received a subpoena and two indictments on this matter before the Amsterdam District Court in the Netherlands. The Amsterdam Public Prosecutor’s Office issued the two indictments against the Company, alleging violations in connection with dust releases and/or events alleged to have occurred in 2018 through May 2020 at the site. The action cites provisions which permit fines for the alleged infractions and seeks €100,000 in fines with a smaller amount held in abeyance. On February 2, 2022, the prosecutor announced that they would further investigate residents’ claims related to this matter. On February 25, 2022, the Amsterdam District Court ruled that the Company was liable for only one alleged violation and that this alleged violation was unintentional. The court issued a fine of €5,000, to be held in abeyance. Both the Company and the Public Prosecutor’s Office have appealed this ruling. The Company is vigorously contesting all allegations against it and is also working with its customer to ensure the control of emissions. The Company has contractual indemnity rights from its customer that it believes will substantially cover any fines or penalties.

On November 5, 2020, a worker suffered a fatal injury at a site owned by the Company’s customer, Gerdau Ameristeel US, Inc., in Midlothian, TX. Although the Company was not directly involved in the accident, the worker was employed by a sub-contractor of a sub-contractor of the Company. The worker’s family filed suit in the 125th Judicial District Court of Harris County, TX against multiple parties, including the Company, seeking monetary damages. On May 11, 2023, the parties completed a formal settlement agreement, settling the claims brought by the worker's family. The Company paid its insurance deductible of $5.0 million and has recorded an indemnification receivable from its customer for the recovery of certain losses based upon the contractual indemnity rights. There can be no assurances that the Company's position will ultimately prevail; however, any financial statement impact is not expected to be material.

On March 22, 2022, the EPA issued a Notice of Intent to File an Administrative Complaint (NOI) alleging violations of the federal Emergency Planning and Community Right-to-Know Act at the Company’s facilities in Tacoma, WA and Kent, WA. The NOI relates exclusively or almost exclusively to the period when Stericycle owned and operated the sites. The NOI proposes a penalty of $3,000,000. The Company is currently reviewing the veracity of the allegations and the corresponding proposed penalty amount and has recorded a liability of $600,000 as its best estimate to resolve this matter. While it is the Company’s position that it has recourse for some or all liabilities, if any, that arise from this matter under the ESOL purchase agreement and representations and warranties insurance policies purchased by the Company, there can be no assurances that the Company’s position will ultimately prevail.

On March 21, 2022, the Company received a draft penalty matrix from the PA DEP concerning alleged reporting, monitoring and related issues at the Company’s Hatfield, PA site prior to the time the Company acquired the site from Stericycle, Inc. The draft penalty matrix proposed a penalty of $1,000,000. On June 29, 2022, the PA DEP issued a draft Consent Assessment of Civil Penalty ("CACP") related to the alleged issues at the site. The Company and PA DEP entered into a CACP on November 9, 2022, settling the PA DEP's claims for $239,500, which was recorded as a liability.

DEA Investigation

Prior to the Company’s acquisition of ESOL, Stericycle, Inc. notified the Company that the DEA had served an administrative subpoena on Stericycle, Inc. and executed a search warrant at a facility in Rancho Cordova, California and an administrative inspection warrant at a facility in Indianapolis, Indiana. The Company has determined that the DEA and the DTSC have launched investigations involving, at least in part, the ESOL business of collecting, transporting, and destroying controlled substances from retail customers that transferred from Stericycle, Inc. to the Company. The Company is cooperating with these inquiries, which relate primarily to the period before the Company owned the ESOL business. Since the acquisition of the ESOL business, the Company has performed a vigorous review of ESOL’s compliance program related to controlled substances and has made material changes to the manner in which controlled substances are transported from retail customers to DEA-registered facilities for destruction. Pursuant to an agreement with Stericyle, the Company has contractual recourse for any material loss the Company has determined is reasonably possible. The Company has not accrued any amounts in respect of these investigations and does not believe a loss is reasonably possible.

Brazilian Tax Disputes
The Company is involved in a number of tax disputes with federal, state and municipal tax authorities in Brazil. These disputes are at various stages of the legal process, including the administrative review phase and the collection action phase, and include assessments of fixed amounts of principal and penalties, plus interest charges that increase at statutorily determined amounts per month and are assessed on the aggregate amount of the principal and penalties. In addition, the losing party, at the collection action or court of appeals phase, could be subject to a charge to cover statutorily mandated legal fees, which are generally calculated as a percentage of the total assessed amounts due, inclusive of penalty and interest. Many of the claims relate to ICMS, services and social security tax disputes. The largest proportion of the assessed amounts relate to ICMS claims filed by the SPRA, encompassing the period from January 2002 to May 2005.

In October 2009, the Company received notification of the SPRA’s final administrative decision regarding the levying of ICMS in the State of São Paulo in relation to services provided to a customer in the State between January 2004 and May 2005. As of June 30, 2023 the principal amount of the tax assessment from the SPRA with regard to this case is approximately $1.3 million, with penalty, interest and fees assessed to date increasing such amount by an additional $18.7 million. On June 4, 2018, the Appellate Court of the State of Sao Paulo ruled in favor of the SPRA but ruled that the assessed penalty should be reduced to approximately $1.3 million. After calculating the interest accrued on the penalty, the Company estimates that this ruling reduces the current overall potential liability for this case to approximately $7.6 million. All such amounts include the effect of foreign currency translation. The Company has appealed the ruling in favor of the SPRA to the Superior Court of Justice. Due to multiple court precedents in the Company’s favor, as well as the Company’s ability to appeal, the Company does not believe a loss is probable.

Another ICMS tax case involving the SPRA refers to the tax period from January 2002 to December 2003. In December 2018, the administrative tribunal hearing the case upheld the Company's liability. The aggregate amount assessed by the tax authorities in August 2005 was $5.2 million (the amounts with regard to this claim are valued as of the date of the assessment since it has not yet reached the collection phase), composed of a principal amount of $1.2 million, with penalty and interest assessed through that date increasing such amount by an additional $4.0 million. On December 6, 2018, the administrative tribunal reduced the applicable penalties to $0.9 million. After calculating the interest accrued on the current penalty, the Company estimates that the current overall liability for this case to be approximately $5.8 million. All such amounts include the effect of foreign currency translation. The Company has appealed to the judicial phase at the Third Trial Court of the District of Cubatão, State of São Paulo. On October 14, 2022, the District Court issued a decision holding that the Company is not liable for the taxes at issue. The SPRA appealed this decision on December 28, 2022 and this appeal is pending review by the Appellate Court of the State of São Paulo. Due to multiple court precedents in the Company's favor, the Company does not believe a loss is probable.

The Company continues to believe that sufficient coverage for these claims exists as a result of the indemnification obligations of the Company's customer and such customer’s pledge of assets in connection with the October 2009 notice, as required by Brazilian law.

On December 30, 2020, the Company received an assessment from the municipal authority in Ipatinga, Brazil alleging $2.2 million in unpaid service taxes from the period 2015 to 2020. After calculating the interest and penalties accrued, the Company estimates that the current overall potential liability for this case to be approximately $3.7 million. On January 18, 2021, the Company filed a challenge to the assessment. Due to the multiple defenses that are available, the Company does not believe a loss is probable.

The Company intends to continue its practice of vigorously defending itself against these tax claims under various alternatives, including judicial appeal. The Company will continue to evaluate its potential liability with regard to these claims on a quarterly basis; however, it is not possible to predict the ultimate outcome of these tax-related disputes in Brazil. No loss provision has been recorded in the Company's condensed consolidated financial statements for the disputes described above because the loss contingency is not deemed probable, and the Company does not expect that any costs that are reasonably possible to be incurred by the Company in connection with Brazilian tax disputes would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Other
The Company is named as one of many defendants (approximately 90 or more in most cases) in legal actions in the U.S. alleging personal injury from exposure to airborne asbestos over the past several decades. In their suits, the plaintiffs have named as defendants, among others, many manufacturers, distributors and installers of numerous types of equipment or products that allegedly contained asbestos.

The Company believes that the claims against it are without merit. The Company has never been a producer, manufacturer or processor of asbestos fibers. Any asbestos-containing part of a Company product used in the past was purchased from a supplier and the asbestos encapsulated in other materials such that airborne exposure, if it occurred, was not harmful and is not associated with the types of injuries alleged in the pending actions.

At June 30, 2023, there were 17,259 pending asbestos personal injury actions filed against the Company. Of those actions, 16,602 were filed in the New York Supreme Court (New York County), 115 were filed in other New York State Supreme Court Counties and 542 were filed in courts located in other states.

The complaints in most of those actions generally follow a form that contains a standard damages demand of $20 million or $25 million, regardless of the individual plaintiff's alleged medical condition, and without identifying any specific Company product.

At June 30, 2023, 16,549 of the actions filed in New York Supreme Court (New York County) were on the Deferred/Inactive Docket created by the court in December 2002 for all pending and future asbestos actions filed by persons who cannot demonstrate that they have a malignant condition or discernible physical impairment. The remaining 53 cases in New York County are pending on the Active or In Extremis Docket created for plaintiffs who can demonstrate a malignant condition or physical impairment.

The Company has liability insurance coverage under various primary and excess policies that the Company believes will be available, if necessary, to substantially cover any liability that might ultimately be incurred in the asbestos actions referred to above. The costs and expenses of the asbestos actions are being paid by the Company's insurers.

In view of the persistence of asbestos litigation in the U.S., the Company expects to continue to receive additional claims in the future. The Company intends to continue its practice of vigorously defending these claims and cases. At June 30, 2023, the Company has obtained dismissal in approximately 28,432 cases by stipulation or summary judgment prior to trial.

It is not possible to predict the ultimate outcome of asbestos-related actions in the U.S. due to the unpredictable nature of this litigation, and no loss provision has been recorded in the Company's condensed consolidated financial statements because a loss contingency is not deemed probable or estimable. Despite this uncertainty, and although results of operations and cash flows for a given period could be adversely affected by asbestos-related actions, the Company does not expect that any costs that are reasonably possible to be incurred by the Company in connection with asbestos litigation would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

The Company is subject to various other claims and legal proceedings covering a wide range of matters that arose in the ordinary course of business. In the opinion of management, all such matters are adequately covered by insurance or by established reserves, and, if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a material adverse effect on the financial position, results of operations or cash flows of the Company.

Insurance reserves are recorded when it is probable that a liability has been incurred for a particular event and the amount of loss associated with the event can be reasonably estimated. Self-insurance reserves have been estimated based primarily upon actuarial calculations and reflect the undiscounted estimated liabilities for ultimate losses, including claims incurred but not reported. Inherent in these estimates are assumptions that are based on the Company's history of claims and losses, a detailed analysis of existing claims with respect to potential value, and current legal and legislative trends. If actual claims differ from those projected by management, changes (either increases or decreases) to insurance reserves may be required and would be recorded through income in the period the change was determined. When a recognized liability has been determined to be covered by third-party insurance, the Company records an insurance claim receivable to reflect the covered liability. Insurance claim receivables are included in Other receivables on the Company's Condensed Consolidated Balance Sheets. See Note 1, Summary of Significant Accounting Policies, to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 for additional information on Accrued insurance and loss reserves.

13. Reconciliation of Basic and Diluted Shares

(In thousands, except per share amounts)	Three Months Ended June 30		Six Months Ended June 30	
	2023	2022	2023	2022
Income (loss) from continuing operations attributable to Enviri Corporation common stockholders	**$ (14,208)**	$ (106,700)	**$ (23,765)**	$ (114,033)
Weighted-average shares outstanding:				
Weighted-average shares outstanding - basic	**79,816**	79,509	**79,725**	79,437
Dilutive effect of stock-based compensation	**—**	—	**—**	—
Weighted-average shares outstanding - diluted	**79,816**	79,509	**79,725**	79,437
Earnings (loss) from continuing operations per common share, attributable to Enviri Corporation common stockholders:				
Basic	**$ (0.18)**	$ (1.34)	**$ (0.30)**	$ (1.44)
Diluted	**$ (0.18)**	$ (1.34)	**$ (0.30)**	$ (1.44)

The following average outstanding stock-based compensation units were not included in the computation of diluted earnings per share because the effect was either antidilutive or the market conditions for the performance share units were not met:

(In thousands)	Three Months Ended June 30		Six Months Ended June 30	
	2023	2022	2023	2022
Restricted stock units	**1,023**	797	**1,012**	811
Stock appreciation rights	**2,429**	2,193	**2,451**	2,422
Performance share units	**1,411**	1,128	**1,402**	1,177

14. Derivative Instruments, Hedging Activities and Fair Value

Derivative Instruments and Hedging Activities

The Company uses derivative instruments, including foreign currency exchange forward contracts and interest rate swaps to manage certain foreign currency and interest rate exposures. Derivative instruments are viewed as risk management tools by the Company and are not used for trading or speculative purposes. All derivative instruments are recorded on the Company's Condensed Consolidated Balance Sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows, or other types of forecasted transactions, are considered cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the earnings effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain of its risks, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

The Company primarily applies the market approach for recurring fair value measurements and endeavors to utilize the best available information. Accordingly, the Company utilizes valuation techniques that maximize the use of observable inputs, such as forward rates, interest rates, the Company's credit risk and counterparties' credit risks, and which minimize the use of unobservable inputs. The Company is able to classify fair value balances based on the ability to observe those inputs. Foreign currency exchange forward contracts and interest rate swaps are based upon pricing models using market-based inputs (Level 2). Model inputs can be verified and valuation techniques do not involve significant management judgment.

The fair value of outstanding derivative contracts recorded as assets and liabilities on the Company's Condensed Consolidated Balance Sheets was as follows:

(In thousands)	Balance Sheet Location	Fair Value of Derivatives Designated as Hedging Instruments	Fair Value of Derivatives Not Designated as Hedging Instruments	Total Fair Value
June 30, 2023				
Asset derivatives (Level 2):				
Foreign currency exchange forward contracts	Other current assets	**$ 34**	**$ 4,295**	**$ 4,329**
Interest rate swaps	Other current assets	**3,110**	**—**	**3,110**
Total		**$ 3,144**	**$ 4,295**	**$ 7,439**
Liability derivatives (Level 2):				
Foreign currency exchange forward contracts	Other current liabilities	**$ 753**	**$ 2,964**	**$ 3,717**
Interest rate swaps	Other liabilities	**710**	**—**	**710**
Total		**$ 1,463**	**$ 2,964**	**$ 4,427**
December 31, 2022				
Asset derivatives (Level 2):				
Foreign currency exchange forward contracts	Other current assets	$ 1,042	$ 2,154	$ 3,196
Total		$ 1,042	$ 2,154	$ 3,196
Liability derivatives (Level 2):				
Foreign currency exchange forward contracts	Other current liabilities	$ 577	$ 4,796	$ 5,373
Total		$ 577	$ 4,796	$ 5,373

All of the Company's derivatives are recorded on the Condensed Consolidated Balance Sheets at gross amounts and do not offset. All of the Company's interest rate swaps and certain foreign currency exchange forward contracts are transacted under ISDA documentation. Each ISDA master agreement permits the net settlement of amounts owed in the event of default. The Company's derivative assets and liabilities subject to enforceable master netting arrangements, if offset, would have resulted in a net asset of $0.5 million and a net liability of $0.1 million at June 30, 2023 and December 31, 2022, respectively.

The effect of derivative instruments on the Company's Condensed Consolidated Statements of Comprehensive Income (Loss) was as follows:

Derivatives Designated as Hedging Instruments

	Amount Recognized in OCI on Derivatives		Amount Reclassified from AOCI into Income - Effective Portion or Equity	
	Three Months Ended June 30		Three Months Ended June 30	
(In thousands)	2023	2022	2023	2022
Foreign currency exchange forward contracts	**$ (438)**	$ 957	**$ 866**	$ (998)
Interest rate swaps	**6,152**	—	**(617)**	1,061
	$ 5,714	$ 957	**$ 249**	$ 63

	Amount Recognized in OCI on Derivatives		Amount Reclassified from AOCI into Income - Effective Portion or Equity	
	Six Months Ended June 30		Six Months Ended June 30	
(In thousands)	2023	2022	2023	2022
Foreign currency exchange forward contracts	**$ (1,121)**	$ 1,966	**$ 1,277**	$ (1,586)
Interest rate swaps	**3,265**	—	**(865)**	2,111
	$ 2,144	$ 1,966	**$ 412**	$ 525

The location and amount of gain (loss) recognized on the Company's Condensed Consolidated Statements of Operations was as follows:

	Three Months Ended June 30			
	2023		2022	
(In thousands)	Interest Expense	Income (Loss) from Discontinued Businesses	Interest Expense	Income (Loss) from Discontinued Businesses
Total amounts in the Condensed Consolidated Statement of Operations in which the effects of derivatives designated as hedging instruments are recorded	**$ (25,724)**	**$ 7,556**	$ (16,692)	$ 1,879
Interest rate swaps:				
Gain or (loss) reclassified from AOCI into income	**617**	**—**	(1,061)	—
Amount recognized in earnings due to ineffectiveness	**—**	**—**	720	—
Foreign exchange contracts:				
Gain or (loss) reclassified from AOCI into income	**—**	**(866)**	—	998

	Six Months Ended June 30			
	2023		2022	
(In thousands)	Interest Expense	Income (Loss) from Discontinued Businesses	Interest Expense	Income (Loss) from Discontinued Businesses
Total amounts in the Condensed Consolidated Statement of Operations in which the effects of derivatives designated as hedging instruments are recorded	**$ (50,052)**	**$ 8,175**	$ (31,784)	$ (37,218)
Interest rate swaps:				
Gain or (loss) reclassified from AOCI into income	**865**	**—**	(2,111)	—
Amount recognized in earnings due to ineffectiveness	**—**	**—**	1,611	—
Foreign exchange contracts:				
Gain or (loss) reclassified from AOCI into income	**—**	**(1,277)**	—	1,586

Derivatives Not Designated as Hedging Instruments

		Amount of Gain (Loss) Recognized in Income on Derivatives [(a)]			
		Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	Location of Gain (Loss) Recognized in Income on Derivatives	2023	2022	2023	2022
Foreign currency exchange forward contracts	Cost of services and products sold	**$ 4,862**	$ 18,234	**$ 1,565**	$ 22,072

(a) These gains (losses) offset amounts recognized in cost of services and products sold principally as a result of intercompany or third party foreign currency exposures.

Foreign Currency Exchange Forward Contracts

The Company conducts business in multiple currencies and, accordingly, is subject to the inherent risks associated with foreign exchange rate movements. Foreign currency-denominated assets and liabilities are translated into U.S. dollars at the exchange rates existing at the respective consolidated balance sheet dates, and income and expense items are translated at the average exchange rates during the respective periods.

The Company uses derivative instruments to hedge cash flows related to foreign currency fluctuations. Foreign currency exchange forward contracts outstanding are part of a worldwide program to minimize foreign currency exchange operating income and balance sheet exposure by offsetting foreign currency exposures of certain future payments between the Company and various subsidiaries, suppliers or customers. The unsecured contracts are with major financial institutions. The Company may be exposed to credit loss in the event of non-performance by the contract counterparties. The Company evaluates the creditworthiness of the counterparties and does not expect default by them. Foreign currency exchange forward contracts are used to hedge commitments, such as foreign currency debt, firm purchase commitments and foreign currency cash flows for certain export sales transactions.

Changes in the fair value of derivatives used to hedge foreign currency denominated balance sheet items are reported directly in earnings, along with offsetting transaction gains and losses on the items being hedged. Derivatives used to hedge forecasted cash flows associated with foreign currency commitments may be accounted for as cash flow hedges, as deemed appropriate, if the criteria for hedge accounting are met. Gains and losses on derivatives designated as cash flow hedges are deferred in AOCI, a separate component of equity, and reclassified to earnings in a manner that matches the timing of the earnings impact of the hedged transactions. The ineffective portion of all hedges, if any, is recognized currently in earnings.

The recognized gains and losses offset amounts recognized in cost of services and products sold principally as a result of intercompany or third-party foreign currency exposures. At June 30, 2023 and December 31, 2022, the notional amounts of foreign currency exchange forward contracts were $588.6 million and $573.8 million, respectively. These contracts are primarily denominated in British Pound Sterling and Euros and mature through 2025.

In addition to foreign currency exchange forward contracts, the Company designates certain loans as hedges of net investments in international subsidiaries. The Company recorded pre-tax net gains of $1.1 million and $1.5 million for the three months and six months ended ended June 30, 2023 and pre-tax net losses of $0.6 million and $1.2 million for the three months and six months ended ended June 30, 2022, respectively, in AOCI.

Interest Rate Swaps

The Company uses interest rate swaps in conjunction with certain variable rate debt issuances in order to secure a fixed interest rate. Changes in the fair value attributed to the effect of the swaps' interest spread and changes in the credit worthiness of the counter-parties are recorded in AOCI and are reclassified into income as interest payments are made.

The Company had a series of interest rate swaps that matured in 2022 and had the effect of converting $200.0 million of the Term Loan Facility from floating-rate to fixed-rate. The fixed rates provided by the swaps replaced the adjusted LIBOR rate in the interest calculation to 3.12% for 2022.

In the first quarter of 2023, the Company entered into a new series of interest rate swaps with a scheduled maturity of December 2025. The swaps have the effect of converting $300.0 million of the New Term Loan from a floating interest rate to a fixed interest rate and are classified as cash flow hedges. The fixed rates provided by these swaps, ranging from 4.17% to 4.21%, replace the adjusted SOFR rate in the interest calculation.

Fair Value of Other Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities and short-term borrowings approximate fair value due to the short-term maturities of these assets and liabilities. At June 30, 2023 and December 31, 2022, the total fair value of long-term debt and current maturities (excluding deferred financing costs) was $1,337.2 million and $1,227.6 million, respectively, compared with a carrying value of $1,410.3 million and $1,364.2 million, respectively. Fair values for debt are based on pricing models using market-based inputs (Level 2) for similar issues or on the current rates offered to the Company for debt of the same remaining maturities.

15. Review of Operations by Segment

(In thousands)	Three Months Ended June 30 2023	Three Months Ended June 30 2022	Six Months Ended June 30 2023	Six Months Ended June 30 2022
Revenues From Continuing Operations				
Harsco Environmental	**$ 289,593**	$ 277,599	**$ 562,782**	$ 539,650
Clean Earth	**230,575**	203,453	**453,039**	394,199
Total Revenues From Continuing Operations	**$ 520,168**	$ 481,052	**$ 1,015,821**	$ 933,849
Operating Income (Loss) From Continuing Operations				
Harsco Environmental	**$ 12,733**	$ 23,547	**$ 35,018**	$ 41,814
Clean Earth	**23,034**	(111,668)	**39,505**	(112,965)
Corporate	**(11,452)**	(8,882)	**(21,203)**	(18,104)
Total Operating Income (Loss) From Continuing Operations	**$ 24,315**	$ (97,003)	**$ 53,320**	$ (89,255)
Depreciation				
Harsco Environmental	**$ 28,354**	$ 27,467	**$ 55,914**	$ 55,539
Clean Earth	**5,547**	4,536	**10,474**	9,637
Corporate	**556**	460	**1,108**	891
Total Depreciation	**$ 34,457**	$ 32,463	**$ 67,496**	$ 66,067
Amortization				
Harsco Environmental	**$ 1,008**	$ 1,714	**$ 2,007**	$ 3,542
Clean Earth	**6,113**	6,131	**12,142**	12,206
Corporate (a)	**946**	636	**1,883**	1,319
Total Amortization	**$ 8,067**	$ 8,481	**$ 16,032**	$ 17,067
Capital Expenditures				
Harsco Environmental	**$ 38,540**	$ 23,585	**$ 55,091**	$ 48,375
Clean Earth	**4,974**	3,550	**9,804**	10,246
Corporate	**110**	1,172	**210**	2,138
Total Capital Expenditures	**$ 43,624**	$ 28,307	**$ 65,105**	$ 60,759

(a) Amortization expense on Corporate relates to the amortization of deferred financing costs.

Reconciliation of Segment Operating Income to Income (Loss) From Continuing Operations Before Income Taxes and Equity Income

(In thousands)	Three Months Ended June 30 2023	Three Months Ended June 30 2022	Six Months Ended June 30 2023	Six Months Ended June 30 2022
Segment operating income (loss)	**$ 35,767**	$ (88,121)	**$ 74,523**	$ (71,151)
General Corporate expense	**(11,452)**	(8,882)	**(21,203)**	(18,104)
Operating income (loss) from continuing operations	**24,315**	(97,003)	**53,320**	(89,255)
Interest income	**1,567**	693	**3,022**	1,337
Interest expense	**(25,724)**	(16,692)	**(50,052)**	(31,784)
Facility fees and debt-related income (expense)	**(2,730)**	2,149	**(5,093)**	1,617
Defined benefit pension income	**(5,407)**	2,247	**(10,742)**	4,657
Income (loss) from continuing operations before income taxes and equity income	**$ (7,979)**	$ (108,606)	**$ (9,545)**	$ (113,428)

16. Revenues

The Company recognizes revenues to depict the transfer of promised services and products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services and products. Revenues from continuing operations include service revenues from HE and CE and product revenues from HE. Revenue from the Rail business is included in Income (loss) from discontinued businesses.

A summary of the Company's revenues by primary geographical markets as well as by key product and service groups is as follows:

(In thousands)	Three Months Ended June 30, 2023 Harsco Environmental Segment	Three Months Ended June 30, 2023 Clean Earth Segment	Three Months Ended June 30, 2023 Consolidated Totals
Primary Geographical Markets (a):			
North America	$ 81,616	$ 230,575	$ 312,191
Western Europe	107,318	—	107,318
Latin America (b)	42,180	—	42,180
Asia-Pacific	32,339	—	32,339
Middle East and Africa	21,117	—	21,117
Eastern Europe	5,023	—	5,023
Total Revenues	$ 289,593	$ 230,575	$ 520,168
Key Product and Service Groups:			
Environmental services related to resource recovery for metals manufacturing and related logistical services	$ 242,638	$ —	$ 242,638
Ecoproducts	40,504	—	40,504
Environmental systems for aluminum dross and scrap processing	6,451	—	6,451
Hazardous waste processing solutions	—	197,506	197,506
Soil and dredged materials processing and reuse solutions	—	33,069	33,069
Total Revenues	$ 289,593	$ 230,575	$ 520,168

(In thousands)	Three Months Ended June 30, 2022 Harsco Environmental Segment	Three Months Ended June 30, 2022 Clean Earth Segment	Three Months Ended June 30, 2022 Consolidated Totals
Primary Geographical Markets (a):			
North America	$ 80,709	$ 203,453	$ 284,162
Western Europe	99,591	—	99,591
Latin America (b)	39,202	—	39,202
Asia-Pacific	31,950	—	31,950
Middle East and Africa	20,762	—	20,762
Eastern Europe	5,385	—	5,385
Total Revenues	$ 277,599	$ 203,453	$ 481,052
Key Product and Service Groups:			
Environmental services related to resource recovery for metals manufacturing and related logistical services	$ 236,165	$ —	$ 236,165
Ecoproducts	38,083	—	38,083
Environmental systems for aluminum dross and scrap processing	3,351	—	3,351
Hazardous waste processing solutions	—	170,817	170,817
Soil and dredged materials processing and reuse solutions	—	32,636	32,636
Total Revenues	$ 277,599	$ 203,453	$ 481,052

(In thousands)	Six Months Ended June 30, 2023 Harsco Environmental Segment	Six Months Ended June 30, 2023 Clean Earth Segment	Six Months Ended June 30, 2023 Consolidated Totals
Primary Geographical Markets (a):			
North America	$ 160,089	$ 453,039	$ 613,128
Western Europe	208,704	—	208,704
Latin America (b)	83,135	—	83,135
Asia-Pacific	61,300	—	61,300
Middle East and Africa	39,522	—	39,522
Eastern Europe	10,032	—	10,032
Total Revenues	$ 562,782	$ 453,039	$ 1,015,821

(In thousands)	Six Months Ended June 30, 2023 Harsco Environmental Segment	Clean Earth Segment	Consolidated Totals
Key Product and Service Groups:			
Environmental services related to resource recovery for metals manufacturing and related logistical services	**$ 471,999**	**$ —**	**$ 471,999**
Ecoproducts	**78,906**	**—**	**78,906**
Environmental systems for aluminum dross and scrap processing	**11,877**	**—**	**11,877**
Hazardous waste processing solutions	**—**	**383,618**	**383,618**
Soil and dredged materials processing and reuse solutions	**—**	**69,421**	**69,421**
Total Revenues	**$ 562,782**	**$ 453,039**	**$ 1,015,821**

(In thousands)	Six Months Ended June 30, 2022 Harsco Environmental Segment	Clean Earth Segment	Consolidated Totals
Primary Geographical Markets (a)**:**			
North America	$ 151,788	$ 394,199	$ 545,987
Western Europe	201,670	—	201,670
Latin America (b)	75,007	—	75,007
Asia-Pacific	60,018	—	60,018
Middle East and Africa	40,648	—	40,648
Eastern Europe	10,519	—	10,519
Total Revenues	$ 539,650	$ 394,199	$ 933,849
Key Product and Service Groups:			
Environmental services related to resource recovery for metals manufacturing and related logistical services	$ 463,854	$ —	$ 463,854
Ecoproducts	70,048	—	70,048
Environmental systems for aluminum dross and scrap processing	5,748	—	5,748
Hazardous waste processing solutions	—	329,824	329,824
Soil and dredged materials processing and reuse solutions	—	64,375	64,375
Total Revenues	$ 539,650	$ 394,199	$ 933,849

(a) Revenues are attributed to individual countries based on the location of the facility generating the revenue.
(b) Includes Mexico.

The Company may receive payments in advance of earning revenue (advances on contracts), which are included in Other current liabilities and Other liabilities on the Condensed Consolidated Balance Sheets. The Company may recognize revenue in advance of being able to contractually invoice the customer (contract assets), which is included in Other current assets and Other assets on the Condensed Consolidated Balance Sheets. Contract assets are transferred to Trade accounts receivable, net, when the right to payment becomes unconditional. Contract assets and advances on contracts are reported as a net position, on a contract-by-contract basis, at the end of each reporting period.

The Company had contract assets totaling $5.3 million at both June 30, 2023 and December 31, 2022. The Company had advances on contracts totaling $5.2 million and $6.8 million at June 30, 2023 and December 31, 2022, respectively. During the three and six months ended June 30, 2023, the Company recognized $2.2 million and $5.5 million, respectively, of revenue related to amounts previously included in advances on contracts. During the three and six months ended June 30, 2022, the Company recognized $7.7 million and $10.5 million, respectively, of revenue related to amounts previously included in advances on contracts.

At June 30, 2023, HE had remaining, fixed, unsatisfied performance obligations where the expected contract duration exceeds one year totaling $66.6 million. Of this amount, $20.8 million is expected to be fulfilled by June 30, 2024, $20.6 million by June 30, 2025, $12.4 million by June 30, 2026, $6.2 million by June 30, 2027 and the remainder thereafter. These amounts exclude any variable fees, fixed fees subject to indexation and any performance obligations expected to be satisfied within one year.

17. Other (Income) Expenses, Net

The major components of this Condensed Consolidated Statements of Operations caption were as follows:

(In thousands)	Three Months Ended June 30 2023	Three Months Ended June 30 2022	Six Months Ended June 30 2023	Six Months Ended June 30 2022
Employee termination benefit costs	**$ 120**	$ 605	**$ 654**	$ 297
Other costs (income) for exit activities [a]	**(2,353)**	477	**(8,560)**	1,058
Impaired asset write-downs	**—**	296	**—**	355
Net gains	**—**	(92)	**(230)**	(1,904)
Other	**10**	759	**(238)**	1,060
Other (income) expenses, net	**$ (2,223)**	$ 2,045	**$ (8,374)**	$ 866

(a) Includes a $3.0 million and $9.8 million net gain recognized related to a lease modification during the three and six months ended June 30, 2023, respectively, that resulted in lease incentive for the Company to relocate an HE site prior to the end of the expected lease term.

18. Components of Accumulated Other Comprehensive Loss

AOCI is included on the Condensed Consolidated Statements of Stockholders' Equity. The components of AOCI, net of the effect of income taxes, and activity for the six months ended June 30, 2022 and 2023 were as follows:

	Components of AOCI, Net of Tax				
(In thousands)	Cumulative Foreign Exchange Translation Adjustments	Effective Portion of Derivatives Designated as Hedging Instruments	Cumulative Unrecognized Actuarial Losses on Pension Obligations	Unrealized Gain (Loss) on Marketable Securities	Total
Balance at December 31, 2021	$ (134,889)	$ (3,024)	$ (422,248)	$ 22	$ (560,139)
OCI before reclassifications	(61,493) (a)	1,692 (b)	33,697 (a)	(13)	(26,117)
Amounts reclassified from AOCI, net of tax	—	168	8,831	—	8,999
Total OCI	(61,493)	1,860	42,528	(13)	(17,118)
Less: OCI attributable to noncontrolling interests	3,385	—	—	—	3,385
OCI attributable to Enviri Corporation	(58,108)	1,860	42,528	(13)	(13,733)
Balance at June 30, 2022	$ (192,997)	$ (1,164)	$ (379,720)	$ 9	$ (573,872)

	Components of AOCI, Net of Tax				
(In thousands)	Cumulative Foreign Exchange Translation Adjustments	Effective Portion of Derivatives Designated as Hedging Instruments	Cumulative Unrecognized Actuarial Losses on Pension Obligations	Unrealized Gain (Loss) on Marketable Securities	Total
Balance at December 31, 2022	$ (213,104)	$ 157	$ (354,699)	$ 10	$ (567,636)
OCI before reclassifications	23,035 (a)	1,554 (b)	(12,405) (a)	6	12,190
Amounts reclassified from AOCI, net of tax	—	320	9,043	—	9,363
Total OCI	23,035	1,874	(3,362)	6	21,553
Less: OCI attributable to noncontrolling interests	1,477	—	—	—	1,477
OCI attributable to Enviri Corporation	24,512	1,874	(3,362)	6	23,030
Balance at June 30, 2023	**$ (188,592)**	**$ 2,031**	**$ (358,061)**	**$ 16**	**$ (544,606)**

(a) Principally foreign currency fluctuation.
(b) Net change from periodic revaluations.

Amounts reclassified from AOCI were as follows:

(In thousands)	Three Months Ended June 30 2023	Three Months Ended June 30 2022	Six Months Ended June 30 2023	Six Months Ended June 30 2022	Location on the Condensed Consolidated Statements of Operations
Amortization of cash flow hedging instruments:					
Foreign currency exchange forward contracts	**$ 866**	$ (998)	**$ 1,277**	$ (1,586)	Income (loss) from discontinued businesses
Interest rate swaps	**(617)**	1,061	**(865)**	2,111	Interest expense
Total before taxes	**249**	63	**412**	525	
Income taxes	**(53)**	(233)	**(92)**	(357)	
Total reclassification of cash flow hedging instruments, net of tax	**$ 196**	$ (170)	**$ 320**	$ 168	
Amortization of defined benefit pension items (c):					
Actuarial losses	**$ 4,729**	$ 4,496	**$ 9,399**	$ 9,223	Defined benefit pension income (expense)
Prior service costs	**115**	113	**229**	233	Defined benefit pension income (expense)
Total before taxes	**4,844**	4,609	**9,628**	9,456	
Income taxes	**(293)**	(312)	**(585)**	(625)	
Total reclassification of defined benefit pension items, net of tax	**$ 4,551**	$ 4,297	**$ 9,043**	$ 8,831	

(c) These AOCI components are included in the computation of net periodic pension costs. See Note 10, Employee Benefit Plans, for additional details.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the accompanying unaudited condensed consolidated financial statements as well as the audited consolidated financial statements of the Company, including the notes thereto, included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 which includes additional information about the Company’s critical accounting policies, contractual obligations, practices and the transactions that support the financial results, and provides a more comprehensive summary of the Company’s outlook, trends and strategies for 2023 and beyond.

Certain amounts included in Item 2 of this Quarterly Report on Form 10-Q are rounded in millions and all percentages are calculated based on actual amounts. As a result, minor differences may exist due to rounding.

Forward-Looking Statements

The nature of the Company's business, together with the number of countries in which it operates, subject it to changing economic, competitive, regulatory and technological conditions, risks and uncertainties. In accordance with the "safe harbor" provisions of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, the Company provides the following cautionary remarks regarding important factors that, among others, could cause future results to differ materially from the results contemplated by forward-looking statements, including the expectations and assumptions expressed or implied herein. Forward-looking statements contained herein could include, among other things, statements about management's confidence in and strategies for performance; expectations for new and existing products, technologies and opportunities and expectations regarding growth, sales, cash flows, and earnings. Forward-looking statements can be identified by the use of such terms as "may," "could," "expect," "anticipate," "intend," "believe," "likely," "estimate," "outlook," "plan" or other comparable terms.

Factors that could cause actual results to differ, perhaps materially, from those implied by forward-looking statements include, but are not limited to: (1) changes in the worldwide business environment in which the Company operates, including changes in general economic conditions or health conditions; (2) changes in currency exchange rates, interest rates, commodity and fuel costs and capital costs; (3) changes in the performance of equity and bond markets that could affect, among other things, the valuation of the assets in the Company's pension plans and the accounting for pension assets, liabilities and expenses; (4) changes in governmental laws and regulations, including environmental, occupational health and safety, tax and import tariff standards and amounts; (5) market and competitive changes, including pricing pressures, market demand and acceptance for new products, services and technologies; (6) the Company's inability or failure to protect its intellectual property rights from infringement in one or more of the many countries in which the Company operates; (7) failure to effectively prevent, detect or recover from breaches in the Company's cybersecurity infrastructure; (8) unforeseen business disruptions in one or more of the many countries in which the Company operates due to political instability, civil disobedience, armed hostilities, public health issues or other calamities; (9) disruptions associated with labor disputes and increased operating costs associated with union organization; (10) the seasonal nature of the Company's business; (11) the Company's ability to successfully enter into new contracts and complete new acquisitions or strategic ventures in the time-frame contemplated, or at all; (12) the Company's ability to negotiate, complete, and integrate strategic transactions; (13) failure to complete a process for the divestiture of the Rail segment, on satisfactory terms, or at all; (14) potential severe volatility in the capital or commodity markets; (15) failure to retain key management and employees; (16) the outcome of any disputes with customers, contractors and subcontractors; (17) the financial condition of the Company's customers, including the ability of customers (especially those that may be highly leveraged, have inadequate liquidity) to maintain their credit availability; (18) implementation of environmental remediation matters; (19) risk and uncertainty associated with intangible assets; (20) the risk that the Company may be unable to implement fully and successfully the expected incremental actions at the Clean Earth Segment due to market conditions or otherwise and may fail to deliver the expected resulting benefits; and (21) other risk factors listed from time to time in the Company's SEC reports. A further discussion of these, along with other potential risk factors, can be found in Part II, Item 1A, "Risk Factors," below, as well as in Part I, Item 1A, "Risk Factors," of the Company's Annual Report on Form 10-K for the year ended December 31, 2022. The Company cautions that these factors may not be exhaustive and that many of these factors are beyond the Company's ability to control or predict. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. The Company undertakes no duty to update forward-looking statements except as may be required by law.

Executive Overview

The Company is a market-leading, global provider of environmental solutions for industrial, retail and medical waste streams. The Company's operations consist of two reportable segments: Harsco Environmental and Clean Earth. HE operates primarily under long-term contracts, providing critical environmental services and material processing to the global steel and metals industries, including zero waste solutions for manufacturing byproducts within the metals industry. CE provides specialty waste processing, treatment, recycling and beneficial reuse solutions for customers in the industrial, retail, healthcare and construction industries across a variety of waste needs, including hazardous, non-hazardous and contaminated soils and dredged materials. The Company has locations in approximately 30 countries, including the U.S. The Company was incorporated in 1956.

On June 5, 2023, the Company's corporate name was changed from Harsco Corporation to Enviri Corporation. The new name and brand identity reflect the Company’s transformation over the past four years into a single-thesis environmental solutions company that provides services to manage, recycle and beneficially reuse waste and byproduct materials across many industries.

The Company maintains a positive long-term outlook across its businesses supported by favorable underlying growth characteristics in its businesses and investments by the Company to further supplement growth. The Company's view for the remainder of 2023 and beyond is supported by the below factors, which should be considered in the context of other risks, trends and strategies in the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

- HE: 2023 operating results are expected to be modestly above 2022 results as positive impacts from higher service pricing, net of inflation, cost and operational improvement initiatives and higher environmental services and products demand at certain sites, including those linked to growth investments, are expected to be offset by the impacts of foreign exchange translation and lower commodity prices related to certain service contracts. The global steel market has experienced a period of volatility in recent quarters due to the Russia-Ukraine conflict and the resulting energy crisis in Europe, as well as inventory management through the steel industry supply-chain and a change to the economic conditions due to rising interest rates. Underlying business conditions appear to have stabilized in early 2023 and these external factors are not anticipated to have a material impact on performance in 2023. Over the longer-term, the Company expects HE to grow as a result of economic growth that supports higher global steel consumption, as well as investments and innovation that support the environmental solutions needs of customers.

- CE: 2023 operating results are anticipated to improve meaningfully compared to 2022, as a result of higher services pricing, net of inflation, cost and operational improvements and a modest increase in environmental services demand across certain end-markets. These benefits include pricing and operating cost initiatives implemented during 2022, along with additional improvements initiated in 2023. Longer-term, the Company expects this segment to benefit from positive underlying market trends, supported by increased environmental regulation, further growth opportunities, lower capital requirements and its attractive asset position, as well as from the less cyclical and recurring nature of this business.

Results of Operations

Segment Results

(In millions, except percentages)	Three Months Ended June 30		Six Months Ended June 30	
	2023	2022	2023	2022
Revenues:				
Harsco Environmental	**$ 289.6**	$ 277.6	**$ 562.8**	$ 539.7
Clean Earth	**230.6**	203.5	**453.0**	394.2
Total Revenues	**$ 520.2**	$ 481.1	**$ 1,015.8**	$ 933.8
Operating income (loss):				
Harsco Environmental	**$ 12.7**	$ 23.5	**$ 35.0**	$ 41.8
Clean Earth	**23.0**	(111.7)	**39.5**	(113.0)
Corporate	**(11.5)**	(8.9)	**(21.2)**	(18.1)
Total operating income (loss)	**$ 24.3**	$ (97.0)	**$ 53.3**	$ (89.3)
Operating margin:				
Harsco Environmental	**4.4 %**	8.5 %	**6.2 %**	7.7 %
Clean Earth	**10.0 %**	(54.9)%	**8.7 %**	(28.7)%
Consolidated operating margin	**4.7 %**	(20.2)%	**5.2 %**	(9.6)%

Harsco Environmental Segment:

Significant Effects on Revenues (In millions)	**Three Months Ended**	**Six Months Ended**
Revenues — June 30, 2022	$ 277.6	$ 539.7
Net effects of price/volume changes, primarily attributable to volume changes and service mix	14.1	37.6
Impact of foreign currency translation	(4.2)	(17.2)
Net impact of new and lost contracts	2.0	2.6
Other	0.1	0.1
Revenues — June 30, 2023	**$ 289.6**	**$ 562.8**

The following factors contributed to the changes in operating income during the three and six months ended June 30, 2023.

Factors Positively Affecting Operating Income:
- A net gain of $3.0 million and $9.8 million was recognized during the three and six months ended June 30, 2023, respectively, related to a lease modification that resulted in a lease incentive for a site relocation in the U.S.
- Operating income was moderately impacted by increased revenue under environmental services contracts due, in part, to higher overall service levels at certain sites for the three and six months ended June 30, 2023, partially offset by lower commodity prices related to certain service contracts.
- Higher core service revenues from the Altek Group also positively impacted operating income by $1.9 million and $4.1 million during the three and six months ended June 30, 2023, respectively.

Factors Negatively Impacting Operating Income:
- An impairment charge of $14.1 million was recorded during the three months ended June 30, 2023 related to abandoned equipment at an HE site in China.
- The impact of cost increases related to raw materials, labor, maintenance, and freight due to inflation at various sites for the three months and six months ended June 30, 2023.
- Foreign currency translation reduced operating income by $1.2 million and $2.2 million during the three and six months ended June 30, 2023, respectively.

Clean Earth Segment:

Significant Effects on Revenues (In millions)	Three Months Ended	Six Months Ended
Revenues — June 30, 2022	$ 203.5	$ 394.2
Net effects of price/volume changes, principally price	21.1	52.8
Impact of pricing settlement	6.0	6.0
Revenues — June 30, 2023	**$ 230.6**	**$ 453.0**

The following factors contributed to the changes in operating income (loss) during the three and six months ended June 30, 2023.

Factors Positively Affecting Operating Income:

- Favorable changes in pricing and mix in the hazardous waste business, in addition to operational cost reduction initiatives, partially offset by the impact of cost inflation on labor and disposal costs, of $21.6 million and $38.8 million during the three months and six months ended June 30, 2023, respectively.
- Operating income was positively impacted by $6.0 million during the three months and six months ended June 30, 2023 due to the settlement of a pricing dispute over services performed in prior periods in the hazardous waste business.
- Favorable changes in pricing and mix in the soil and dredged materials business, partially offset by cost increases, primarily in labor and disposal, of $2.7 million and $4.5 million during the three and six months ended June 30, 2023, respectively.
- A goodwill impairment charge of $104.6 million was recorded during the three months ended June 30, 2022.

Factors Negatively Impacting Operating Income:

- Higher selling, general and administrative expenses ("SG&A") of $4.4 million and $6.2 million during the three and six months ended June 30, 2023, respectively, primarily related to higher incentive compensation expense and professional fees.

Consolidated Results

(In millions, except per share amounts and percentages)	June 30			
	Three Months Ended		Six Months Ended	
	2023	2022	**2023**	2022
Revenues	**$ 520.2**	$ 481.1	**$ 1,015.8**	$ 933.8
Cost of sales	**406.6**	403.2	**807.3**	780.2
Selling, general and administrative expenses	**76.9**	67.9	**148.8**	137.1
Research and development expenses	**0.5**	0.3	**0.7**	0.4
Goodwill impairment charge	**—**	104.6	**—**	104.6
Property, plant and equipment impairment charge	**14.1**	—	**14.1**	—
Other (income) expenses, net	**(2.2)**	2.0	**(8.4)**	0.9
Operating income (loss) from continuing operations	**24.3**	(97.0)	**53.3**	(89.3)
Interest income	**1.6**	0.7	**3.0**	1.3
Interest expense	**(25.7)**	(16.7)	**(50.1)**	(31.8)
Facility fees and debt-related income (expense)	**(2.7)**	2.1	**(5.1)**	1.6
Defined benefit pension income (expense)	**(5.4)**	2.2	**(10.7)**	4.7
Income (loss) from continuing operations before income taxes and equity income	**(8.0)**	(108.6)	**(9.5)**	(113.4)
Income tax benefit (expense) from continuing operations	**(10.3)**	3.1	**(17.2)**	1.9
Equity income (loss) of unconsolidated entities, net	**(0.3)**	(0.1)	**(0.4)**	(0.2)
Income (loss) from continuing operations	**(18.6)**	(105.6)	**(27.2)**	(111.8)
Income (loss) from discontinued businesses	**7.6**	1.9	**8.2**	(37.2)
Income tax benefit (expense) related to discontinued operations	**(4.8)**	(0.8)	**(5.4)**	5.8
Income (loss) from discontinued operations, net of tax	**2.8**	1.1	**2.8**	(31.4)
Net income (loss)	**(15.8)**	(104.5)	**(24.4)**	(143.2)
Total other comprehensive income (loss)	**14.4**	(29.1)	**21.6**	(17.1)
Total comprehensive income (loss)	**(1.4)**	(133.6)	**(2.9)**	(160.3)
Diluted earnings (loss) per common share from continuing operations attributable to Enviri Corporation common stockholders	**$ (0.18)**	$ (1.34)	**$ (0.30)**	$ (1.44)
Effective income tax rate for continuing operations	**(129.3)%**	2.9 %	**(180.6)%**	1.7 %

Comparative Analysis of Consolidated Results

Revenues

Revenues for the three months ended June 30, 2023 increased by $39.1 million, or 8.1%, from the three months ended June 30, 2022. Revenues for the six months ended June 30, 2023 increased by $82.0 million, or 8.8%, from the six months ended June 30, 2022. Foreign currency translation decreased revenues by $4.2 million and $17.2 million for the three and six months ended June 30, 2023, compared with the same period in the prior year. Refer to the discussion of segment results above for information pertaining to factors positively affecting and negatively impacting revenues.

Cost of Sales

Cost of sales for the three months ended June 30, 2023 increased $3.4 million, or 0.8%, from the three months ended June 30, 2022. Costs of sales for the six months ended June 30, 2023 increased $27.1 million, or 3.5%, from the six months ended June 30, 2022. The changes in cost of sales were attributable to the following significant items:

(In millions)	Three Months Ended	Six Months Ended
Change in costs due to changes in revenues volume	$ 12.4	$ 38.8
Changes in costs due to change in prices, including materials, labor, fuel, transportation and maintenance	(2.0)	9.1
Impact of foreign currency translation	(3.2)	(14.3)
Other	(3.8)	(6.5)
Total change in cost of services and products sold — 2023 vs. 2022	$ 3.4	$ 27.1

Selling, General and Administrative Expenses

SG&A for the three months ended June 30, 2023 increased $8.9 million, or 13.1%, from the three months ended June 30, 2022. SG&A for the six months ended June 30, 2023 increased $11.7 million, or 8.5%, from the six months ended June 30, 2022. The increase in the three months and six months ended June 30, 2023 is due principally to higher compensation costs of $6.6 million and $10.3 million, respectively, mainly from incentive compensation costs primarily contributed by the Company's Corporate and CE segments.

Goodwill Impairment Charge

In the second quarter of 2022, the Company recorded a goodwill impairment charge of $104.6 million in the CE segment. See Note 8, Goodwill and Other Intangible Assets, in Part I, Item 1, Financial Statements for further discussion regarding the goodwill impairment charge.

Property, Plant and Equipment Impairment Charge

During the three months ended June 30, 2023, the Company recorded an impairment charge of $14.1 million in the HE segment. See Note 6, Property, Plant and Equipment in Part I, Financial Statements for further discussion regarding the impairment.

Other (Income) Expenses, Net

The major components of this Condensed Consolidated Statements of Operations caption are as follows:

	Three Months Ended June 30		Six Months Ended June 30	
(In thousands)	2023	2022	2023	2022
Employee termination benefit costs	**$ 120**	$ 605	**$ 654**	$ 297
Other (income) costs for exit activities [(a)]	**(2,353)**	477	**(8,560)**	1,058
Impaired asset write-downs	**—**	296	**—**	355
Net gains	**—**	(92)	**(230)**	(1,904)
Other	**10**	759	**(238)**	1,060
Other (income) expenses, net	**$ (2,223)**	$ 2,045	**$ (8,374)**	$ 866

(a) Includes $3.0 million and $9.8 million net gain related to a lease modification that resulted in a lease incentive to the Company during the three and six months ended June 30, 2023, respectively, as discussed above in the HE Segment results.

Interest Expense

Interest expense during the three months ended June 30, 2023 increased $9.0 million, compared with the three months ended June 30, 2022. Interest expense during the six months ended June 30, 2023 increased by $18.3 million, compared with the six months ended June 30, 2022. The increase during the three and six months ended June 30, 2023 primarily relates to higher weighted average interest rates charged on the Company's Senior Secured Credit Facilities.

Facility Fees and Debt-Related Income (Expense)
During the three and six months ended June 30, 2023, the Company recognized expense of $2.7 million and $5.1 million, respectively, which included fees primarily related to the Company's AR Facility. See Note 9, Debt and Credit Agreements, in Part I, Item 1, Financial Statements.

During the three and six months ended June 30, 2022, the Company recognized income of $2.1 million and $1.6 million, respectively, which included a $2.3 million gain on the repurchase of $25.0 million in Senior Notes recognized during the quarter ended June 30, 2022, partially offset by fees and other costs related to amending the Company's Senior Secured Credit Facilities, in addition to AR Facility fees.

Defined Benefit Pension Income (Expense)
Defined benefit pension expense for the three and six months ended June 30, 2023 was $5.4 million and $10.7 million, respectively, compared with defined benefit pension income of $2.2 million and $4.7 million for the three and six months ended June 30, 2022, respectively. This change is primarily related to the impact of higher discount rates applied to the Company's 2023 plan obligations and a lower return on plan assets in the current year due to lower plan asset values at December 31, 2022.

Income Tax Expense
Income tax expense from continuing operations for the three and six months ended June 30, 2023 was $10.3 million and $17.2 million, respectively. Income tax benefit from continuing operations for the three and six months ended June 30, 2022 was $3.1 million and $1.9 million, respectively. The change in the income tax expense for the three and six months ended June 30, 2023 compared with the income tax benefit for the three and six months ended June 30, 2022 is the result of improved business performance in CE, the gain on the relocation of an HE site, the increased disallowed interest expense in the U.S. resulting from higher interest expense on the Company's Senior Secured Credit Facilities, a valuation allowance for a deferred tax asset in a certain foreign entity of $3.7 million, as well as the tax benefit on a portion of the CE goodwill impairment in 2022 not recurring in 2023.

Income (Loss) from Continuing Operations
Loss from continuing operations was $18.6 million and $27.2 million for the three and six months ended June 30, 2023, respectively. Loss from continuing operations was $105.6 million and $111.8 million for the three and six months ended June 30, 2022. The primary drivers for these decreases in losses are noted above.

Income (Loss) from Discontinued Operations
The operating results of the former Harsco Rail Segment and costs directly attributable to the sale of the business have been reflected as discontinued operations in the Company's Condensed Consolidated Statement of Operations for all periods presented. In addition, this caption includes costs directly attributable to retained contingent liabilities of other previously disposed businesses. The increase in income during the six months ended June 30, 2023 was related primarily to the recognition of a net favorable estimated forward loss provision of $9.1 millions related to the Company's large long-term contracts with SBB, Network Rail and Deutsche Bahn under the former Harsco Rail segment recorded during the six months ended June 30, 2023, compared to an unfavorable forward estimated loss provisions of $35.4 million during the six months ended June 30, 2022 for these contracts. The increase in income during the three months ended June 30, 2023, compared to June 30, 2022, is due to the favorable forward estimated loss provision and higher spare parts sales, partially offset by unfavorable adjustments to other smaller contracts. It is possible that the Company's overall estimate of liquidated damages, penalties and costs to complete these and other contracts may increase, which would result in an additional estimated forward loss provision at such time. See Note 3, Discontinued Operations, in Part I, Item 1, Financial Statements.

Total Other Comprehensive Income (Loss)
Total other comprehensive income was $14.4 million and $21.6 million in the three and six months ended June 30, 2023, respectively, compared with total other comprehensive losses of $29.1 million and $17.1 million in the three and six months ended June 30, 2022, respectively. The primary driver of this change is the fluctuation of the U.S. dollar against certain currencies inclusive of the impact of foreign currency translation of cumulative unrecognized actuarial losses on the Company's pension obligations.

Liquidity and Capital Resources

Cash Flow Summary

The Company currently expects to have sufficient financial liquidity and borrowing capacity to support the strategies within each of its businesses and its current operating and debt service needs. The Company currently expects operational and business needs to be met by cash provided by operations supplemented with borrowings from time to time, principally under the Senior Secured Credit Facilities. The Company supplements the cash provided by operations with borrowings from time to time due to historical patterns of seasonal cash flow and the funding of various projects. The Company regularly assesses capital needs in the context of operational trends and strategic initiatives.

The Company's cash flows from operating, investing and financing activities, as reflected on the Condensed Consolidated Statements of Cash Flows, are summarized in the following table:

	Six Months Ended June 30	
(In millions)	**2023**	**2022**
Net cash provided (used) by:		
Operating activities	**$ 28.2**	$ 117.7
Investing activities	**(56.4)**	(43.7)
Financing activities	**34.3**	(54.6)
Effect of exchange rate changes on cash and cash equivalents, including restricted cash	**(1.8)**	(5.8)
Net change in cash and cash equivalents, including restricted cash	**$ 4.3**	$ 13.7

Net cash provided by operating activities — Net cash provided by operating activities in the first six months of 2023 was $28.2 million, a decrease in cash flows of $89.5 million from the first six months of 2022 primarily related to the sale of $120.0 million of the Company's accounts receivable through its AR Facility during the six months ended June 30, 2022. This decrease partially offsets higher year-to-date June 30, 2023 cash net income, compared to the prior year, due to improved business performance.

Net cash used by investing activities — Net cash used by investing activities in the first six months of 2023 was $56.4 million, an increase of $12.7 million from the cash used during the first six months of 2022. The increase is primarily due to increased 2023 capital expenditures, principally for HE, lower proceeds received from the sale of assets during 2023, and net payments made from the settlement of foreign currency forward exchange contract, partially offset by higher proceeds received from the Company's note receivable.

Net cash (used) provided by financing activities — Net cash provided by financing activities in the first six months of 2023 was $34.3 million, compared to net cash used by financing activities of $(54.6) million the first six months of 2022. The change was primarily due to increased net borrowings of $33.9 million in the first six months of 2023, compared to net repayments of $47.9 million during the six months ended June 30, 2022.

Sources and Uses of Cash

The Company's principal sources of liquidity are cash provided by operations on an annual basis and borrowings under the Senior Secured Credit Facilities, augmented by cash proceeds from asset sales. In addition, the Company has other bank credit facilities available throughout the world. The Company expects to continue to utilize all of these sources to meet future cash requirements for operations and growth initiatives.

Summary of Senior Secured Credit Facilities and Notes: (In millions)		June 30 2023		December 31 2022
By type:				
New Term Loan	**$**	**490.0**	$	492.5
Revolving Credit Facility		**410.0**		370.0
5.75% Senior Notes		**475.0**		475.0
Total	**$**	**1,375.0**	$	1,337.5
By classification:				
Current	**$**	**5.0**	$	5.0
Long-term		**1,370.0**		1,332.5
Total	**$**	**1,375.0**	$	1,337.5

	June 30, 2023							
(In millions)		**Facility Limit**		**Outstanding Balance**		**Outstanding Letters of Credit**		**Available Credit**
Revolving credit facility (a U.S.-based program)	**$**	**700.0**	**$**	**410.0**	**$**	**35.8**	**$**	**254.2**

Debt Covenants

The Senior Secured Credit Facilities contain a consolidated net debt to Consolidated Adjusted EBITDA ratio covenant, which is not to exceed 5.50x for the quarter ended June 30, 2023 and through and including the quarter ending December 31, 2023 and then decreasing quarterly until reaching 4.00x on December 31, 2024. The total net leverage ratio covenant applicable to the third quarter of 2024 and earlier is subject to a 0.50x decrease upon divestiture of the former Harsco Rail segment. The Company's required coverage of consolidated interest charges is set at a minimum of 2.75x through the end of 2024 (subject to an increase to 3.00x upon closing of the divestiture of the former Harsco Rail Segment).

At June 30, 2023, the Company was in compliance with these covenants, as the total net debt to Consolidated Adjusted EBITDA ratio was 4.63x and total interest coverage ratio was 3.01x. Based on balances and covenants in effect at June 30, 2023, the Company could increase net debt by $248.7 million and remain in compliance with these debt covenants. Alternatively, Consolidated Adjusted EBITDA could decrease by $24.3 million or interest expense could increase by $8.9 million and the Company would remain in compliance with these covenants at June 30, 2023. The Company believes it will continue to maintain compliance with these covenants based on its current outlook. However, the Company's estimates of compliance with these covenants could change in the future with a continued deterioration in economic conditions, higher than forecasted interest rate increases, the timing of working capital, including the collection of receivables, or an inability to successfully execute its plans by quarter to realize increased pricing and to implement cost reduction initiatives that substantially mitigate the impacts of inflation and other factors adversely impacting its realized operating margins.

AR Facility

The Company maintains a trade receivables securitization facility to accelerate cash flows from trade accounts receivable. Under the AR Facility, the Company and its designated subsidiaries continuously sell their trade receivables as they are originated to the wholly-owned bankruptcy-remote SPE. The SPE transfers ownership and control of qualifying receivables to PNC up to a maximum purchase commitment of $150.0 million. During the six months ended June 30, 2023, the Company received proceeds of $5.0 million and related to the facility.

Cash Management

The Company has various cash management systems throughout the world that centralize cash in various bank accounts where it is economically justifiable and legally permissible to do so. These centralized cash balances are then redeployed to other operations to reduce short-term borrowings and to finance working capital needs or capital expenditures. Due to the transitory nature of cash balances, they are normally invested in bank deposits that can be withdrawn at will or in very liquid short-term bank time deposits and government obligations. The Company's policy is to use the largest banks in the various countries in which the Company operates. The Company monitors the creditworthiness of banks and, when appropriate, will adjust banking operations to reduce or eliminate exposure to less creditworthy banks.

At June 30, 2023, the Company's consolidated cash and cash equivalents included $83.7 million held by non-U.S. subsidiaries and approximately 17.8% of the Company's consolidated cash and cash equivalents had regulatory restrictions that would preclude the transfer of funds with and among subsidiaries. Non-U.S. subsidiaries also held $15.9 million of cash and cash equivalents in consolidated strategic ventures. The strategic venture agreements may require strategic venture partner approval to transfer funds with and among subsidiaries. While the Company's remaining non-U.S. cash and cash equivalents can be transferred with and among subsidiaries, the majority of these non-U.S. cash balances will be used to support the ongoing working capital needs and continued growth of the Company's non-U.S. operations.

Recently Adopted and Recently Issued Accounting Standards

Information on recently adopted and recently issued accounting standards is included in Note 2, Recently Adopted and Recently Issued Accounting Standards, in Part I, Item 1, Financial Statements.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risks have not changed significantly from those disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of June 30, 2023, an evaluation was performed, under the supervision and with the participation of the Company’s management, including the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures pursuant to Rule 13a – 15 under the Securities and Exchange Act of 1934, as amended. Based upon that evaluation, such officers concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports it files or submits under the Securities and Exchange Act of 1934, as amended (1) is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and (2) is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the Company's most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information on legal proceedings is included in Note 12, Commitments and Contingencies, in Part I, Item 1, Financial Statements.

ITEM 1A. RISK FACTORS

The Company's risk factors as of June 30, 2023 have not changed materially from those described in Part 1, Item 1A, "Risk Factors" of the Company's Annual Report on Form 10-K for the year ended December 31, 2022.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 6. EXHIBITS

The following exhibits are included as part of this report by reference:

Exhibit Number	Description
3.1	Restated Certificate of Incorporation, as Amended.
3.2	Amended and Restated By-laws, dated June 5, 2023 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K dated June 8, 2023. Commission File Number 001-03970).
10.1	Omnibus Amendment, dated as of June 30 2023, that is the First Amendment to Receivables Purchase Agreement among Harsco Receivables LLC, as seller, Enviri Corporation (f/k/a Harsco Corporation), as initial servicer, and PNC Bank, National Association, as administrative agent and a purchaser, and the First Amendment to Purchase and Contribution Agreement among Enviri Corporation (f/k/a Harsco Corporation), as initial servicer, various entities party thereto as originators, and Harsco Receivables LLC, as buyer.
10.2	Form of Non-Employee Director Indemnification Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated June 21, 2023. Commission File Number 001-03970).
10.3	Amendment No. 3 to the 2013 Equity and Incentive Compensation Plan (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 25, 2023. Commission File Number 001-03970).
31.1	Certification Pursuant to Rule 13a-14(a) or 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chairman, President and Chief Executive Officer).
31.2	Certification Pursuant to Rule 13a-14(a) or 15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (Chief Financial Officer).
32	Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Chairman, President and Chief Executive Officer and Chief Financial Officer).
101.Def	Definition Linkbase Document
101.Pre	Presentation Linkbase Document
101.Lab	Labels Linkbase Document
101.Cal	Calculation Linkbase Document
101.Sch	Schema Document
101.Ins	Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

		ENVIRI CORPORATION (Registrant)
DATE	August 2, 2023	/s/ PETER F. MINAN Peter F. Minan *Senior Vice President and Chief Financial Officer* (On behalf of the registrant and as Principal Financial Officer)
DATE	August 2, 2023	/s/ SAMUEL C. FENICE Samuel C. Fenice *Vice President and Corporate Controller* (Principal Accounting Officer)

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:24 AM 09/05/2013
FILED 11:13 AM 09/05/2013
SRV 131056449 - 0497602 FILE

RESTATED CERTIFICATE OF INCORPORATION

OF

HARSCO CORPORATION

Harsco Corporation, a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

1. The name of the Corporation is Harsco Corporation. The date of filing of its original Certificate of Incorporation with the Secretary of State was February 28, 1956.

2. This Restated Certificate of Incorporation was duly adopted by the Board of Directors in accordance with Section 245 of the General Corporation Law of the State of Delaware.

3. This Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of this Corporation's Restated Certificate of Incorporation as heretofore amended and supplemented, and there is no discrepancy between those provisions and the provisions of this Restated Certificate of Incorporation.

4. The text of the Restated Certificate of Incorporation, as amended or supplemented heretofore, is hereby restated without further amendments to read as herein set forth in full:

FIRST: The name of the Corporation is HARSCO CORPORATION.

SECOND: The location of its registered office in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of the registered agent therein and in charge thereof is The Corporation Trust Company, 1209 Orange Street, Wilmington, New Castle County, Delaware.

THIRD: The objects and purposes for which and for any of which this Corporation is formed are to do any or all of the things herein set forth to the same extent as natural persons might or could do, viz:

1. To manufacture, purchase, lease or otherwise acquire, to hold, own, mortgage, pledge, sell, assign and transfer or otherwise dispose of, to invest, trade, design, install, fabricate, prefabricate, import, export, package, ship, grant licenses with respect of, deal in and with, as principal agent, factor or otherwise, at wholesale, retail, on commission or otherwise, products, articles and any or all things capable of fabrication or prefabrication; in general, but without limitation, to engage in the fabricating or prefabricating business in all its varied branches.

2. To manufacture, purchase, lease or otherwise acquire, to hold, own, mortgage, pledge, sell, assign and transfer or otherwise dispose of, to invest, trade, import, export, deal in and deal with goods, wares and merchandise and real and personal property of every class and description and in particular, lands, properties, easements, buildings, business concerns and undertakings, concessions, produce, and any interest in real or personal property, and any claims against such property or against any person or corporation, and to carry on any business concern, or undertaking so acquired.

3. To purchase, receive, hold and own bonds, mortgages, debentures, notes, shares of capital stock and other securities, obligations, contracts and evidences of indebtedness of any company, corporation or association, or of any government, state, municipality or body politic; to receive, collect and dispose of interest, dividends, and income upon, of and from any of the bonds, mortgages, debentures, notes, shares of capital stock, securities, obligations, contracts, evidences of indebtedness and other property held or owned by it, and to exercise in respect of all such bonds, mortgages, debentures, notes, shares of capital stock, securities, obligations, contracts, evidences of indebtedness and other property, any and all the rights, powers and privileges of individual ownership thereof, including the right to vote thereon.

4. To acquire the good will, rights and property, and to undertake the whole or any part of the assets and liabilities of any person, firm, association or corporation, and to pay for the same in cash, stock or bonds of this Corporation or otherwise.

5. To acquire, hold, use, sell, assign, lease, grant licenses in respect of, mortgage or otherwise dispose of letters patent of the United States or any foreign country, patents, patent rights, licenses and privileges, inventions, improvements and processes, trademarks and trade names and copyrights relating to or useful in connection with any business of this Corporation.

6. To buy, sell, process, transport, truck and otherwise deal in all kinds of by-products of iron, steel and other metal industries or either of them or in which iron, steel and other metals form a substantial part, and to engage in a general extracting business in iron, steel and other metals.

7. To engage in the manufacture and sale of castings, die castings, dies, tools, jigs and fixtures; die casting, polishing and other machinery; and manufactured products of all kinds.

8. To enter into, make, perform and carry out contracts of every kind for any lawful purpose, without limit as to amount, with any person, firm, association or corporation.

9. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, warrants and other negotiable or transferable instruments.

10. To borrow money, issue bonds, debentures or obligations of this Corporation from time

to time, for any of the objects or purposes of the corporation, and to secure the same by mortgage, pledge, deed of trust or otherwise.

11. To purchase, hold and reissue the shares of its capital stock; provided that this Corporation shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of the capital of the Corporation; and provided further that shares of its own capital stock belonging to the Corporation shall not be voted upon directly or indirectly.

12. To have one or more offices, to carry on all or any of its operations and business and without restriction or limit as to amount, to purchase or otherwise acquire, to hold, own, mortgage, sell, convey or otherwise dispose of real and personal property of every class and description in any of the States, Districts, Territories or Colonies of the United States and in any and all foreign countries, subject to the laws of such States, Districts, Territories, Colonies or Countries.

13. In general, to carry on the foregoing or any other business in connection with the foregoing, either as principal, agent, factor or otherwise, at wholesale, retail, on commission or otherwise, whether manufacturing or otherwise, and to have and to exercise all the powers conferred by the laws of Delaware upon corporations formed under the act hereinafter referred to.

14. The foregoing clauses shall be construed as objects and powers and it is hereby expressly provided that the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the powers of this Corporation.

FOURTH: The total number of shares of all classes of stock which this Corporation shall have authority to issue is 154,000,000 shares, of which 4,000,000 shares are to be Preferred Stock of the par value of $1.25 per share and 150,000,000 shares are to be Common Stock of the par value of $1.25 per share.

The amount of capital with which this Corporation will commence business is $1,250.

A statement of such of the designations and powers, preferences and rights, and the qualifications, limitations or restrictions thereof, in respect of the different classes of stock of this Corporation, the fixing of which by this Certificate of Incorporation is desired, and the express grant of authority desired to be granted to the Board of Directors to fix by resolution or resolutions any thereof that may be desired but which are not fixed by this Certificate of Incorporation, are as follows:

Division A. Preferred Stock

1. <u>Issuable in Series</u> - Shares of the Preferred Stock may be divided into and issued in series from time to time as herein provided. Each such series shall be designated so as to distinguish the shares thereof from the shares of all other series and shall have such voting powers, full or limited or without voting powers, designations, preferences and

relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed herein or in the resolution or resolutions providing for the issue of such stock adopted by the Board of Directors pursuant to the authority expressly vested in it by the provisions of this Certificate of Incorporation.

2. Authority of Board of Directors to Create Series - The Board of Directors of this Corporation is hereby expressly granted authority at any time or from time to time, by resolution or resolutions, to create one or more series of the Preferred Stock, to fix the authorized number of shares of any series (which number of shares may vary as between series and be changed from time to time by like action), and to fix terms of such series to the full extent now or hereafter permitted by the laws of the State of Delaware, including but not limited to, the following:

(a) the designation of such series, which may be by distinguishing number, letter or title;

(b) the rate or rates at which shares of such series shall be entitled to receive dividends, the periods in respect of which dividends are payable, the conditions upon, and times of payment of, such dividends, the relationship and preference, if any, of such dividends to dividends payable on any other class or classes or any other series of stock, whether such dividends shall be cumulative and, if cumulative, the date or dates from which such dividends shall accumulate, and the other terms and conditions applicable to dividends upon shares of such series;

(c) the rights of the holders of the shares of such series in case this Corporation be liquidated, dissolved or wound up (which may vary depending upon the time, manner, or voluntary or involuntary nature or other circumstances of such liquidation, dissolution or winding up) and the relationship and preference, if any, of such rights to rights of holders of shares of stock of any other class or classes or any other series of stock;

(d) the right, if any, to redeem shares of such series at the option of this Corporation, including any limitation of such right, and the amount or amounts to be payable in respect of the shares of such series in case of such redemption (which may vary depending on the time, manner or other circumstances of such redemption), and the manner, effect and other terms and conditions of any such redemption thereof;

(e) the obligation, if any, of this Corporation to purchase, redeem or retire shares of such series and/or to maintain a fund for such purpose, and the amount or amounts to be payable from time to time for such purpose or into such fund, or the number of shares to be purchased, redeemed or retired, the per share purchase price or prices and the other terms and conditions of any such obligation or obligations;

(f) the voting rights, if any, full, special or limited, to be given the shares of such series, including without limiting the generality of the foregoing, the right, if any, as a series or in conjunction with other series or classes, to elect one or more members of the Board of Directors either generally or at certain times or under certain circumstances, and restrictions, if any, on particular corporate acts without a specified vote or consent of holders of such shares (such as, among others, restrictions on modifying the terms of such series or of the Preferred Stock, restricting the permissible terms of other series or the permissible variations between series of Preferred Stock, authorizing or issuing additional shares of Preferred Stock, creating debit or creating any class of stock ranking prior to or on a parity with the Preferred Stock or any series thereof as to dividends or assets);

(g) the right, if any, to exchange or convert the shares of such series into shares of any other series of the Preferred Stock or into shares of any other class of stock of this Corporation, and the rate or basis, time, manner, terms and conditions of exchange or conversion or the method by which the same shall be determined; and

(h) the other special rights, if any, and the qualifications, limitations or restrictions thereof, of the shares of such series.

The Board of Directors shall fix the terms of each such series by resolution or resolutions adopted at any time prior to the issuance of the shares thereof, and the terms of each such series may, subject only to restrictions, if any, imposed by applicable law, vary from the terms of other series to the extent determined by the Board of Directors from time to time and provided in the resolution or resolutions fixing the terms of the respective series of the Preferred Stock.

The Board of Directors is also hereby expressly granted authority, at any time or from time to time, by resolution or resolutions, within the then total authorized number of shares of the Preferred Stock of all series, to increase the authorized number of shares of any series or of any Preferred Stock which is not part of a then existing series and to establish or re-establish any authorized or unissued shares of Preferred Stock as shares of any series or as Preferred Stock which is not part of any then existing series.

Attached hereto as Exhibit A and incorporated herein by reference is the Amended Certificate of Designation, Preferences and Rights of Series A Junior Participating Cumulative Preferred Stock authorized by the Board of Directors effective September 28, 1997 pursuant to the authority conferred by this Article FOURTH.

Division B. Common Stock

3. Dividends - Out of the assets of this Corporation available for dividends, remaining after full satisfaction of the applicable preferential rights, if any, of holders of outstanding shares of Preferred Stock, in accordance with the provisions of any certificate or certificates setting forth the resolutions fixing the terms of series of the Preferred Stock

and after making such provision, if any, as the Board of Directors may, in its discretion, deem necessary for working capital and reserves or for compliance with any other terms of any series of the Preferred Stock, then, and not otherwise, dividends may be declared and paid upon the Common Stock, to the exclusion of the Preferred Stock.

4. Purchases - Subject to any applicable provisions of any certificate or certificates setting forth the resolutions fixing the terms of any series of the Preferred Stock, this Corporation may at any time or from time to time purchase shares of its Common Stock in any manner now or hereafter permitted by law, publicly or privately, or pursuant to any agreement.

5. Distribution of Assets - In the event that this Corporation shall be liquidated, dissolved or wound up, after satisfaction of the applicable preferential rights, if any, of holders of outstanding shares of Preferred Stock in accordance with any certificate or certificates setting forth the terms of any series of the Preferred Stock, the holders of the Common Stock shall be entitle to receive, pro rata and to the exclusion of the Preferred Stock, all of the remaining assets of this Corporation available for distribution to its stockholders.

6. Voting Rights - Except as provided in any certificate or certificates setting forth the resolutions fixing the terms of series of the Preferred Stock, or as otherwise required by law, the holders of the Common Stock shall possess full and exclusive voting power for the election of directors and for all other purposes.

Division C. General

7. Issuance of Shares - All authorized shares of stock of this Corporation shall be available for issuance and may be issued in accordance with the provisions of this Certificate of Incorporation, as from time to time amended, and the statutes in such case made and provided, for such consideration permitted by law (not less than the par or stated value thereof) as may be fixed from time to time by the Board of Directors. Without limiting in any way the generality of the foregoing, shares of any class of stock of this Corporation or of any series of any class may be issued in exchange for and upon surrender of outstanding shares of any other class or series upon such basis as the Board of Directors may at any time or from time to time determine and all shares so issued shall be and be taken to be full-paid and non-assessable and not liable to any further call, subject to the provisions of paragraph 8 below.

8. Exchange or Conversion of Shares - If any shares of stock of this Corporation are at any time issued in exchange for or upon conversion of outstanding shares of another class or series, the capital of this Corporation in respect of the shares surrendered for exchange or conversion immediately prior to such issue, or deemed by the Board of Directors to be applicable to said shares, shall thereupon and in each case, without effecting a reduction of the capital of this Corporation, be and be deemed to be allocated to the shares so issued or, if shares of more than one series or class of stock be so issued, to be allocated between the shares of the series or classes so issued as may be determined by the Board of

Directors; provided that, if any shares so issued be shares with par value, the amount to be allocated to them shall be at least equal to the aggregate par value of such shares and, if the shares so issued be shares with a par value and also shares without par value, the amount to be allocated to them in the aggregate shall exceed the aggregate par value of said shares with par value. Nothing herein shall prevent the taking of any action at any time or from time to time with respect to the capital of this Corporation, however such capital shall then be allocated, or whether to increase or decrease the same with respect to any class or classes, or otherwise, in any manner or to any extent now or hereafter permitted by law.

9. Fractional Shares - Fractions of shares resulting from any exchange or conversion of outstanding shares of stock of this Corporation may, in the discretion of the Board of Directors, be disregarded in whole or part, to be provided for in cash or be represented by scrip certificates containing such terms and conditions (including without limitation and if deemed advisable non-voting and non-dividend bearing provisions and authority for the sale of fractions of shares represented by such scrip certificates for account of the holders thereof) as the Board of Directors may fix and determine.

FIFTH: The names and places of residence of each of the original incorporators are as follows:

Gardner Small	277 Avenue C New York, NY
Rolf F. Wisness	470 76th Street Brooklyn, NY
Herbert A. Power	77-17 64th Street Glendale, L.I., NY

SIXTH: This Corporation is to have perpetual existence.

SEVENTH: The private property of the stockholders shall not be subject to the payment of corporate debts to any extent whatever.

EIGHTH: No holder of any stock of this Corporation shall be entitled as of right to purchase or subscribe for any part of any stock of the Corporation authorized herein or of any additional stock of any class to be issued by reason of any increase of the authorized capital stock of the Corporation, or of any bonds, certificates of indebtedness, debentures or other securities convertible into stock of the Corporation, but any stock authorized herein or any such additional authorized issue of any stock or of securities convertible into stock may be issued and disposed of by the Board of Directors to such persons, firms, corporations or associations, and upon such terms and conditions as the Board of Directors may in their discretion determine, without offering any thereof on the same term or on any terms to the stockholders then of record or to any class of stockholder.

NINTH: In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized:

(a) The make, alter, amend and rescind the by-laws of this Corporation; to fix the amount to be reserved as working capital; to authorize and cause to be executed mortgages and liens upon the real and personal property of this Corporation.

(b) From time to time to determine whether and to what extent and at what times and places and under what conditions and regulations the accounts and books of this Corporation, other than the stock ledger, or any of them, shall be open to the inspection of the stockholder, and no stockholder shall have any right of inspecting any account or book or document of this Corporation except as conferred by statute, or authorized by the directors, or by a resolution of the stockholders.

(c) If the by-laws so provide, to designate two or more of their number to constitute an executive committee, which committee shall for the time being, as provided in said resolution or in the by-laws of this Corporation, have and exercise any or all of the powers of the Board of Directors in the management of the business and affairs of this Corporation, and have power to authorize the seal of this Corporation to be affixed to all papers which may require it.

TENTH: This Corporation may in its by-laws confer powers additional to the foregoing upon the directors, in addition to the powers and authorities expressly conferred upon them by the statute.

ELEVENTH: Both stockholders and directors shall have power, if the by-laws so provide, to hold their meetings either within or without the State of Delaware; and the Corporation may have one or more offices in addition to the principal office in Delaware, and keep its books (subject to the provision of the statutes) outside of the State of Delaware at such places as may be from time to time designated by the Board.

TWELFTH: No contact or other transaction between the Corporation and any other firm or corporation shall be affected or invalidated by the fact that any one or more of the directors or officers of the Corporation is or are interested in or is a member, director, officer or stockholder or are members, directors, officers or stockholders of, such other firm or corporation, and any director or directors, officer of officers, individually or jointly, may be a party or parties to or may be interested in any contract or transaction of the Corporation or in which the Corporation is interested; and no contract, act or transaction of the Corporation with any person, firm, corporation or association shall be affected or invalidated by the fact that any director or directors, or officer or officers of the Corporation is a party or are parties to or interested in such contract, act or transaction or in any way connected with such person, firm, corporation or association, and each and every person, who may become a director or officer of the Corporation is hereby relieved, as far as is legally permissable, from any disability which might otherwise prevent him from contracting with the Corporation for the benefit of himself, or of any firm, corporation or association in which he may in any way be interested.

THIRTEENTH:

(a) The Corporation shall have power to indemnify any and all of its directors or officers or former directors or officers or any person who may have served at its request as a director or officer of another entity against all expenses incurred by them in connection with the defense of any action, suit or proceeding in which they, or any of them, are a party, are made parties, or threatened to be made parties by reason of being or having been such directors or officers.

(b) A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (1) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (2) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) under Section 174 of the Delaware General Corporation Law, or (4) for any transaction from which the director derived any improper personal benefit.

FOURTEENTH:

(A) Business Combinations with Substantial Stockholders.

1. Ninety Percent Required Vote. Except as provided in Subparagraph (2) hereof, the affirmative vote of at least 90% of the vote which all holders of Common Stock of this Corporation, voting as a single class, are entitled to cast thereon with respect to such Common Stock and, in addition, the affirmative vote of the number or proportion of shares of any class or series of any class of shares of this Corporation, if any, as shall at the time be required by the express terms of any such class or series, shall be required to approve any of the following transactions ("Business Combinations") involving a Substantial Stockholder (hereinafter defined):

(a) any merger or consolidation of this Corporation or any subsidiary thereof with or into (i) any Substantial Stockholder or (ii) any other corporation which after such merger or consolidation would be an Affiliate (hereinafter defined) of a Substantial Stockholder, or

(b) any sales, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of related transactions) to or with any Substantial Stockholder of any substantial part (hereinafter defined) of the assets of this Corporation of any subsidiary thereof, or

(c) the issuance or transfer by this Corporation or by any subsidiary thereof (in one transaction or series of related transactions) of any equity securities, or rights with respect to equity securities, of this Corporation or any subsidiary thereof to any

Substantial Stockholder in exchange for cash, securities or other property (or a combination thereof) having an aggregate fair market value of $5,000,000 or more, except in the course of a public offering when such securities are issued to a Substantial Stockholder who is an underwriter in such offering primarily for resale, or

(d) the adoption of any plan or proposal for the liquidation or dissolution of this Corporation if, as of the record date for the determination of Stockholders entitled to notice thereof and to vote thereon, any person shall be a Substantial Stockholder, or

(e) any reclassification of securities (including any reverse stock split) or recapitalization of this Corporation, or any reorganization, merger or consolidation of this Corporation with any of its subsidiaries or any similar transaction (whether or not with or into or otherwise involving a Substantial Stockholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding securities of any class of equity securities of this Corporation or any subsidiary which is directly or indirectly beneficially owned (as hereinafter defined) by any Substantial Stockholder.

2. Exceptions to Ninety Percent Required Vote. Subparagraph (A)(1) of this Article Fourteenth shall not apply to a Business Combination if either (a) the Business Combination is approved by a vote of three-quarters of the Continuing Directors, or (b) the Substantial Stockholder shall have complied with the provisions of Subparagraph (A)(3) of this Article Fourteenth and all other holders of Common Stock of this Corporation shall have been given a reasonable opportunity immediately before the consummation of the Business Combination to receive in the Business Combination, or the right to receive as a result of or in the Business Combination, cash, cash and other consideration, or other consideration, the per share fair market value of which will not, at the time the Business Combination is effected, together with any cash, be less than the greatest of (i) the highest price per share (including brokerage commissions, soliciting dealers' fees and all other expenses) paid by the Substantial Stockholder in acquiring any of its shares of Common Stock of this Corporation; (ii) the per share book value of this Corporation's Common Stock at the time the Business Combination is effected determined by such independent appraisal firm or other experts as the Board of Directors deem appropriate; (iii) the highest sale or bid price per share for the Common Stock during the 24 months immediately preceding the time the Business Combination is effected; and (iv) an amount which bears the same or a greater percentage relationship to the market price of this Corporation's Common Stock immediately prior to the announcement of the Business Combination as the highest per share price paid in (i) above bore to the market price of this Corporation's Common Stock immediately prior to the commencement of acquisition of this Corporation's Common Stock by such Substantial Stockholder.

3. Restrictions on Corporate Action. Without the approval of three-quarters of the Continuing Directors, a Substantial Stockholder, after the time it became such, seeking to comply with clause (b) of Subparagraph (A)(2) of this Article Fourteenth, shall not have (i) made any material change in this Corporation's business or capital structure, (ii) received the benefit directly or indirectly (except proportionately as a Stockholder) of any loan, advances, guarantees, pledges or other financial assistance provided by this Corporation, (iii) made, caused or brought about, directly or indirectly, any change in this Corporation's Certificate of Incorporation or By-laws or in the membership of this Corporation's Board of Directors or any committee thereof, or (iv) acquired any newly issued or treasury shares of this Corporation's capital stock directly or indirectly from this Corporation (except upon conversion of convertible securities or as a result of a pro rata share dividend or share split).

4. Certain Definitions. The following terms when used herein shall have the meanings set forth below:

(a) The term "Substantial Stockholder" shall mean any person, corporation or other entity, together with any other entity with which it or its Affiliate or Associate (hereinafter defined) has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of capital stock of the Corporation or which is its Affiliate or Associate, which immediately prior to any Business Combination has "beneficial ownership" (hereinafter defined) of more than 10% of the outstanding shares of Common Stock of this Corporation. For the purpose of this Article Fourteenth, the outstanding shares of Common Stock shall include all shares deemed owned under the definition herein of beneficial ownership, but shall not include any other shares which may be issuable either immediately or at some future date pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise.

(b) The term "Affiliate" and "Associate" shall have the meanings ascribed thereto in Rule 12b-2 promulgated under the Securities Exchange Act of 1934 in effect on January 1, 1984.

(c) The term "beneficial ownership" shall have the meaning ascribed thereto in Rule 13d-3 promulgated under the Securities Exchange Act of 1934 in effect on January 1, 1984. Without limitation, any shares of Common Stock of this Corporation which any Substantial Stockholder has the right to acquire either immediately or at some future date pursuant to any agreement, or upon exercise of conversion rights, warrants or options or otherwise, shall be deemed beneficially owned by a person in determining whether such person is a Substantial Stockholder.

(d) The term "substantial part" shall mean assets having a book value in excess of. 10% of the book value of the total consolidated assets of this Corporation at the end of its most recent fiscal year ending prior to the time the determination is made, all determined in accordance with generally accepted accounting principles.

(e) The term "Continuing Director" shall mean a person who was a member of the Board of Directors of this Corporation immediately prior to the date as of which the Substantial Stockholder in question became a Substantial Stockholder, or, following such date, a person designated (before his initial election or appointment as a director) as a Continuing Director by a majority of the Whole Board, but only if a majority of the Whole Board shall not then consist of Continuing Directors, by a majority of the then Continuing Directors.

(f) The term "Whole Board" shall mean the total number of directors which this Corporation would have if there were no vacancies.

5. Findings. A majority of the Whole Board shall have the power to determine, but only if a majority of the Whole Board shall then consist of Continuing Directors, or, if a majority of the Whole Board shall not then consist of Continuing Directors, a majority of the then Continuing Directors shall have the power to determine, for the purposes of this Article Fourteenth, on the basis of information known to them, (i) the number of shares of common stock of this Corporation beneficially owned by any person, (ii) whether a person is an Affiliate or an Associate of another, and (iii) any other factual matter relating to the applicability or effect of this Article Fourteenth.

6. Conclusive Determination. Any determinations made by the Board of Directors, or by the Continuing Directors, as the case may be, pursuant to this Article Fourteenth in good faith and on the basis of such information and assistance as was then reasonably available for such purpose shall be conclusive and binding upon this Corporation and its stockholders, including any Substantial Stockholder.

7. Fiduciary Duty. Nothing contained in this Article Fourteenth shall be construed to relieve any Substantial Stockholder from any fiduciary obligation imposed by law.

8. Severability. In the event that any paragraph (or portion thereof) of this Article Fourteenth shall be found to be invalid, prohibited or unenforceable for any reason, the remaining provisions, or portion thereof, of this Article Fourteenth shall be deemed to remain in full force and effect, and shall be construed as if such invalid, prohibited or unenforceable provision had been stricken herefrom or otherwise rendered inapplicable, it being the intent of this Corporation and its stockholders that each such remaining provision (or portion thereof) of this Article Fourteenth remain, to the fullest extent permitted by law, applicable and enforceable as to all stockholders, including Substantial Stockholder, notwithstanding any such findings.

9. Amendments. This Paragraph (A) of this Article Fourteenth shall not be amended, modified or repealed in any manner, directly or indirectly, except by (i) the approval of 90% of the vote which all holders of Common Stock, voting as a single class, are entitled

to cast thereon with respect to such Common Stock and, in addition, the affirmative vote of any other class of shares of this Corporation, if any as shall at the time be required by the express terms of any such class or series, or (ii) the approval of three-quarters of the Continuing Directors and the stockholder approval otherwise required by statute or by-law for such amendment.

(B) By-law and Preferred Stock Provisions.

The provisions of Paragraph (A) of this Article Fourteenth shall be subject to the express terms of any class or series of any class of preferred stock of this Corporation. The By-laws of this Corporation shall not contain any provisions inconsistent with this Article Fourteenth.

FIFTEENTH:

(a) Number, Election and Term of Directors. The number of the Directors of the Corporation shall be fixed from time to time by or pursuant to the By-laws of the Corporation. The Directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at each annual meeting of stockholders, except as provided in Paragraph (c) of this Article FIFTEENTH, and each Director shall hold office until the next annual meeting of stockholders and until such Director's successor is elected and qualified, except as required by law.

(b) Stockholder Nomination of Director Candidates. Advance notice of nominations for the election of Directors, other than by the Board of Directors or a committee thereof, shall be given in the manner provided in the By-laws.

(c) Newly Created Directorships and Vacancies. Newly created directorships resulting from any increase in the number of Directors or any vacancy on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled solely by the affirmative vote of a majority of the remaining Directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining Director. Any director elected in accordance with the preceding sentence shall hold office until the next annual meeting of the stockholders and until such Director's successor is elected and qualified, except as required by law. No decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

(d) Removal of Directors. Any Director or the entire Board of Directors may be removed, with or without cause, as provided herein. At any annual meeting of stockholders of the Corporation or at any special meeting of stockholders of the Corporation, the notice of which shall state that the removal of a Director or Directors is among the purposes of the meeting, the affirmative vote of at least eighty percent of the vote which all holders of Common Stock of this Corporation, voting together as a single class, are entitled to cast thereon with respect to such Common Stock, may remove such Director or Directors with or without cause.

(e) Stockholder Action. Any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of such holders and may not be effected by any consent in writing by such holders. Except as otherwise required by law, special meetings of stockholders of the Corporation may be called only by the Board of Directors pursuant to a resolution approved by a majority of the entire Board of Directors or by the Chairman of the Board or by the President.

(f) By-laws Amendments. Notwithstanding anything contained in this Restated Certificate of Incorporation to the contrary, Sections 1, 2 and 3 of Article II and Sections 2, 3 and 4 of Article III of the By-laws shall not be altered, amended or repealed and no provision inconsistent therewith shall be adopted without the approval of eighty percent of the vote which all holders of Common Stock, voting as a single class, are entitled to cast thereon with respect to such Common Stock.

(g) Amendments. This Article Fifteenth shall not be amended, modified or repealed in any manner, directly or indirectly, except by the approval of eighty percent of the vote which all holders of Common Stock, voting as a single class, are entitled to cast thereon with respect to such Common Stock.

(h) Preferred Stock Provisions. The provisions of this Article Fifteenth shall be subject to the express terms of any class or series of any class of preferred stock of this Corporation.

SIXTEENTH:

(a) Prevention of Greenmail. Any purchase or other acquisition, directly or indirectly, in one or more transactions, by the Corporation or any Subsidiary (as hereinafter defined) of the Corporation of any share of Common Stock of this Corporation known by the Corporation to be beneficially owned by any Substantial Stockholder (as hereinafter defined) who has beneficially owned such security or right for less than two years prior to the date of such purchase shall, except as hereinafter expressly provided, require the affirmative vote of at least eighty percent of the vote of all of the shares of Common Stock of this Corporation, voting as a single class, are entitled to cast thereon with respect to the such Common Stock. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage may be specified, by law or any agreement with any national securities exchange, or otherwise, but no such affirmative vote shall be required with respect to any purchase or other acquisition by the Corporation or any of its Subsidiaries of Common Stock purchased at or below Fair Market Value (as hereinafter defined) or made as part of a tender or exchange offer made on the same terms to all holders of such securities and complying with the applicable requirements of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations thereunder or in a Public Transaction (as hereinafter defined).

(b) Certain Definitions. The following terms when used herein shall have the meanings set forth below:

(1) The terms "Affiliate" and "Associate" shall have the meanings ascribed thereto in Rule 12b-2 promulgated under the Securities Exchange Act of 1934 in effect on January 1, 1986.

(2) A person shall be a "beneficial owner" of any shares of Common Stock of this Corporation:

(A) which such person or any of its Affiliates or Associates beneficially owns, directly or indirectly; or

(B) which such person or any of its Affiliates or Associates has (i) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (ii) any right to vote pursuant to any agreement, arrangement or understanding; or

(C) which is beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any security of any class of the Corporation or any of its Subsidiaries.

(D) For the purposes of determining whether a person is a Substantial Stockholder, the relevant class of securities outstanding shall be deemed to include all such securities of which such person is deemed to be the "beneficial owner" through application of this subparagraph (2), but shall not include any other securities of such class which may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options or otherwise, but are not yet issued.

(3) "Fair Market Value" means, for any share of Common Stock of this Corporation, the average of the closing sale prices during the ninety-day period immediately preceding the repurchase of such Common Stock on the Composite Tape for New York Stock Exchange-Listed Stocks, or, if such Common Stock is not quoted on the Composite Tape, on the New

York Stock Exchange, or, if such Common Stock, is not listed on such Exchange, on the principal United States securities exchange registered under the Exchange Act on which such Common Stock, is listed, or if such Common Stock is not listed on any such exchange, the average of the closing bid quotations with respect to a share of such Common Stock, during the ninety-day period immediately preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations system or any system then in use, or if no such quotations are available, the Fair Market Value on the date in question of a share of such Common Stock, as determined by the Board of Directors in good faith.

(4) A "person" shall mean any individual, firm, corporation or other entity (including a "group" within the meaning of Section 13(d) of the Exchange Act).

(5) A "Public Transaction" shall mean any (i) purchase of shares offered pursuant to an effective registration statement under the Securities Act of 1933 or (ii) open market purchases of shares if, in either such case, the price and other terms of sale are not negotiated by the purchaser and seller of the beneficial interest in the shares.

(6) The term "Subsidiary" shall mean any corporation at least a majority of the outstanding securities of which having ordinary voting power to elect a majority of the board of directors of such corporation (whether or not any other class of securities has or might have voting power by reason of the happening of a contingency) is at the time owned or controlled directly or indirectly by the Corporation or one or more Subsidiaries or by the Corporation and one or more Subsidiaries.

(7) "Substantial Stockholder" shall mean any person (other than (i) the Corporation, (ii) any of its Subsidiaries, (iii) any benefit plan or trust of or for the benefit of the Corporation or any of its Subsidiaries, or (iv) any trustee, agent or other representative of any of the foregoing) who or which:

(A) is the beneficial owner, directly or indirectly of more than five percent of the outstanding shares of Common Stock of this Corporation; or

(B) is an Affiliate of the Corporation and at any time within the two-year period immediately prior to the date in question was the beneficial owner, directly or indirectly, of more than five percent of the outstanding shares of Common Stock of this Corporation; or

(C) is an assignee of or has otherwise succeeded to any shares of any class of the outstanding shares of Common Stock of this Corporation which were at any time within the two-year period immediately prior to the date in question beneficially owned by a Substantial Stockholder, unless such assignment or succession shall have occurred pursuant to any Public Transaction or a series of transactions including a Public Transaction.

(8) The term "Whole Board" shall mean a total number of Directors this Corporation would have if there were no vacancies.

(c) Findings. A majority of the Whole Board shall have the power to determine, but only if a majority of the Whole Board shall then consist of Continuing Directors, or, if a majority of the Whole Board shall not then consist of Continuing Directors, a majority of Continuing Directors shall have the power to determine, for the purposes of this Article Sixteenth, on the basis of information known to them, (i) the number of shares of Common Stock of this Corporation beneficially owned by any person, (ii) whether a person is an Affiliate or an Associate of another, (iii) whether a transaction is a Public Transaction, (iv) the Fair Market Value of any shares of Common Stock and (v) any other factual matter relating to the applicability or effect of this Article Sixteenth.

(d) Amendments. This Article Sixteenth shall not be amended, modified or repealed in any manner, directly or indirectly, except by the approval of eighty percent of the vote which all holders of Common Stock, voting as a single class, are entitled to cast thereon with respect to such Common Stock.

SEVENTEENTH: The Board of Directors, when evaluating any (a) tender offer or invitation for tenders, or proposal or offer to make a tender offer or request or invitation for tenders, by another party, for or of any equity security of the Corporation, or (b) proposal or offer by another party to (1) merge or consolidate the Corporation or any Subsidiary of the Corporation with another corporation, (2) purchase or otherwise acquire all or a substantial portion of the properties or assets of such other party, or (3) liquidate, dissolve, reclassify the securities of, recapitalize or reorganize the Corporation, shall in connection with the exercise of its judgment in determining what is in the best interests of the Corporation and its stockholders, give due consideration to (i) all factors which the Board of Directors deems relevant, including, without limitation, the social, legal and economic effects on the employees, customers, suppliers and other constituents of the Corporation and its subsidiaries and on the communities in which the Corporation and its subsidiaries and their employees, customers, suppliers, and other constituents operate or are located and (ii) not only the consideration being offered in relation to the current market price for the Corporation's outstanding shares of capital stock, but also in relation to the then current value of the Corporation in a freely negotiated transaction and in relation to the Board of Directors' estimate of the future value of the Corporation (including the unrealized value of its properties and assets) as an independent going concern.

EIGHTEENTH: Whenever a compromise or arrangement is proposed between this Corporation and its creditors or any class of them and/or between this Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of this Corporation or of any creditor or stockholder thereof or on the application of any Receiver or Receivers appointed for this Corporation under the provisions of Section 291 of Title 8 of the Delaware Code, or on the application of trustees in dissolution or of any Receiver or Receivers appointed for this Corporation under the provisions of Section 279 of Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of this Corporation, as the case may be, to be summoned in such manner as the said Court directs. If a majority in number representing three-fourth in value of the creditors, or class of creditors, and/or of the stockholder or class of stockholders of this Corporation, as the case may be, agree to any compromise or arrangement, and to any reorganization of this Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the Court to which the said application has been made be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders of this Corporation, as the case may be, and also on this Corporation.

NINETEENTH: This Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred on stockholders herein are granted subject to this reservation.

IN WITNESS WHEREOF, said Harsco Corporation has caused this Restated Certificate of Incorporation to be signed by its President and Chief Executive Officer, Patrick K. Decker, and attested by A. Verona Dorch, its Vice President, General Counsel and Corporate Secretary, this 30th day of July, 2013.

HARSCO CORPORATION

By: ______________________
Patrick K. Decker
President and Chief Executive Officer

ATTEST:

By: A. Verona Dorch
A. Verona Dorch
Vice President, General Counsel and
Corporate Secretary

State of Delaware
Secretary of State
Division of Corporations
Delivered 04:17 PM 05/01/2015
FILED 01:21 PM 05/01/2015
SRV 150600044 - 0497602 FILE

CERTIFICATE OF AMENDMENT

OF

RESTATED CERTIFICATE OF INCORPORATION

OF

HARSCO CORPORATION

Pursuant to Section 242
of the General Corporation Law of the State of Delaware

Harsco Corporation, a corporation duly organized and existing under the General Corporation Law of the State of Delaware (the "Corporation"), does hereby certify that:

1. The Restated Certificate of Incorporation of the Corporation is hereby amended by deleting paragraph (c) of Article FIFTEENTH thereof and inserting the following in lieu thereof:

   "FIFTEENTH

   (c) Number, Election and Term of Directors. The number of the Directors of the Corporation shall be fixed from time to time by or pursuant to the Bylaws of the Corporation. Except as provided otherwise in this Article FIFTEENTH, each director shall be elected by a majority of the votes cast with respect to the director by the shares represented in person or by proxy and entitled to vote at any meeting for the election of directors at which a quorum is present; *provided, however*, that if the number of director nominees exceeds the number of directors to be elected as a result of a timely nomination by a stockholder or stockholders in accordance with Article III, Section 2 of the Bylaws, as determined by the Secretary of the Corporation as of the close of the applicable notice of nomination period set forth in the Bylaws, then each director shall be elected by a vote of the plurality of the shares represented in person or by proxy at any such meeting and entitled to vote on the election of directors. For purposes of this Article FIFTEENTH, a majority of the votes cast means that the number of shares voted 'for' a director must exceed the number of votes cast 'against' that director."

2. The foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

4811-8928-8737.1

IN WITNESS WHEREOF, Harsco Corporation has caused this Certificate to be executed by its duly authorized officer on this 29th day of April, 2015.

HARSCO CORPORATION

By: Russell C. Hochman

Name: Russell C. Hochman

Title: Corporate Secretary

CERTIFICATE OF AMENDMENT
OF RESTATED CERTIFICATE OF INCORPORATION

Harsco Corporation, a corporation duly organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation") does hereby certify that:

1. The Restated Certificate of Incorporation of the Corporation is hereby amended by changing Article FIRST, so that, as amended said Article shall read as follows:

   The name of the Corporation is Enviri Corporation.

2. The foregoing amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporate Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be executed by its duly authorized officer as of this 5th day of June, 2023.

By: Russell C. Hochman
Name: Russell C. Hochman
Title: Corporate Secretary

OMNIBUS AMENDMENT

This OMNIBUS AMENDMENT (this "Amendment"), dated as of June 30, 2023, is the:

(i) FIRST AMENDMENT TO RECEIVABLES PURCHASE AGREEMENT, among HARSCO RECEIVABLES LLC, as seller (the "Seller"), ENVIRI CORPORATION (F/K/A HARSCO CORPORATION), as initial servicer (in such capacity, the "Servicer"), and PNC BANK, NATIONAL ASSOCIATION ("PNC"), as administrative agent (in such capacity, the "Administrative Agent") and a purchaser; and

(ii) FIRST AMENDMENT TO PURCHASE AND CONTRIBUTION AGREEMENT, among the Servicer, VARIOUS ENTITIES LISTED ON THE SIGNATURE PAGES HERETO AS ORIGINATORS (each an "Originator"; and collectively, the "Originators"), and HARSCO RECEIVABLES LLC, as buyer (in such capacity, the "Buyer").

Capitalized terms used but not otherwise defined herein (including such terms used above) have the respective meanings assigned thereto in the Receivables Purchase Agreement described below.

BACKGROUND

A. The Seller, the Servicer, PNC and PNC Capital Markets LLC have entered into that certain Receivables Purchase Agreement, dated as of June 24, 2022 (as may be amended, restated, supplemented or otherwise modified from time to time, the "Receivables Purchase Agreement");

B. The Servicer, the Originators and the Buyer have entered into that certain Purchase and Contribution Agreement, dated as of June 24, 2022 (as may be amended, restated, supplemented or otherwise modified from time to time, the "Purchase and Contribution Agreement" and together with the Receivables Purchase Agreement, the "Agreements");

C. Enviri Corporation (f/k/a Harsco Corporation) ("Enviri"), as the performance guarantor (in such capacity, the "Performance Guarantor"), is a party to that certain Performance Guaranty, dated as of June 24, 2022, in favor of the Administrative Agent for the benefit of the Secured Parties (as may be amended, restated, supplemented or otherwise modified from time to time, the "Performance Guaranty");

D. Effective as of June 5, 2023 (the "Subject Name Change Effective Date"), Harsco Corporation changed its name to Enviri Corporation (the "Subject Name Change"); and

E. The parties hereto desire to amend the Agreements, in each case, as set forth herein.

AMENDMENT

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

1. Amendments to the Receivables Purchase Agreement. The Receivables Purchase Agreement is hereby amended as follows by replacing all references in the Receivables Purchase Agreement to "Harsco Corporation" with references to "Enviri Corporation".

2. Amendments to the Purchase and Contribution Agreement. The Purchase and Contribution Agreement is hereby amended as follows:

(a) All references in the Purchase and Contribution Agreement to "Harsco Corporation" shall be replaced by references to "Enviri Corporation".

(b) Schedule I to the Purchase and Contribution Agreement is hereby replaced in its entirety with Schedule I attached hereto.

(c) Schedule II to the Purchase and Contribution Agreement is hereby replaced in its entirety with Schedule II attached hereto.

(d) Schedule III to the Purchase and Contribution Agreement is hereby replaced in its entirety with Schedule III attached hereto.

(e) Schedule IV to the Purchase and Contribution Agreement is hereby replaced in its entirety with Schedule IV attached hereto.

(f) Schedule V to the Purchase and Contribution Agreement is hereby replaced in its entirety with Schedule V attached hereto.

3. Notice; Consent.

(a) *Notice of Name Change*. The Servicer hereby provides notice of the occurrence of the Subject Name Change effective as of the Subject Name Change Effective Date and requests that each of the parties hereto acknowledge and consent to the occurrence of the Subject Name Change effective as of the Subject Name Change Effective Date.

(b) *Consent to Subject Name Change*. Subject to the terms and conditions of this Amendment, including the accuracy of each of the representations and warranties set forth herein, each of the parties hereto hereby: (i) acknowledges receipt of the notice set forth in Section 3(a) above, (ii) consents to the occurrence of the Subject Name Change effective as of the Subject Name Change Effective Date and (iii) waives any notice requirement set forth in the Agreements, whether as a prerequisite or condition precedent to the effectiveness of the Subject Name Change or otherwise.

(c) *General Limitations.* The foregoing limited consent shall be strictly limited to their terms. Consistent with the foregoing, nothing contained herein shall be deemed to be a consent to any party to the Transaction Documents failing to perform its obligations under the Transaction Documents other than solely to the extent set forth above. Notwithstanding anything to the contrary herein or in the Transaction Documents, by executing this Amendment, no party hereto is now waiving or consenting to, nor has it agreed to waive or consent to in the future (i) the modification or breach of any provision of the Transaction Documents, other than as expressly set forth in Sections 3(a) and 3(b) above, (ii) any Purchase and Contribution Termination Event, Unmatured Purchase and Contribution Termination Event, Event of Default or Unmatured Event of Default under the Agreements or the other Transaction Documents (whether presently or subsequently existing or arising), other than as expressly set forth in Sections 3(a) and 3(b) above or (iii) any rights, powers or remedies presently or subsequently available to any of the parties hereto or any other Person against the Seller, any Originator or the Servicer under any Agreement, any of the other Transaction Documents, applicable law or otherwise, relating to any matter other than solely to the extent expressly consented to herein, each of which rights, powers or remedies is hereby specifically and expressly reserved and continue.

(d) *No Waiver of Indemnification, Etc*. Without limiting the generality of the foregoing and for the avoidance of doubt, the parties hereto are not hereby waiving or releasing, nor have they agreed to waive or release in the future, any right or claim to indemnification or reimbursement by, or damages from, the Seller, any Originator or the Servicer or any other Person under any Transaction Document, including without limitation, for any liability, obligation, loss, damage, penalty, judgment, settlement, cost, expense or disbursement resulting or arising directly or indirectly from the Subject Name Change.

4. Additional Agreements. The parties hereto hereby agree to the terms set forth on Schedule VI attached hereto.

5. Representations and Warranties of the Seller, Servicer, Originators and Buyer. The Seller, Servicer, each of the Originators, and the Buyer each hereby represent and warrant to each of the parties hereto as of the date hereof as follows:

(a) *Representations and Warranties*. Immediately after giving effect to this Amendment, each of the representations and warranties made by it under the applicable Agreements and each of the Transaction Documents to which it is a party are true and correct in all material respects as of the date hereof (unless stated to relate to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such earlier date).

(b) *Enforceability*. The execution and delivery by it of this Amendment, and the performance of its obligations under this Amendment, the applicable Agreements, as amended hereby, and the other Transaction Documents to which it is a party, are within its organizational powers and have been duly authorized by all necessary organizational action on its part. This Amendment, the applicable Agreements, as amended hereby, and the other Transaction Documents to which it is a party are (assuming due authorization and execution by the other parties thereto) are its valid and legally binding obligations, enforceable in accordance with its respective terms, except (i) as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) as such enforceability may be limited by general principles of equity, regardless of whether such enforceability is considered in a proceeding in equity or at law.

(c) *No Default*. Immediately after giving effect to this Amendment and the transactions contemplated hereby, no Purchase and Contribution Termination Event, Unmatured Purchase and Contribution Termination Event, Event of Default or Unmatured Event of Default exists or shall exist.

6. Entire Agreement. Except as otherwise amended hereby, all of the other terms and provisions of each Agreement are and shall remain in full force and effect and the Agreements, as amended and supplemented by this Amendment, is hereby ratified and confirmed by the parties hereto. After this Amendment becomes effective, (i) all references in the Receivables Purchase Agreement (or in any other Transaction Document) to “this Agreement”, “hereof”, “herein” or words of similar effect referring to the Receivables Purchase Agreement shall be deemed to be references to the Receivables Purchase Agreement as amended by this Amendment and (ii) all references in the Purchase and Contribution Agreement (or in any other Transaction Document) to “this Agreement”, “hereof”, “herein” or words of similar effect referring to the Purchase and Contribution Agreement shall be deemed to be references to the Purchase and Contribution Agreement as amended by this Amendment. This Amendment contains the entire understanding of the parties with respect to the provisions of the Agreements amended and supplemented hereby and may not be modified except in writing signed by all parties. This Amendment shall not be deemed, either expressly or impliedly, to waive, amend or supplement any provision of either Agreement other than as set forth herein.

7. Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. Delivery of an executed counterpart hereof by facsimile or other electronic means shall be equally effective as delivery of an originally executed counterpart. The words “execution”, “executed”, “signed”, “signature”, and words of like import in this Amendment and the other Transaction Documents shall be deemed to include electronic signatures or electronic records, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

8. Severability. Any provisions of this Amendment which are prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

9. Effectiveness. This Amendment shall become effective subject to the conditions precedent that the Administrative Agent shall have received the following (or waived the receipt thereof in writing):

(a) counterparts to this Amendment executed by each of the parties hereto;

(b) evidence of filing of the UCC-3 amendment described in Section 10 hereof;

(c) such officer certificates as the Administrative Agent may reasonably request;

(d) a certificate of good standing (or similar) with respect to Enviri from Enviri's jurisdiction of organization; and

(e) lien search reports with respect to Enviri in Delaware.

10. Authorization to File Financing Statement Amendment. Upon the effectiveness of this Amendment, each of the parties hereto hereby authorize the Administrative Agent to file (at the expense of the Seller) a UCC-3 amendment in substantially the form of Exhibit A hereto amending the UCC-1 financing statement identified on Exhibit B hereto.

11. Governing Law.

(a) THIS AMENDMENT, INCLUDING THE RIGHTS AND DUTIES OF THE PARTIES HERETO, SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK (INCLUDING SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK, BUT WITHOUT REGARD TO ANY OTHER CONFLICTS OF LAW PROVISIONS THEREOF, EXCEPT TO THE EXTENT THAT THE PERFECTION, THE EFFECT OF PERFECTION OR PRIORITY OF THE INTERESTS OF ADMINISTRATIVE AGENT OR ANY PURCHASER IN THE SOLD ASSETS OR SELLER COLLATERAL IS GOVERNED BY THE LAWS OF A JURISDICTION OTHER THAN THE STATE OF NEW YORK).

(b) EACH PARTY HERETO HEREBY IRREVOCABLY SUBMITS TO (I) WITH RESPECT TO THE SELLER AND THE SERVICER, THE EXCLUSIVE JURISDICTION, AND (II) WITH RESPECT TO EACH OF THE OTHER PARTIES HERETO, THE NON-EXCLUSIVE JURISDICTION, IN EACH CASE, OF ANY NEW YORK STATE OR FEDERAL COURT SITTING IN NEW YORK CITY, NEW YORK IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AMENDMENT OR ANY OTHER TRANSACTION DOCUMENT, AND EACH PARTY HERETO HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING (I) IF BROUGHT BY THE SELLER, THE SERVICER OR ANY AFFILIATE THEREOF, SHALL BE HEARD AND DETERMINED, AND (II) IF BROUGHT BY ANY OTHER PARTY TO THIS AMENDMENT OR ANY OTHER TRANSACTION DOCUMENT, MAY BE HEARD AND DETERMINED, IN EACH CASE, IN SUCH NEW YORK STATE COURT OR, TO THE EXTENT PERMITTED BY LAW, IN SUCH FEDERAL COURT. NOTHING IN THIS CLAUSE SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY OTHER PURCHASER PARTY TO BRING ANY ACTION OR PROCEEDING AGAINST THE SELLER OR THE SERVICER OR ANY OF THEIR RESPECTIVE PROPERTY IN THE COURTS OF OTHER JURISDICTIONS. EACH OF THE SELLER AND THE SERVICER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR

PROCEEDING. THE PARTIES HERETO AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. EACH OF THE SELLER AND THE SERVICER CONSENTS TO THE SERVICE OF ANY AND ALL PROCESS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES OF SUCH PROCESS TO IT AT ITS ADDRESS SPECIFIED IN SCHEDULE III OF THE RECEIVABLES PURCHASE AGREEMENT. NOTHING IN THIS CLAUSE SHALL AFFECT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY OTHER PURCHASER PARTY TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW. EACH PARTY HERETO HEREBY WAIVES, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AMENDMENT OR ANY OTHER TRANSACTION DOCUMENT.

12. Section Headings. The various headings of this Amendment are included for convenience only and shall not affect the meaning or interpretation of this Amendment, the Agreements or any provision hereof or thereof.

13. Reaffirmation of Performance Guaranty. After giving effect to this Amendment and each of the transactions contemplated hereby, all of the provisions of the Performance Guaranty shall remain in full force and effect and the Performance Guarantor hereby ratifies and affirms the Performance Guaranty and acknowledges that the Performance Guaranty has continued and shall continue in full force and effect in accordance with its terms.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

HARSCO RECEIVABLES LLC,
as the Seller and as the Buyer

By: /s/ Michael Kolinsky
Name: Michael Kolinsky
Title: Vice President

ENVIRI CORPORATION,
as the Servicer, as an Originator and as the Performance Guarantor

By: /s/ Michael Kolinsky
Name: Michael Kolinsky
Title: Vice President - Treasurer, Tax and Real Estate

HARSCO CLEAN EARTH HOLDINGS, LLC, as an Originator

By: ______________________________
Name:
Title:

21ST CENTURY ENVIRONMENTAL MANAGEMENT OF NEVADA, LLC
21ST CENTURY ENVIRONMENTAL MANAGEMENT, LLC OF RHODE ISLAND
ADVANCED REMEDIATION & DISPOSAL TECHNOLOGIES OF DELAWARE, LLC
AERC ACQUISITION CORPORATION
ALLIED ENVIRONMENTAL GROUP, LLC
ALLWORTH, LLC
BURLINGTON ENVIRONMENTAL, LLC
CEHI ACQUISITION, LLC
CEI HOLDING, LLC

CHEMICAL POLLUTION CONTROL OF FLORIDA, LLC
CHEMICAL RECLAMATION SERVICES, LLC
CHEMICAL POLLUTION CONTROL, LLC OF NEW YORK
CLEAN EARTH ENVIRONMENTAL SERVICES, INC.
AES ASSET ACQUISITION CORPORATION
CLEAN EARTH ENVIRONMENTAL SOLUTIONS, INC.
CLEAN EARTH, LLC
CLEAN EARTH HOLDINGS, LLC
CLEAN EARTH SPECIALTY WASTE SOLUTIONS, INC.
CLEAN EARTH OF ALABAMA, INC.
CLEAN EARTH OF CARTERET, LLC
CLEAN EARTH DREDGING TECHNOLOGIES, LLC CLEAN EARTH OF GEORGIA, LLC
CLEAN EARTH OF GREATER WASHINGTON, LLC
CLEAN EARTH OF MARYLAND, LLC
CLEAN EARTH OF NEW CASTLE, LLC
CLEAN EARTH OF NORTH JERSEY, INC.
CLEAN EARTH OF PHILADELPHIA, LLC
CLEAN EARTH OF SOUTHEAST PENNSYLVANIA, LLC
CLEAN EARTH OF SOUTHERN FLORIDA, LLC
CLEAN EARTH OF WILLIAMSPORT, LLC
CLEAN EARTH OF MICHIGAN, LLC
CLEAN ROCK PROPERTIES LTD.
ESOL TOPCO LLC
GENERAL ENVIRONMENTAL MANAGEMENT OF RANCHO CORDOVA LLC
LUNTZ ACQUISITION (DELAWARE), LLC
NORTHLAND ENVIRONMENTAL, LLC
NORTRU, LLC
PHILIP RECLAMATION SERVICES, HOUSTON, LLC
PSC ENVIRONMENTAL SERVICES LLC
PSC RECOVERY SYSTEMS, LLC
REAL PROPERTY ACQUISITION LLC
REPUBLIC ENVIRONMENTAL RECYCLING (NEW JERSEY), INC.

REPUBLIC ENVIRONMENTAL SYSTEMS (PENNSYLVANIA), LLC
REPUBLIC ENVIRONMENTAL SYSTEMS (TRANSPORTATION GROUP), LLC
RHO-CHEM, LLC
SOLVENT RECOVERY, LLC
GARDNER ROAD OIL, LLC
CLEAN EARTH MOBILE SERVICES, LLC
CLEAN EARTH OF PUERTO RICO, LLC
ENVIRONMENTAL SOIL MANAGEMENT, INC.
ENVIRONMENTAL SOIL MANAGEMENT OF NEW YORK, LIMITED LIABILITY COMPANY MKC ACQUISITION CORPORATION,
CLEAN EARTH CORPORATE SERVICES, LLC CLEAN EARTH GOVERNMENT SERVICES, LLC,
as Originators

By:__/s/ Sarah Kowalczyk
Name: Sarah Kowalczyk
Title: Secretary

PNC BANK, NATIONAL ASSOCIATION,
as Administrative Agent

By:_______________________________________
Name:
Title:

PNC BANK, NATIONAL ASSOCIATION,

as a Purchaser

By:_______________________________________
Name:
Title:

Exhibit 31.1

ENVIRI CORPORATION
CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, F. Nicholas Grasberger, III, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Enviri Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 2, 2023

/s/ F. NICHOLAS GRASBERGER III

F. Nicholas Grasberger III

Chairman, President and Chief Executive Officer

Exhibit 31.2

ENVIRI CORPORATION
CERTIFICATION PURSUANT TO RULE 13a-14(a) OR 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Peter F. Minan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Enviri Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

August 2, 2023

/s/ PETER F. MINAN
Peter F. Minan
Senior Vice President and Chief Financial Officer

Exhibit 32

ENVIRI CORPORATION
CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Enviri Corporation (the "Company") on Form 10-Q for the period ending June 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 2, 2023

/s/ F. NICHOLAS GRASBERGER III
F. Nicholas Grasberger III
Chairman, President and Chief Executive Officer

/s/ PETER F. MINAN
Peter F. Minan
Senior Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Enviri Corporation and will be retained by Enviri Corporation and furnished to the Securities and Exchange Commission or its staff upon request.