Sustainable Finance Impact Report 2025

Anglian Water Group Limited

Contents

Discover more online at anglianwatergroup.co.uk

About Anglian Water

Welcome to Anglian Water's 2024/25 Sustainable Finance Impact Report. This year marks the end of the current Asset Management Period (AMP7, 2020-2025). This report covers the investments made under our sustainable finance portfolios, many of which extend across multiple AMPs.

Anglian Water operates in one of the most complex and diverse regions in the UK – the East of England – which is characterised by its low-lying, flat topography and extensive coastline, making it vulnerable to both drought and flooding. It is also one of the fastest-growing regions in the country, with population and economic growth placing increased demand on water resources and the environment.

Our performance has been impacted by extremes in weather, resulting in increased pressure on water recycling infrastructure and storm overflow activity. The duality of intense rainfall and drought in recent years reflects the impact of climate change, which, for Anglian Water, are no longer a projected future risk but a current operational reality. This is why our sustainable investment programme is crucial to address climate impacts, both now and for future generations.

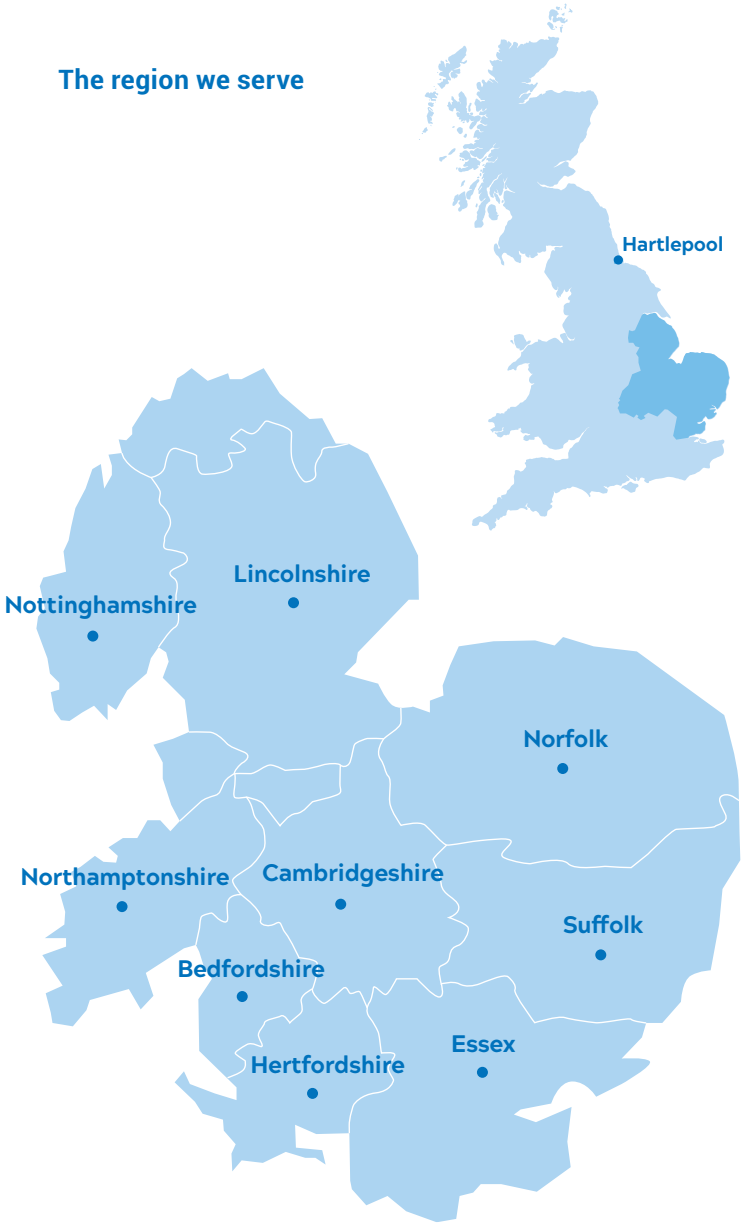
Beyond the climate, we have witnessed intensified scrutiny on the water sector. In particular, we have seen a shift across this AMP in expectations, particularly in areas such as pollutions, customer service, and capital efficiency. We recognise the need for the sector to evolve.

Our ambition is to be an upper quartile performer – a status which is determined by Ofwat. To get there, in September 2024 we launched a company-wide prioritisation programme to accelerate performance improvements, which is backed by significant shareholder equity and focus from the top down.

Alongside improving performance, there is a pressing need for sustained capital investment in key infrastructure. The next five years (AMP8, 2025-2030) is a significant opportunity for the water sector, to improve performance and reset expectations, alongside delivering for the future. Over the next 25 years, the industry plans to invest over £270 billion in critical infrastructure, such as new reservoirs and supply pipelines, desalination plants and sewage treatment works.

At Anglian Water, we have committed to spending £11 billion* over the next five years, expanding even further in successive AMPs. This builds on existing strong foundations, where we have focused on delivering infrastructure to keep taps flowing, culminating in projects such as our Strategic Pipeline. As we transition into the next AMP, we must become as much an infrastructure delivery company, as an operational one.

The region we serve



To ensure we can deliver transformational infrastructure programmes which will deliver benefits across generations, we have requested a referral to the Competition and Markets Authority (CMA). This reflects our belief that our Business Plan for AMP8 must be supported by balanced incentives that attract patient capital while maintaining customer affordability. Addressing these multifaceted challenges requires a sustainable model of long-term finance, which is why Anglian Water's sustainable investment programme is crucial to delivering our long-term strategy.

*Correct at time of publication, howevery subject to change following CMA.

Delivering on our Purpose for the long-term

At Anglian Water, we have a clear purpose: 'To bring environmental and social prosperity to the region we serve through our commitment to Love Every Drop'. Serving over seven million customers across the largest geographic region of any water company in England and Wales, we operate in some of the most water-stressed and environmentally sensitive areas of the country. This influences our long-term ambitions to build climate resilience, enhance biodiversity, and deliver sustainable growth for generations to come.

In 2019, this commitment to our Purpose was formally embedded in our Articles of Association, ensuring that our duty to the public interest, the environment, and our communities sits alongside our responsibility to deliver fair and sustainable returns to our investors.

This foundation shapes how we create long-term value. It ensures that our corporate strategy and investment priorities deliver outcomes that extend beyond operational performance. It also underpins the integration of environmental, social and governance (ESG) considerations across all strategic decision-making.

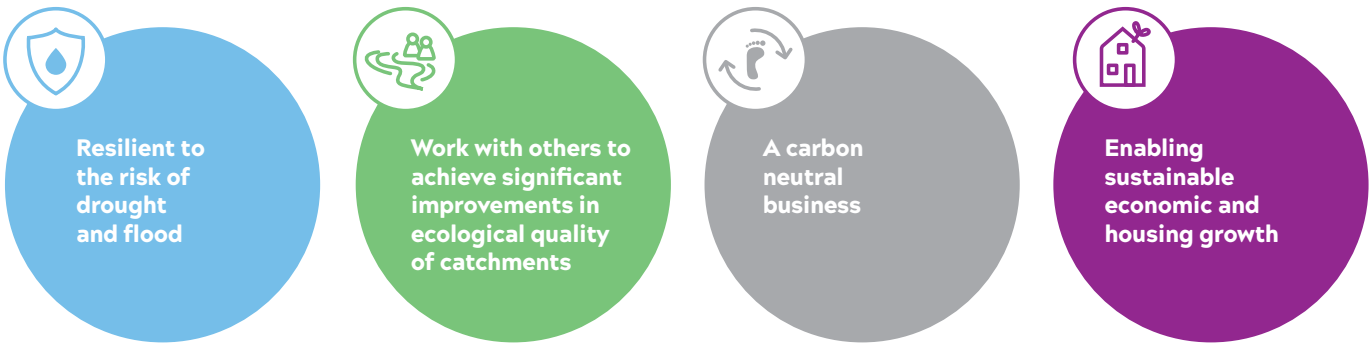
In AMP7 (2020 - 2025), we invested over £3.8 billion in critical infrastructure, with over £1.7 billion raised through sustainable finance instruments. These funds supported initiatives such as wastewater treatment upgrades, the delivery of over 1.1 million smart meters, and biodiversity improvements. Our Water Industry National Environment Programme (WINEP) saw us making investments of £560 million over the AMP, and has delivered measurable gains in areas such as river health and nature-based treatment capacity.

Looking ahead, our ambition is to maximise the impact of our sustainable investment activity. Until funds are deployed, capital raised through green bonds is held in a ring-fenced account and invested in sustainable investments. We continue to seek new opportunities that align with our Purpose and deliver lasting benefits to the communities we serve.

Our Purpose

To bring environmental and social prosperity to the region we serve through our commitment to love every drop.

We take a long-term approach in pursuit of our Purpose, underpinned by our 25-year Strategic Direction Statement (SDS)



Introduction from our Chief Financial Officer

Sustainable finance is fundamental to how we deliver long-term value – every pound raised supports projects that protect the environment, address social needs, and benefit our customers and communities.

Michael Bradley
Chief Financial Officer | Anglian Water

Sustainable finance plays a central role in delivering our Purpose and underpins our strategy to build resilience, accelerate environmental improvement, and support sustainable growth.

At Anglian Water, sustainable finance refers to investment activity that aligns with rigorous ESG standards. These funds are used exclusively to support projects that protect or enhance the environment, address social need, or contribute directly to outcomes in our Strategic Direction Statement. Every pound raised through sustainable finance is intended to deliver tangible value to customers, communities, and the environment.

Since 2017, we have raised £4.7 billion through green and sustainability-linked instruments including our first £250 million Green Bond which was issued in 2017 and will mature in 2025.

Out of the £3.7 billion of which was secured during AMP7, in 2024/25 alone, we raised £900 million in sustainable debt. Overall, these funds have enabled nature-based flood mitigation, drought resilience through the Strategic Pipeline we are constructing, and investments in decarbonisation, low water pressure reduction, and extended service reach.

In 2021/22, we introduced our first sustainability-linked bond (£300 million), tying financial performance to environmental outcomes. Issued in July 2021 under our Sustainability Finance Framework, the bond matures in July 2028 and carries a 2.00% coupon. Its structure includes key performance indicators (KPIs) focused on reducing operational and capital carbon emissions, supporting our Net Zero 2030 strategy. As of 31 March 2025, we achieved a 66.1% reduction in capital carbon emissions against the 2010 baseline, exceeding the 65% target. While also achieving a 31.97% reduction in Net Operational Carbon Emissions against the 2018/19 baseline, exceeding the 30% target. Read more here.

As we enter AMP8, we will embark on our largest ever proposed capital programme, which commits us to spending £11 billion over the next five years*. Our revised Sustainable Finance Framework, launched in February 2024, sets out key performance indicators across five objectives: climate change mitigation, climate adaptation, pollution prevention, resource conservation, and biodiversity. Supported by independent assurance provided by DNV, this framework will guide investment deployment and impact measurement.

In 2025/26, we plan to invest £1.1 billion – with future years ramping up further investment. All projects funded through sustainable finance will be governed by clear performance thresholds and aligned with our ambitions.

Our Purpose guides how we balance affordability, returns, and environmental benefit. In a climate of increasing scrutiny, we remain committed to showing that a purpose-led utility can also be a high-performing one.

We have been exploring new ways to be transparent in how we report our absolute impact on delivering environmental and social prosperity for our region. The result is our new Purpose Impact Assessment to help us understand and share our view of the positive and negative impacts we are having.

*Correct at time of publication, however subject to change following CMA referral

Our ESG credentials continue to be validated externally:

In 2024, we maintained our score of 94/100 which saw us achieve a four star rating **GRESB Infrastructure Assessment.**

MSCI: In 2025, we maintained our AA rating (for the fourth year running) in the MSCI ESG Ratings assessment. This is the second-highest ranking. MSCI ESG Research provides MSCI ESG Ratings on global public and a few private companies, on a scale of AAA (leader) to CCC (laggard), according to exposure to industry-specific ESG risks and the ability to manage those risks relative to peers.

CDP: This year, we received an A- score for Water Security; the first time we have completed this questionnaire. In the Climate Change Disclosure, we received a B rating. This is down from our A- score in 2023. The decline in our score is related to a change in methodology and rating boundaries. Despite this decline, across many of the categories that contribute to the total score, we received A ratings for our dependencies, impacts, risks and opportunities process, emission reduction initiatives and governance. Furthermore, our scores were above the global and European averages of C.

87% in Business in the Community Responsible Business Tracker®.
We also maintained our 100% score for purpose and values.

This year's Sustainable Finance Impact Report provides:

- A summary of eligible investments and fund allocation.
- Performance against our Key Performance indicators and ESG commitments.
- An overview of instruments issued and their strategic links.
- Independent assurance of our impact reporting.
- A forward look at AMP8 funding and delivery.

Sustainable finance remains fundamental to how we deliver long-term value for our customers, investors, and the region.

Our business model

1

What drives us

Our Purpose

To bring environmental and social prosperity to the region we serve through our commitment to love every drop.

2

We deliver value for our stakeholders

- **Environment and planet**
- **Customers and communities**
- **People and partners**
- **Shareholders**
- **Investors, banks and rating agencies**
- **Regulators**
- **National and local government**

3

Our long-term ambitions

Our ambitions respond to the pressures outlined in our 25-year Strategic Direction Statement (SDS).

Make the East of England **resilient to the risks of drought and flooding**

Enable **sustainable economic and housing growth** in the UK's fastest-growing region

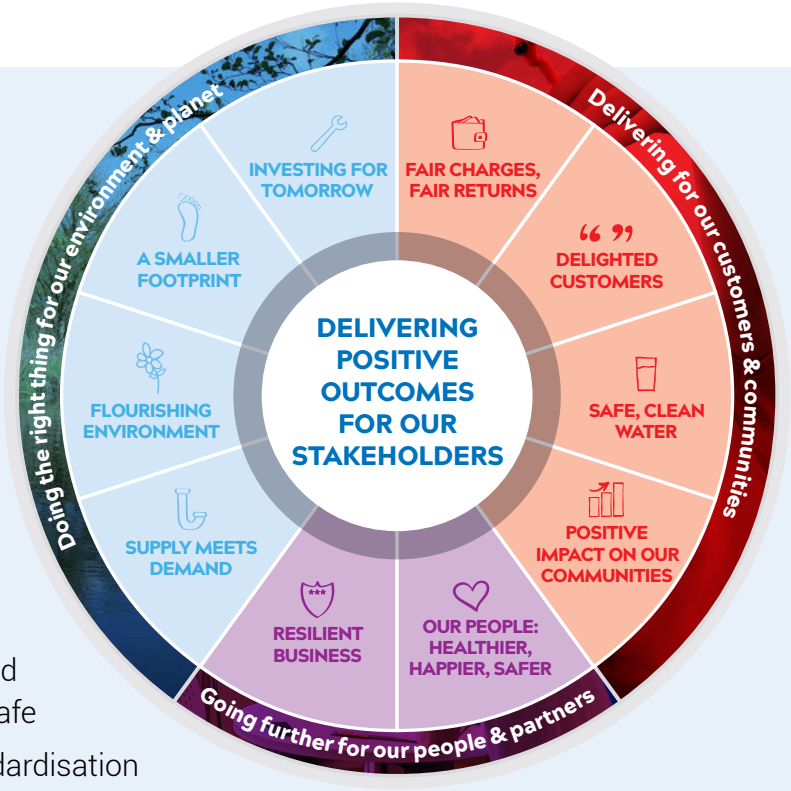
By 2030, be a **net zero carbon business** and reduce the carbon in building and maintaining our assets by 70%

Work with others to **achieve significant improvement in ecological quality** across our catchments

4

Our goals for 2020–2025

- To make life better for our customers, every single day
- To deliver our 2020–2025 Final Determination
- To deliver our identified business priorities
- To create a sustainable future for our region



What will help us get there?

- Skilled, trusted and customer-focused people who are happy, healthy and safe
- Maximising opportunities from standardisation and centralisation
- Smart use of information and technology
- World-leading alliances, working as one team
- Collaboration inside and outside the organisation

5

How we make decisions

We balance our six capitals to shape investment decisions

Natural **Social** **People**

Financial **Intellectual** **Manufactured**

→ Read more about how six capitals are embedded within our Purpose framework on page 11.

6

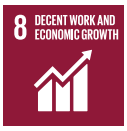
SUSTAINABLE DEVELOPMENT GOALS

The UN Sustainable Development Goals influence our thinking and the investment we make contributes towards their delivery. We work in the spirit of all 17 goals, but we have mapped our work to the 10 where we have the most material impact.

→ Find out more at anglianwater.co.uk/UN-SDGs

Aligning our ambitions with the United Nations' Sustainable Development Goals

By aligning our activities and the outcomes we deliver with the UN Sustainable Development Goals (SDGs), we can demonstrate how we are contributing to wider global goals. We are working in the spirit of all 17 UN SDGs, but have mapped our work to the 10 where we have the most material impact. We will continue to review these in line with our Business Plan.

Relevance of SDG to our business (proportion of targets that we can directly contribute to)				
				
				
Example target of material interest				
3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	**6.5** By 2030, implement integrated water resources management at all levels	**7.2** Increase global percentage of renewable energy	**8.4** Improve progressively, through to 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation	**9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human wellbeing, with a focus on affordable and equitable access for all
Underlying potential for negative impact				
Our operations can cause pollutions if we get things wrong, or if the wrong things go down into our network	Available water is reducing due to climate change, the need for greater environmental protection, and the increasing population. Uncoordinated water management could lead to deficits and environmental harm	Treating and moving water around our flat region is an energy intensive operation	We build and operate a large network of assets and infrastructure that use energy and resources	Available water is reducing due to climate change, the need for greater environmental protection, and the increasing population. Without strategic planning, a lack of water can be a barrier to growth
Examples of current activities that positively support the target				
• Get River Positive Plan • Just Bin It • Catchment Management • Pollution Incident Reduction Plan	• Future Fens: Integrated Adaptation • Catchment Management • New Reservoirs • Water resources management plan	• Renewable energy • Triple Carbon Reduction – Innovation Hub	• Leakage • Investing to protect the environment	• Sustainable financing framework 2024 • New water pipelines • Innovation Hub
How the SDG target aligns to our outcomes				
Safe, clean water	Supply meets demand	A smaller footprint	A smaller footprint	Investing for tomorrow

> **"Aligning our sustainable finance goals with the UN Sustainable Development Goals ensures every pound we invest drives meaningful impact, not just for our business, but for the communities we serve and the environment."**
>
> **Michael Bradley** Chief Financial Officer | Anglian Water

Relevance of SDG to our business (proportion of targets that we can directly contribute to)				
				
				
Example target of material interest				
11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities	**12.8** By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	**13.2** Integrate climate change measures into national policies, strategies and planning	**14.1** By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution	**15.5** Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species
Underlying potential for negative impact				
We manage large areas of open space to deliver our service	Without knowledge our customers are unable to act sustainably	We are one of the biggest energy users in the East of England and operate in a region that is particularly vulnerable to climate change	Our operations can cause pollutions if we get things wrong, or if the wrong things go down into our network	Our operations have a large footprint within the natural environment
Examples of current activities that positively support the target				
• Water Parks	• Save water • Smart meter upgrades	• Climate change Adaptation Report 2024 • Carbon management and our journey to net zero	• Caring for our coastline • RiverCare and BeachCare • Just Bin It • Pollution Incident Reduction Plan	• Biodiversity • RiverCare and BeachCare • Get River Positive
How the SDG target aligns to our outcomes				
Positive impact on communities	Positive impact on communities	Investing for tomorrow	Flourishing environment	Flourishing environment

Measuring our Purpose performance

We are conscious of the weight of responsibility we bear as a supplier of an essential service to deliver safe, clean water and recycle it effectively and to protect and enhance our environment and enrich our communities.
That responsibility drove us in 2019, to become the first utility to embed our Purpose into our Articles of Association, locking public interest into the fabric of our business and the decisions we make each day.

We are committed to:

- act in the public interest. We recognise our wider role in the communities we serve, beyond providing fresh clean drinking water and protecting the natural environment we operate in;
- make sure customer bills are fair, affordable and that they offer value for money. And demonstrating we are responsible with customer money;
- ensure our profits are fair (not excessive) and that we pay our fair share of tax.

These principles are woven through our business, through our defined Purpose, which is underpinned by our Company values and our Six Capitals model for decision making.

In 2022, along with the British Standards Institution (BSI), we led the development of a new Publicly Available Specification for embedding purpose in organisations, PAS 808:2022 Purpose-Driven Organisations, Worldviews, Principles and Behaviours. PAS 808 has been sponsored by the UK Government.

In March 2025, we had our first continuous assessment visit where BSI examined the extent to which we are maintaining our purpose-driven focus since 2023. The assessment confirmed continued evidence of Anglian Water's ongoing commitment to purpose, not just within the company but also helping to drive purpose-driven attitudes among the wider business community. Peter Hickmott, of BSI concluded that, "Anglian Water is a champion of Purpose-driven organisation principles, values and behaviours."

Our Group Chief Sustainability Officer works with and challenges our Board, ensuring decisions are guided by our Purpose framework. Purpose-related criteria are embedded across all of our bonus structures.

We regularly communicate with our customers and key stakeholders. Anglian Water's Independent Challenge Group (ICG) is a group of independent experts and regulators, with an independent Chair, Craig Bennett, Chief Executive of The Wildlife Trusts. The ICG challenges us to ensure we are delivering on customer priorities. In 2022, we re-established our Customer Board, where we facilitate an open, two-way discussion between customers and our Executive Committee. At this forum, customers are invited to hold us to account and provide challenge at a senior leadership level.

Six Capitals framework

Our Purpose is to bring environmental and social prosperity to the region we serve through our commitment to Love Every Drop.

Our Board is committed to using the Six Capitals framework for decision making, an approach we first introduced back in 2015. This framework, which is embedded in our business model, helps us balance the six, to shape investment decisions.

Natural **Social**

Financial **Intellectual**

People **Manufactured**

Underpinned by our values

Together we

Do the right thing

Build trust

Are always exploring

Our transition to net zero by 2030

By 2030, we aim to be a net zero carbon business. This is defined as net zero emissions, where we have operational control, as set out in our Net Zero 2030 Routemap. In 2030, we will likely have residual emissions, for example: fossil fuel use in Heavy Goods Vehicles and from process emissions from wastewater treatment, which we will look to offset.

As set out in our Net Zero 2030 Routemap, regarding process emissions, we recognise this is a considerable challenge and are reducing uncertainty, by monitoring and collaborating with other global organisations. Our Routemap contains more detail on the risks associated with transitioning to a net zero carbon business. Overall, we have a comprehensive approach to climate change, of which our transition risks form a key part.

Adapting to a changing climate

The East of England is exposed to climate risk. In 2023/24, we witnessed the wettest six-month period on record, with some areas in our region receiving three times the average rainfall. At the same time, prolonged dry spells and rising demand continue to increase the pressure on water resources. These conditions reinforce the need for a resilient, low-carbon water system, and they shape our urgency to act.

Our Climate Change Adaptation Report, updated in 2024, outlines the key climate-related risks we face. Since we last published our Climate Change Adaptation Report in 2020, we have observed increased risks related to raw water quality and sewer flooding. Raw water quality relates to the quality of the water we clean and put into supply. Sewer flooding risks have increased in response to the heavy rainfall and stormy weather experienced in recent years, and we have seen the damaging impact on both our assets and performance.

We have a critical role to play in supporting both national and regional climate goals. As we enter AMP8, net zero remains a core pillar of our strategic direction, tied closely to environmental resilience, sustainable growth, and our Purpose.

Carbon reduction in action

In the past year, we made significant strides in reducing our operational and capital carbon. Notable highlights include:

- A 66.1% reduction in capital carbon against our 2010 baseline, continuing our trajectory toward a 70% reduction by 2030.
- Our aim was that by 2025, 45% of our electricity requirement would be powered by renewable sources. We met this ambition and continue to explore avenues for further take-up of renewables.
- Integration of full carbon assessments into all major capital schemes.
- Ongoing deployment of nature-based solutions with carbon sequestration benefits, including wetland and woodland restoration.
- Enhanced energy efficiency through treatment process upgrades and optimisation of sludge digestion.

These achievements reflect efforts to embed low-carbon thinking into every project, from early design to delivery and operation.

Investing in a net zero future

Our transition to Net Zero is closely tied to the delivery of our largest-ever capital investment programme. Our business plan for AMP8 commits us to spending c.£11 billion with over £4 billion directed specifically toward environmental outcomes, including climate resilience and decarbonisation.

Many of our major schemes are being designed with low-carbon alternatives from the outset. The Strategic Pipeline, our two new planned reservoirs, and new water recycling infrastructure will all be delivered with a focus on minimising carbon emissions and energy consumption. We will use PAS2080, a globally applicable standard for managing carbon in buildings and infrastructure, to minimise capital carbon – which refers to the carbon emitted as consequence of material manufacture and the construction process – and drive efficiencies and the use of renewable electricity to minimise carbon emissions in operation.

In our proposed AMP8 Business Plan, we will be instigating a number of carbon reduction approaches, including:

- Nitrous Oxide (N2O) reduction technologies.
- Electric HGVs.
- Methane (CH4) capture.
- Gas to Grid.

As we enter AMP8, our ambition is not only to meet our net zero ambitions by 2030, but to set the foundations for a carbon positive water sector going forward. In the coming years, we will:

- Scale up renewable energy generation across our sites.
- Further decarbonise our construction and supply chain.
- Explore opportunities for natural carbon sequestration through land management.
- Expand digital optimisation of assets to reduce energy demand.
- Engage with our customers and communities to reduce shared carbon footprints.

The work we do today will deliver long-term environmental, social and financial value – helping us to build a water system that is fit for the future, resilient to climate change, and aligned with a low-carbon economy.

Collaborating to go further

As part of the water industry's Net Zero 2030 commitment, we continue to collaborate with our supply chain to share data, refine methodologies, and accelerate innovation. Internally, we use our Six Capitals framework to ensure carbon is factored into all major investment decisions.

We work closely with our supply chain to deliver our capital programme. We began engaging with our supply chain on climate change in 2007, when we invited our key partners to HRH The Prince of Wales' first Mayday Summit. Since then, we've worked with our design and construction partners to reduce capital carbon by more than 66.1%, against a 2010 baseline.

In 2016 we became the first organisation to be verified against PAS 2080, the standard for managing carbon in infrastructure. In 2024, we were verified against the updated PAS2080, which in its update, incorporates more issues around working with supply chains to reduce carbon. Our Head of Carbon Neutrality co-chairs the Water UK Carbon Network. This group meets monthly to share best practice, knowledge and developments to shape net zero policy and strategy, from a water sector perspective.

Climate-related Financial Disclosures

We comply with two reporting frameworks: the Task Force on Climate-related Financial Disclosures (TCFD) and the Companies Act 2006. We have reported against the TCFD since 2017.

Our approach is consistent with all 11 TCFD recommendations and is compliant with the requirement of LR 9.8.6R, by including climate-related financial disclosures. This disclosure also complies with the requirements of the Companies Act 2006, as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 (CFD).

Furthermore, for the first time, our Annual Integrated Report contains reporting in line with the principles of the Task Force on Nature-related Financial Disclosures (TNFD).

Our upcoming Transition Plan will be published separately.

We summarise key components of our TCFD report below. See pages 75-101 of our Annual Integrated Report for the full disclosure.

Governance

The diagram below covers Board oversight and Anglian Water governance arrangements in relation to climate and nature-related risks and opportunities.

The Anglian Water Serviced Limited (AWS) Board Oversight of climate and nature-related risks		
Audit and Risk Committee Review the Company's top-tier risks	**Remuneration Committee** Remuneration policy linked to ESG	**Nomination Committee** Balance of skills, knowledge, experience and diversity on the board
Executive Committee		
ExCo sub-committees		
Environment and Sustainability	Operations – Water	Capital Delivery
Risk, Assurance and Disclosure	Operations – Water Recycling	Strategic Change
People	Operations – Customer and Wholesale	Health, Safety and Wellbeing
Water Quality and Environmental Compliance Group	Climate Change and Carbon Steering Group	Sustainability Centre of Excellence

Strategy

In December 2024, we submitted our Climate Change Adaptation Report to the Department for the Environment, Food and Rural Affairs (Defra), under the Adaptation Reporting Power of the UK Climate Change Act (2008). This is the fourth submission we have made. Its purpose is to outline progress we have made in adapting to our climate change risks since 2021 and contributes to the Government's understanding of the UK's level of preparedness to climate change.

To understand what future climate scenarios could mean for us, we have undertaken modelling in the preparation of our many strategies including our Long-Term Delivery Strategy (LTDS), Water Resources Management Plan (WRMP) and Drainage and Wastewater Management Plan (DWMP).

Our five-year investment periods and associated key performance indicators, including those set by Ofwat, are set in the context of a much longer timeframe, in line with our Purpose and Strategic Direction Statement (2050).

Risk and impact management

Climate change and our impacts and dependencies on nature are a consideration in each of our principal risks. The assessment and management of climate and nature-related risks is consistent with the approach used to manage risk throughout the business.

Identification of current and emerging climate and nature-related risks is undertaken as part of our embedded risk processes. Our process utilises expert judgement, historical data, external data and forward-looking analysis. The consequences and likelihood of these risks are determined and ranked using a scoring matrix, aligned to our risk appetite. We use scenarios to inform our future direction.

Metrics and targets

Due to the nature of our business, many of our Ofwat-related targets and alternate key performance indicators used to track progress are inherently linked to our impacts and dependencies on climate and nature.

Scope 1, Scope 2 and relevant Scope 3 Greenhouse gas emissions (GHG)

This table meets requirements of the Streamlined Energy and Carbon Reporting (SECR) regulations.

	Units	2023/24	2024/25	Inclusions
Energy consumption used to calculate emissions kWh	kWh	1,069,978,529	1,100,697,958	Electricity, gas, fuels combusted on site (fossil fuels and biogas), transport (company cars, fleet vehicles, personal and hire cars on business use) plus liquid fuels consumed on site
Scope 1 – Gas and fuel oil consumption	Tonnes CO_2e	10,945	17,988	Fossil fuel combusted, natural gas and biogas
Scope 1 – Process and fugitive emissions	Tonnes CO_2e	84,780	85,250	Water and wastewater treatment, biogas
Scope 1 – Owned transport	Tonnes CO_2e	21,759	22,216	Fleet vehicles and company cars
Scope 1 – Total	Tonnes CO_2e	117,483	125,454	
Scope 2 – Purchased electricity	Tonnes CO_2e	134,597	133,989	Grid electricity – location-based electric for vehicles
Scope 2 – Total	Tonnes CO_2e	134,597	133,989	
Scope 3 – Business travel	Tonnes CO_2e	740	809	Private cars, public transport
Scope 3 – Outsourced transport	Tonnes CO_2e	18,434	25,074	Outsourced tankers
Scope 3 – Purchased electricity	Tonnes CO_2e	11,632	11,828	Transmission and distribution
Scope 3 – Total significant	Tonnes CO_2e	30,806	37,712	We have not included commuting, capital carbon and emissions from use of water in customers' homes
Total annual gross emissions	Tonnes CO_2e	282,886	297,156	
Exported renewables	Tonnes CO_2e	-6,549	-8,739	Exported renewables REGO certified
Green tariff	Tonnes CO_2e			
Total annual net emissions	Tonnes CO_2e	276,337	288,417	
Intensity ratio – water treated	Kg CO_2e per Ml	191.99	186.7	
Intensity ratio – recycled water	Kg CO_2e per Ml	454.7	461.1	
Intensity ratio – recycled water	Kg CO_2e per Ml	236.1	212.5	Full flow to treatment

Sustainable Finance Programme

The new Anglian Water Sustainability Finance Framework for AMP8, published in February 2024, supports the financing of water and water recycling projects that demonstrate sustainable management of natural resources and land use, as well as adapting to climate change.

Our Sustainability Finance Framework aligns with the ICMA Green Bond Principles 2021, including the updated appendix I of June 2022, the Social Bond Principles 2023 and the Sustainability Bond Guidelines 2021, as published by the International Capital Market Association (ICMA). It also aligns with the Loan Market Association's (LMA) Green Loan Principles 2023. It allows for both social and green projects and recognises that some social projects may also have environmental co-benefits, while certain green projects may have social co-benefits. Our current framework can be found here.

The new framework is in alignment with Anglian Water's wider strategy and enabled us to issue Green, Social and Sustainability financing as well as Sustainability Linked finance instruments.

It is our intention to follow, where possible, best market practice and consider, in due course the technical screening criteria of the UK Taxonomy, when published. Therefore, the Sustainable Finance Framework may be amended and/or updated to reflect the requirements of the EU Taxonomy and the future UK Taxonomy, and in particular that related to the sustainable use and protection of water and marine resources, and/or changes in market practice.

Glossary

Name	Definition
Green Bond	Green Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or refinance, in part or in full, new and/or existing eligible green projects and which are aligned with the four core components of the Green Bond Principles. Different types of Green Bonds exist in the market.[1]
Social Bond	Social Bonds are any type of bond instrument where the proceeds will be exclusively applied to finance or refinance, in part or in full, new and/or existing eligible social projects and which are aligned with the four core components of the Social Bond Principles. Different types of Social Bonds exist in the market.[1]
Sustainability Bond	Sustainability Bonds are any type of bond instrument where the proceeds or an equivalent amount will be exclusively applied to finance or refinance a combination of both green and social projects.[1]
Sustainability-Linked Bond (SLB)	Sustainability-Linked Bonds (SLBs) are any type of bond instrument for which the financial and/or structural characteristics can vary, depending on whether the issuer achieves predefined sustainability and ESG objectives.[1]
AMP	Asset Management Period – the five-yearly cycle over which water companies are regulated by water regulator Ofwat.
AWSF	Anglian Water Services Financing Limited – the financing entity that legally issues debt.
AWOF	Anglian Water (Osprey) Financing Limited – the financing entity that legally issues debt.
AFIP	Aigrette Financing (Issuer) Plc – the financing entity that legally issues debt.

[1] Source: ICMA website: icmagroup.org/sustainable-finance/

Many of our reported metrics, as well as the process we use to calculate them, are verified independently. Below is a summary of the third-party assurance we receive.

Data collected	Auditors	Scope of audit	Link to audit reports
Allocation of proceeds	DNV	All spend reported as allocated; project categories	Click here for report
Capital carbon	DNV	tCO_2e	Click here for report
	BSI PAS 2080	Carbon management in Infrastructure	Click here for report
Capital carbon reduction ratio	DNV	tCO_2e	Click here for report
Operational carbon	Achilles	tCO_2e	Click here for report
Leakage	Jacobs	Megalitres per day of water lost through leakage	Click here for report
Priority Service Register (PSR)	DNV	Number of customers signedup to PSR	Click here for report
Climate resilience score	DNV	Score 1-3	Click here for report
Anglian Water Sustainability Finance Framework	DNV	Documented framework	Click here for report
Water abstraction	Jacobs	Average daily water abstracted per capita per household consumption measured in litres	Click here for report

All capital expenditure follows Anglian Water's AMP7 Governance Framework. All capital expenditure we undertake is capable of being an eligible green project for inclusion in a green project category, outlined in the Green Bond Principles. We have used the following green project categories from the ICMA and mapped them to our own categories.

As at 31 March 2025 we have fully allocated the funds raised through the old Framework, hence we have listed the sustainability categories of both the previous and new Framework. All bonds issued under Anglian Water's Sustainable Finance Framework have been used exclusively to finance a portfolio of Eligible Sustainable Projects, with no proceeds allocated toward the refinancing of existing projects, in accordance with the Eligibility Criteria defined in the Framework.

In the financial year 2024-2025 all the proceeds allocated from the bonds have all been deployed to finance new projects without refinancing any previous spend.

All capital expenditure follows Anglian Water's AMP7 Governance Framework. Capital expenditure we undertake is capable of being an eligible green project for inclusion in a green project category, as outlined in the Green Bond Principles. We have used the following green project categories from the ICMA and mapped them to our own categories. As of 31 March 2025, all funds issued under our previous framework have been fully allocated during the year. As a result, we have included the sustainability categories from both the previous and the current frameworks.

Sustainability Categories aligned with our previous Framework

ICMA Category	AWG Green/Social Portfolio Category	AWG Definition
Sustainable water and wastewater management	Sustainable service (water recycling)	Capital maintenance of water recycling infrastructure to prevent deterioration of services to customers and the environment
Sustainable water and wastewater management	Sustainable service (water)	Capital maintenance of water infrastructure to prevent deterioration of services to customers and the environment
Sustainable water and wastewater management	Providing safe clean water	Water quality initiatives such as replacement of lead pipes and treatment of raw water that contains agricultural pollutants such as nitrates
Environmentally sustainable management of living natural resources and land use	Improving our environment	WINEP obligations to improve ecological status of water bodies, both river and coastal areas
Environmentally sustainable management of living natural resources and land use	Super green	Natural capital solutions for phosphorous removal, water framework directive measures and eels programme
Climate change adaptation	Community improvements	Flood risk reduction, removing persistent low pressure, connecting villages on the network
Climate change adaptation	Resilient services	Improvements to single points of failure and security to outside threats
Climate change adaptation	Resilient Water supplies – supply capacity measures	Supply-side measures set out in Anglian Water's Water Resources Management Plan (WRMP) – securing supplies from climate change and growth in the region
Climate change adaptation	Resilient Water supplies – demand reduction measures	Demand-side measures set out in the WRMP, including smart metering and leakage – securing supplies from climate change and growth in the region
Affordable basic Infrastructure	Sustainable growth	Accommodating new housing in our region including community surface water removal measures

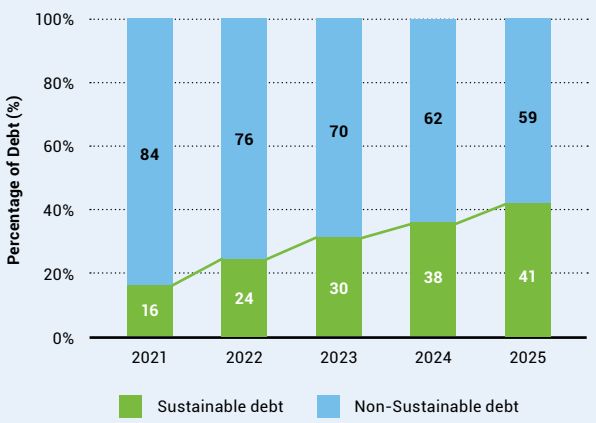
DNV's full assurance report, including their conclusions and summary of work, can be found on our website: https://www.anglianwatergroup.co.uk/debt-investors/reports-prospectuses-and-certificates

Sustainability Categories aligned with our updated (February 2024) Framework

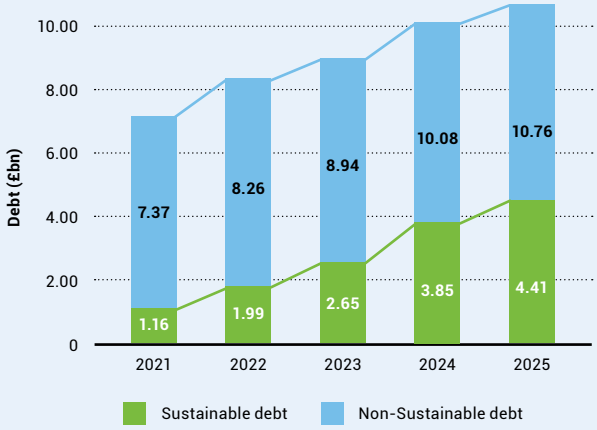
The primary change in the new Framework in comparison to the previous one is the adoption of a portfolio approach to allocation, to better align with market best practice. Under this new Framework, fund issuances will be allocated to a portfolio of eligible spend categories. This represents a shift from the previous Framework, which utilised a bond-by-bond allocation approach.

ICMA Category	AWG Green/Social Portfolio Category	AWG Definition
Sustainable water and wastewater management	Wastewater treatment, adapting to a changing climate	Construction, extension, operation, and renewal of water collection, treatment and supply systems intended for human consumption based on the abstraction of natural resources of water from surface or ground water sources
Sustainable water and wastewater management	Wastewater treatment, adapting to a changing climate	Construction, extension, upgrade, operation and renewal of urban wastewater infrastructure including treatment plants, sewer networks, stormwater management structures, connections to the waste water infrastructure, on-site sanitation facilities, and outflows
Sustainable water and wastewater management	Sustainable drainage systems, adapting to a changing climate	Construction, extension, operation and renewal of urban drainage systems facilities that mitigate pollution and flood hazards due to discharges of runoff, and improve the water quality and quantity
Sustainable water and wastewater management	Reducing demand for clean water, adapting to a changing climate	Installation and associated services for leakage control, technologies that enable leakage reduction and prevention
Sustainable water and wastewater management	Energy efficiency	Efficiency programmes in energy use and Pump/air blowers replacement programme
Terrestrial and aquatic biodiversity	Expenditures related to: • Water Industry National Environment Programme (WINEP) obligations to improve ecological status of water bodies, both rivers and coastal • Natural capital solutions • Restoration, remediation and the conservation of habitats and ecosystems to enhance biodiversity in our region	
Renewable energy	Expenditures related to: • Wind power: onshore and offshore wind energy generation facilities and related infrastructure • Solar power: photovoltaics (PV), concentrated solar power (CSP) and related infrastructure	
Affordable basic infrastructure	Expenditures related to: • Accommodating new housing in our region including community surface water removal measures • Projects enabling all customers/households to have access to water • New wastewater connections to replace septic tank	

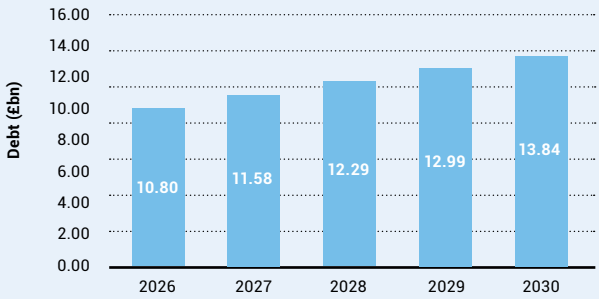
Percentage of Anglian Water Group debt split between sustainable and non-sustainable



Total Anglian Water Group debt split between sustainable and non-sustainable



AMP8 indicative funding plan



Despite a volatile and challenging environment, we have managed to maintain a healthy split between sustainable and non-sustainable debt as we explored new markets and financing options within the fiscal year. In the upcoming AMP as well, we will continue to strive for a healthy balance, despite macroeconomic risks both at home and in foreign markets.

The majority of the newly issued debt across the Group will be sustainable finance, including but not limited to Green, Social and Sustainability Use of Proceeds Debt and Sustainability-Linked Debt. They can be issued across several legal entities within the Anglian Water Group corporate structure.

We have bold ambitions to continue funding our environmental improvement programmes. As an example, since 2020, we have invested £560 million in improvements as part of our WINEP.

Our track record of sustainable finance

In 2017, we became the first European utility company to issue a sterling Green Bond. The £250 million, eight-year bond will mature in August 2025 with a return to investors of 1.625%. Following successful issuances during the year, we raised a total of £900 million in Green Bonds from investors. This comprised of a £600 million issuance under our new Green Bond Framework, followed by a £100 million bond tap, and a further £200 million tap of the £375 million bond issued earlier in 2024. These transactions were carried out in line with the ICMA Green Bond Principles and bring total Green Bond issuance during AMP7 to £3.7 billion.

As our AMP7 capital investment period has come to an end, all future proceeds will be under the AMP8 Framework set out on page 19, and no further reporting will be made on AMP7 expenditure.

Sustainable investing

The funds we've received from investors as Green Bonds are predominantly invested in sustainable investments until they are allocated to project spend and withdrawn from the account. The landscape for sustainable investments is rapidly expanding and we will continue to engage with banks and investment managers to develop our Treasury Policy and Investment Strategy.

Our Capital Delivery Programmes 2020–2025

Over the course of AMP7, Anglian Water has delivered one of its most ambitious capital programmes to date, investing billions to deliver infrastructure to secure water resilience, improve environmental outcomes, and support growth across the region.

Operating in one of the driest and fastest-growing parts of the UK, since 2020, our programme of work has focused on upgrading ageing assets, reducing leaks to industry-low levels, enhancing wastewater treatment, and delivering innovative solutions to meet long-term sustainability goals – all while ensuring our customers are supported.

Case study: **Strategic Pipeline**

Together with our Strategic Pipeline Alliance (SPA) partners: Costain, Farrans, Jacobs and Mott MacDonald Bentley, we're delivering the biggest infrastructure programme in Anglian Water's history. Our Strategic Pipeline will be key to moving water more freely around the region.

Once complete, we will have a new network of hundreds of kilometres of large-scale interconnecting pipelines and associated infrastructure, which will allow between 15 and 55 million litres of water a day to be moved around the region; from wetter areas in the north, to drier areas in the south, helping to combat the risk of shortages, boost resilience and secure water supplies. On completion, our pipeline will provide more than 80% of customers with a dual supply system.

Over 247 kilometres of pipeline is already in the ground. The pipelines will eventually join up from north Lincolnshire right down to Essex. Work continues to deliver the next phase.

The image shows a stretch of pipeline being laid from Grantham to Peterborough.

United Nations' Sustainable Development Goals

Use of proceeds

Aligning to the Green Bond Principles laid out by the ICMA, Anglian Water manages the proceeds of its Green Bonds with a robust governance structure. All spending is allocated to specific bonds and uses a portfolio approach, in alignment with the recently published framework. For full transparency, from the point of debt issuance to when proceeds are spent we report on the ultimate impact of those projects over time. We always confirm spending has occurred before accessing our ring-fenced account which holds all the proceeds from Green Bonds. Our approach focuses on the following principles: transparency, consistency and credibility.

All figures in table are in GBP for all bonds	Drawn as of 31 March 2024	Bond draws in 2024/25	Drawn as of 31 March 2025	Ring-Fenced account balance as of 31 March 2025
Green Loan £100m 2040	61,748,307	39,482,242	101,230,550	
Green Bond £560m 2039	312,555,830	240,880,970	553,436,800	
Green Bond £300m 2031	205,760,714	92,364,286	298,125,000	
Green Bond £575m*	202,911,996	355,359,504	558,271,500	
Green Bond £700m		36,854,632	36,854,632	655,276,368
Total	782,976,847	764,941,635	1,547,918,482	655,276,368

*This bond was issued in March 2024 for GBP £375m and subsequently topped up for additional GBP £200m in October 2024. In the 'net proceeds' calculation the amount of accrued interest received at the time of tap issuance has not been included proceeds calculation the amount of accrued interest received at the time of tap issuance has not been included

All figures in table are in GBP for all bonds	Proceeds as of 31 March 2024	Deposits during 2024-25	Total net proceeds
Green Loan £100m 2040	101,230,550		101,230,550
Green Bond £560m 2039	553,436,800		553,436,800
Green Bond £300m 2031	298,125,000		298,125,000
Green Bond £575m*	372,037,500	186,234,000	558,271,500
Green Bond £700m		692,131,000	692,131,000
Total	1,324,829,850	878,365,000	2,203,194,850

*This bond was issued in March 2024 for GBP £375m and subsequently topped up for additional GBP £200m in October 2024. In the 'net proceeds' calculation the amount of accrued interest received at the time of tap issuance has not been included proceeds calculation the amount of accrued interest received at the time of tap issuance has not been included

The balance on the ring-fenced account ties back to the bank statement at the close of the period.

The investments fall under the Anglian Water Treasury Investment Policy and all counterparties are thoroughly reviewed periodically to ensure compliance, including a minimum short-term credit rating from two major agencies of at least A-1/F1/P-1, among other controls.

Measuring the impact is critical in demonstrating our success. The following are the primary impact metrics we report for our planned and standalone projects:

- Capital carbon reduced from baseline is calculated in line with PAS 2080, the global standard for managing carbon in infrastructure, which we helped to develop, and which is now used both nationally and internationally. We only consider standalone and completed projects and compare the capital carbon associated with the 'as built' asset – that is, the carbon involved in the manufacture and transport of materials and the construction process – against a 2010 baseline.
- Climate resilience score is based on the assessment of completed projects that are large or complex against a number of climate-related hazards, including whether assets will be impacted by increased temperatures, wind and storms, and their susceptibility to flooding with the increased chance of wet weather events. A score of 1 indicates the completed work is resilient to climate change, while 2 is only partially resilient and 3 is not resilient.

	Capital Carbon Reduction from baseline (tCO_2e)	Climate Resilience Score
Green Bond £375m 2043	15,097	1.102
Green Bond £560m 2039	1,939	1.000
Green Bond £100m 2040	719	N/A*
Green Bond £300m 2031	49,079	1.053
Green Bond £600m 2043	8,791	1.000
Total	75,625	1.045

*N/A = Not applicable during the 2024/25 period

Green Loan 2040 £100m

Green Loan 2040 £100m

Issuer	AWSF
Currency	GBP
£ equivalent	100 million
Issue date	29 Sept 2022
Maturity date	28 Oct 2040
Coupon	3.017%

Our teams are responsible for the operation and maintenance compliance of over 1,100 water recycling centres across our region.

Portfolio spending summary*

	Annual spend FY 2024 - 2025 £	Total AMP 7 spend £	% complete	Capital carbon reduced on completed works tCO_2e	Climate resilience score
Accommodating new housing in our region	21,520,361	36,636,817	58.74%	N/A**	N/A**
Water supply measures, adapting to a changing climate	45,047,780	121,382,415	37.11%	N/A**	N/A**

*Spending allocated to this bond has been accounted for up to the opening balance as of 31 March 2024.

**N/A = Not applicable during the 2024/25 period

Case study: **Two new reservoirs to support regional growth**

We want to support the growth ambitions of our region, but we must do this in a way that is sustainable. In recent years, water companies have come under significant scrutiny for a lack of investment in infrastructure and the subsequent impact on the environment. Protecting the environment means ensuring our infrastructure is able to cope with the demands that are being placed on it. As 'growth-enabling infrastructure', water is foundational and enables the expansion of housing, schools, transport and energy infrastructure. We are leading on several infrastructure projects to secure future water supplies, which are critical for our region's growth ambitions.

We plan to build two new reservoirs, one in Lincolnshire and another in the Cambridgeshire Fens. The Water Resources East (WRE) Regional Plan identifies the new reservoirs as key to ensuring the region we serve has enough water in the future. We anticipate commencing construction of the Fens and Lincolnshire reservoirs in the 2030s. With no new reservoirs constructed since the 1990s, there is a pressing need for new water storage. Once in supply, the reservoirs will serve around three quarters of a million people. These projects represent significant, transformative investments for our region, with each reservoir storing 55 million cubic metres of water.

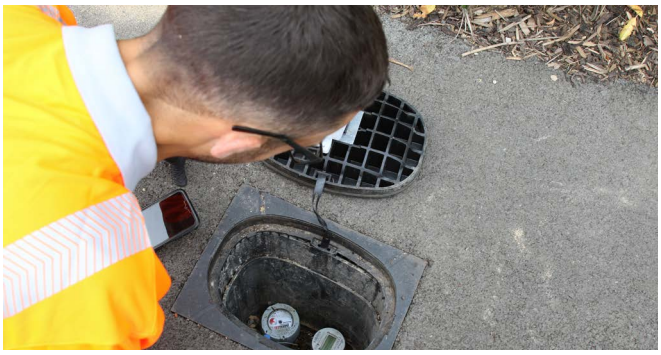
We have set up a 'Reservoir Programme Board', for critical governance around these projects, where we have collectively agreed changes to each of the development phases to accommodate and reflect ongoing discussions with the Regulators' Alliance for Progressing Infrastructure Development (RAPID) on the intent of Gate 3 and the introduction of a fourth consultation round.

United Nations' Sustainable Development Goals

Green Bond 2039 £560 million

Green Bond 2039 £560 million

Issuer	AWSF
Currency	GBP
Amount £	560 million
ISIN	XS2638381819
Issue date	20 Jun 2023
Maturity date	20 Jun 2039
Coupon	6.000%



Portfolio spending summary*

	Annual spend FY 2024 - 2025 £	Total AMP7 spend £	%	Capital carbon reduced on completed works tCO_2e	Climate resilience score
Resilient Water supplies – demand reduction measures	79,743,540	275,869,828	28.91%	N/A**	N/A**
Resilient Water supplies – supply capacity measures	259,653,130	845,368,973	30.71%	2,968.28	1.000

*Spending allocated to this bond has been accounted for up to the opening balance as of 31 March 2024.

**N/A = Not applicable during the 2024/25 period

Case study: **Helping customers 'love every drop' with smart meter technology**

In March 2024 we successfully completed the first phase of our ambitious smart meter rollout, installing 1.1 million meters across the region as part of a £153 million investment. This achievement not only hit our AMP7 target ahead of schedule, but sets a strong foundation for reaching full smart meter coverage across our network by 2030.

The rollout is a key part of our long-term strategy to manage demand and support sustainable growth in one of the driest regions of the country. Despite a 30% increase in population since 1989, we still put the same amount of water into supply. Smart meters play a vital role, by helping customers better understand and manage their water use, with data showing that homes with smart meters use around 2% less water than those without. That 2% may seem small, but it adds up to a significant saving across the region.

By giving customers real-time insights into their water consumption, smart meters encourage more mindful behaviour and support our mission to encourage customers to Love Every Drop. They also serve as powerful tools for detecting leakage. So far, the smart meter programme has helped identify and repair over 300,000 leaks, preventing more than 100 million litres of water from being wasted every day – enough to supply around 70,000 people. On average, engineers are now able to detect and fix 14 litres of leaked water per property per day, exceeding our original target of saving 9.4 million litres a day.

The smart meter rollout continues to be delivered in partnership with Arqiva, Kier, and Clancy, following contract renewals in October 2024. Together, working as an alliance, we are currently installing more than 1,000 meters each day. As we move into AMP8, plans are in place to install a further 1.1 million meters.

Through this large-scale investment and collaborative approach, we are not only upgrading infrastructure but also empowering customers to be active participants in water conservation – protecting resources now and for the future.

United Nations' Sustainable Development Goals

Green Bond 2031 £300 million

Green Bond 2031 £300 million

Issuer	AWSF
Currency	GBP
Amount £	300 million
ISIN	XS2638380506
Issue date	20 June 2023
Maturity date	20 June 2031
Coupon	5.875%

Portfolio spending summary*

	Annual spend FY 2024 - 2025 £	Total AMP 7 spend £	% complete	Capital carbon reduced on completed works tCO_2e	Climate resilience score
Improving our environment	196,680,642	523,261,904	37.59%	5,341.07	1.062

*Spending allocated to this bond has been accounted for up to the opening balance as of 31 March 2024.

Case study: **Water Industry National Environment Programme (WINEP)**

WINEP outlines a set of actions that all water companies in England must deliver to meet environmental legislation. It sits under the regulatory framework developed by the Environment Agency, Defra, Natural England and Ofwat. Delivery against WINEP is a core metric of our Environmental Performance Assessment (EPA).

Our WINEP is one of the biggest in the industry. Since 2020, we have invested £560 million in various schemes, many in line with our 'Get River Positive' initiative. Our investments can be bucketed into a few key areas: improving water quality, storm overflow improvements, flow monitoring and catchment management. These actions are paving the way for future improvements, in line with our obligations and our long-term aspirations. At the end of 2024/25, we completed c.1,900 obligations which included:

- Increased storm storage by 90,000m^3 and treatment capacity on our water recycling assets by c.100 litres a second.
- Decreased concentrations of nutrients, such as phosphorus and ammonia, from being discharged to rivers, improving c.1,000km of river length.
- Improved monitoring of water flow (the water that goes through our treatment processes and is returned back to the environment).
- Delivered an 83% reduction in phosphorus across c.150 sites.
- Undertook 12 river restoration projects, totalling approximately 25km of ecological and geomorphological improvement, which is helping to build ecosystem resilience in rivers suffering with low flows in drier years.
- Worked with farmers and landowners to protect raw sources of water.
- Completed an investigation into the biodiversity benefits of catchment interventions at Pitsford Reservoir.

We were one of three water companies asked to develop our Advanced WINEP 10-year strategy. What we have learnt over the past five years is informing our approach as we transition into AMP8, where we aim to generate a body of evidence to show that focusing on environmental outcomes will deliver more than traditional, outputs-focussed methods. This will allow us to develop an innovative regulatory model, focused on using nature-based solutions, improved multi-stakeholder governance and blended funding to maximise value.

United Nations' Sustainable Development Goals

Green Bond 2043 £575 million

Green Bond 2043 £575 million*

Issuer	AWSF
Currency	GBP
Amount £	575 million
ISIN	XS2778383971
Issue date	07 Mar 2024
Maturity date	07 Jun 2043
Coupon	5.750%

*This bond was issued in March 2024 for GBP £375m and subsequently topped up for additional GBP £200m in October 2024.
In the 'net proceeds' calculation the amount of accrued interest received at the time of tap issuance has not been included.

Portfolio spending summary focused on sustainable water and wastewater management**

	Annual spend FY 2024 - 2025 £	Total spend £	% complete	Capital carbon reduced on completed works tCO_2e	Climate resilience score
Sustainable Drainage Systems, Adapting to a changing Climate	23,774,665	94,128,427	25.26%	670.70	1.000
Wastewater treatment, adapting to a climate change	130,884,851	578,181,706	22.64%	674.60	1.252
Water supply, adapting to a climate change	109,776,281	405,669,612	27.06%	322.88	1.000

**Spending allocated to this bond has been accounted for up to the opening balance as of 31 March 2024.

Case study: **Championing biodiversity as part of sustainable water stewardship**

Water is intrinsic to a healthy environment. As a water company, we rely upon and have an impact on natural capital and ecosystems. We clean and return treated water back into the natural environment. Our reservoirs provide a place for biodiversity and social amenities. Nature provides climate regulation and flood and storm protection.

In 2022 we launched Get River Positive, which is our commitment to improve river health. Since then, we have invested over £5.3 million to enhance river health and ecosystems, which in turn, leveraged an additional £10 million of match funding from a range of partners. This ladders up to our ambition to work with others to achieve significant improvements in ecological quality across catchments.

Through partnerships, innovation, and place-based environmental planning, we're repurposing land and infrastructure to become living systems that support wildlife, improve water quality, and build flood resilience.

Reintroducing beavers for natural flood management in Essex

In a landmark project launched at Spains Hall Estate in Finchingfield, we collaborated with the Environment Agency, Essex County Council, the RFCC, and Essex & Suffolk Water to reintroduce Eurasian beavers, which have been absent from East Anglia for over 400 years.

Since 2019, this pioneering effort has demonstrated how nature-based solutions can be harnessed for multiple environmental outcomes. Beavers, acting as ecosystem engineers, have transformed the woodland into a dynamic wetland landscape. Their dams, constructed from local materials, slow river flow, create natural flood plains, and bolster drought resilience, alongside naturally cleaning the water and providing a habitat for other species.

In March 2023, the project expanded with the release of four additional beavers. The impact has been transformative, helping the Finchingfield area become more climate-resilient and serving as a replicable model of collaboration. Estate Manager, Archie Ruggles-Brise explains, "this is one of the many ways we are pushing the boundaries of what can be done on private land."

Innovating with mushroom wetlands at Benfleet

In Benfleet, we are applying circular innovation in the creation of the UK's first mycelium-enhanced treatment wetlands. These systems offer a low-cost, natural way to treat storm water and return it safely to rivers.

Mycelium, the root-like structure of fungi, has powerful biofiltration properties. At Benfleet Water Recycling Centre, we are trialling how mushroom-root wetlands can clean up to 700,000 litres of water per acre per day, outperforming traditional water treatment assets in removing pollutants and providing storm capacity.

Beyond performance, these wetlands offer co-benefits for biodiversity. As they mature, they will provide habitats for threatened species, such as the shrill carder bee. Through integrating ecology into engineering, we aim to protect river ecosystems alongside building resilience to extreme rainfall events.

United Nations' Sustainable Development Goals

Green Bond 2044 £700 million

Green Bond 2044 £700 million

Issuer	AWSF
Currency	GBP
Amount £	700 million*
ISIN	XS2898771774
Issue date	12 Sept 2024
Maturity date	12 Sept 2044
Coupon	6.25%

*This bond was issued in September 2024 for GBP £600m and subsequently topped up for additional GBP £100m in October 2024.
In the 'net proceeds' calculation the amount of accrued interest received at the time of tap issuance has not been included.

Case study: **Pollutions performance and projected outcomes for 2030**

During AMP7, we advanced our pollutions strategy through enhancing our operations, investing in technology, and improving decision-making using data. A particular focus was on tackling the core causes of pollutions – asset failure, blockages, and hydraulic overloading.

In 2024, we scaled up our activities, including a 53% increase in preventative maintenance and the expansion of our Dynamic Sewer Visualisation programme to 42,000 monitors, resulting in a 418% increase in proactive blockage clearance. We used predictive analytics across 100% of pumping stations, and new Pollution Response Team was introduced.

These actions delivered improvements: serious pollution incidents were reduced by 36% (a record low of seven in 2024), and self-reporting improved by 19% over the AMP, which is indicative of improved data on our assets. We also targeted high-risk catchments, such as in Yaxley, where we were able to remove over 26,000m² of surface water from the sewer network.

Despite progress, total pollution incidents rose in 2024. This is due to both external pressures and enhanced detection. However, lead indicators show we are now better equipped to identify, respond to, and mitigate pollution risks.

AMP8: Resetting performance

AMP8 will mark a step change in our pollutions performance, underpinned by a £295 million targeted investment programme. This includes £150 million to address blockages, £76 million for surface water and infiltration management, and £60 million to enhance asset resilience and response times.

The strategy focuses on high-risk areas using advanced monitoring, smarter data models, and faster, more coordinated operational responses. The sewer monitoring programme will expand to 105,000 Dynamic Sewer Visualisation units, while over 240 additional frontline staff will support early intervention, complex investigations, and rapid response.

AMP8 also prioritises catchment-wide, nature-based solutions and partnerships to address challenges beyond our direct control, from illegal surface water connections to third-party drainage pressures. Successful projects from AMP7 will be replicated and scaled to achieve long-term risk reduction.

United Nations' Sustainable Development Goals

ICMA category	Eligibility criteria	Total net proceeds allocated in FY 2024/25 £
Sustainable water and wastewater management	Wastewater treatment, adapting to a changing climate	4,563,081
Sustainable water and wastewater management	Water supply measures, adapting to a changing climate	18,359,964
Sustainable water and wastewater management	Sustainable drainage systems, adapting to a changing climate	607,322
Sustainable water and wastewater management	Reducing demand for clean water, adapting to a changing climate	1,869,069
Affordable basic infrastructure	Accommodating new housing in our region including community surface water removal measures	534,769
Terrestrial and aquatic biodiversity	Restoration, remediation and the conservation of habitats and ecosystems to enhance biodiversity in our region	10,957,940
Total		**36,892,145**

AWG total portfolios allocation summary in FY 2024/25

ICMA category	Eligibility criteria	Total net proceeds allocated in FY 2024/25 £
Affordable basic infrastructure	Accommodating new housing in our region including community surface water removal measures	18,713,357
Sustainable water and wastewater management	Reducing demand for clean water, adapting to a changing climate	69,342,209
Sustainable water and wastewater management	Sustainable drainage systems, adapting to a changing climate	20,673,622
Sustainable water and wastewater management	Wastewater treatment, adapting to a changing climate	113,812,914
Sustainable water and wastewater management	Water supply measures, adapting to a changing climate	400,766,792
Terrestrial and aquatic biodiversity	Restoration, remediation and the conservation of habitats and ecosystems to enhance biodiversity in our region	141,632,741
Total		**764,941,635**

Sustainability-linked debt

We have a number of banking facilities and loans in place which are linked to our sustainable benchmarks for AMP7 (set out below). For facilities, the sustainability margin step up applies to both the interest on drawn funds and the commitment fee on undrawn funds, so is calculated based on the total amount of the facility.

Issuer	AWSF	AWSF	AWSF	AWSF	AWSF
Currency	GBP	GBP	GBP	GBP	GBP
Amount	525	50	75	75	325
£ equivalent	525	50	75	75	325
Unique Identifier	F14 F 0.35 2024 GBP 550m	F15 BOC 0.35 2024 GBP 50m	F35 F NAT 1.05 2029 GBP 75m	F36 F NAT 1.15 2032 GBP 75m	F37 F BAR 0.50 2025 GBP 375m
Issue Date	24 Jun 2019	24 Jun 2019	01 Nov 2022	01 Nov 2022	22 Mar 2023
Maturity Date	24 Jun 2026	24 Jun 2026	01 Nov 2029	01 Nov 2032	22 Mar 2026
Margin	0.35%	0.35%	1.05%	1.15%	0.50%
Ref Rate	SONIA	SONIA	FIXED	FIXED	SONIA

Issuer	AWSF	AFIP	AFIP	AFIP	AWOF
Currency	GBP	GBP	GBP	GBP	GBP
Amount	50	30	125	95	250
£ equivalent	50	30	125	95	250
Unique Identifier	F38 F MUFG 0.50 2025 GBP 50m	F31 NAT 2.75 2024 GBP 30m	L01 A Fit 3.25 2026 GBP 125m	SF H SONIA 2027 GBP 95m	F20 F 2.25 2026 GBP 250m
Issue Date	31 Mar 2023	28 Oct 2021	13 Jul 2021	09 Dec 2021	16 Jun 2021
Maturity Date	31 Mar 2026	28 Oct 2026	16 Jun 2026	09 Dec 2027	16 Jun 2026
Margin	0.50%	2.75%	3.25%	3.25%	2.25%
Ref Rate	SONIA	SONIA	SONIA	SONIA	SONIA

Issuer	AWOF
Currency	GBP
Amount	105
£ equivalent	105
Unique Identifier	L01 A Fix 2.20 2028 GBP 105m
Issue Date	15 Dec 2021
Maturity Date	15 Dec 2028
Margin	2.20%
Ref Rate	FIXED

In total we have £1,230 million of revolving credit facilities and £475 million of loans linked to KPIs. If fewer than two KPIs are achieved, we could pay more in interest or commitment fees annually. If two or three KPIs are achieved our fees do not change; while if more than three KPIs are achieved we could be rewarded by paying less in interest or commitment fees.

This year, we achieved two KPIs and there was no change to our fees. The two facilities negotiated in 2023 were linked, via a KPI retrofit mechanism, to the updated Sustainable Finance Framework published in 2024. Although the three linked KPIs were met as of 31 March 2025, no financial benefit will be realised in the new financial year, as the facilities have been cancelled and replaced by a new RCF.

Sustainability key performance indicator

Supporting vulnerable customers

Target met

Measure	2025 actual:	2025 target:
Measure: Number of domestic households on Priority Services Register (PSR) – as % of the number of households (connected properties).	**14.7%**	**12.8%**

We have exceeded our targets across all areas relating to the support we provide for customers who need extra help. Since 2020 we have increased the numbers of customers we support by over 400%. As of 31 March 2025, 14.7% of our customers, are now registered on our PSR. This not only surpasses our internal end-of-AMP target of 12.8% (circa 380,000 customers), but also more than doubles the industry target of 7%.

Our dedicated teams continue to identify and support over 1,800 customers each week, reflecting our proactive, inclusive, and flexible approach to addressing vulnerability across our region. We remain committed to ensuring that our services are accessible to all and tailored to the diverse needs of our customer base.

From the beginning of AMP7 we have delivered a total support package worth over £314 million, helping those in financial difficulty and at risk of hardship. In 2024/25, we signposted customers to more than £67 million in unclaimed benefits, reinforcing our broader commitment to helping customers improve their financial stability.

Our performance in this area demonstrates the strength of our strategy and our ongoing investment in customer support, ensuring that no one is left behind as we deliver essential services and build resilience across our region.

Sustainability key performance indicator

Water abstraction

Target met

Measure	2025 actual:	2025 target:
Measure: Average daily amount of water abstracted directly from rivers, reservoirs and groundwater, for household use, per capita in a year.	**182.0**	**193.0**

Target met

Between 2015-2020 we reduced the amount of water we took from the environment by 80 million litres per day and to build on this, we have made one of the industry's biggest commitments to reducing abstraction. By 2030, we are committed to capping abstraction to historical peak volumes, capping our time-limited groundwater licences by an additional 72 megalitres a day. By 2036, all of our licensed groundwater abstractions will be capped to historical average levels, reducing our total licensed volume by 182 Ml/d compared to peak. We are building resilience through intergenerational projects such as our Strategic Pipeline, the initial phase of which will be completed in 2028, enabling us to keep taps flowing whilst protecting the environment.

Climate change is impacting rainfall patterns, which has a consequence on the availability and quality of water resources. By 2050, more severe droughts, combined with the need for better resilience, will create a deficit of 70 million litres per day in our surface water sources. Groundwater sources will also be affected, but changes to abstraction licences will restrict access to water, which benefits the environment. If we do not invest now in new sources of water, households and businesses will face shortages in future droughts. All of our water abstractions must be sustainable and avoid the risk of environmental deterioration. Changes to abstraction, and other catchment-based environmental improvements form a core part of our strategy.

Sustainability key performance indicator

Water leakage

Target not met

Measure: A percentage reduction in the amount of water lost to leakage across the region in megalitres per day (Ml/d) measured on a three-year average. One megalitre is a million litres.

Actual (Ml/d):	Target (Ml/d):
187.0	162.3

This year we achieved an in-year leakage result of 187.0 megalitres a day. This produces a three-year rolling average of 186.5 and a 3.9% reduction from the three-year 2019/20 baseline period. Although we did not meet our Ofwat target, our performance remains one of the industry's leading positions. Over the AMP, we have maximised opportunities for innovation to reduce leaks. To make further incremental improvements, we require new levels of investment, which is why our AMP8 plan contains such a large programme of mains replacement and renewal, as we seek new methods to bring leaks down further.

Sustainability key performance indicator

Water quality Compliance Risk Index

Target not met

Measure: This is the key measure used by the Drinking Water Inspectorate (DWI) to determine our overall compliance with stringent regulatory drinking water standards.

2024/25 Actual:	2024/25 Target:
Not published yet	1.5

The DWI uses a number of key comparative performance indices and publish an annual report every summer. The Compliance Risk Index (CRI) score is a measure which demonstrates how, as an industry, we manage water quality.

The DWI will publish the 2024 CRI figures in July 2025. At the time of reporting, our internal forecast indicates 2024 will be an improvement on the 2023 figure. However, we are unlikely to meet Ofwat's target. This is due to a number of failures through 2024. We are working hard to ensure our storage point inspection programme improves asset health. Furthermore, technology – such as online flow cytometry – alongside our Drinking Water Safety plans, will help us identify opportunities to further improve performance in the future.

Sustainability key performance indicator

Pollution incidents

Target not met

Measure	Actual:	Target:
Measure: Number of pollution incidents due to escapes from our water recycling network per 10,000 km of sewer network.	57.2	17.8

Despite a comprehensive programme of work and investment over the last year, we recognise that our pollutions performance is still not where it needs to be. Our focus on monitoring over the past two years has given us greater visibility of our network and assets, which also means we're addressing more pollutions and storm overflows. In 2024, we had 57.17 pollutions per 10,000 km of sewer network. We have a greater number of total pollutions than we did in the prior year, exacerbated by high levels of groundwater across the region, a result of the wet winter of 2023/2024. While our investments and work spanning the past 18 months have been significant, due to the lag associated with risk reduction, we are yet to see these improvements fully realised in our current performance.

Our domestic misuse 'hedgehog' devices will help to tackle blockages by capturing and removing unflushables, evidencing the scale of the problem.

DNV Assurance appendix

KPI	Units	Definition	Methodology and comments
Capital carbon reduction	tCO_2e (tonnes CO_2 equivalents)	Carbon savings associated with the Green Bonds issued. The capital carbon emissions avoided by projects in the Totex (Total expenditure). This includes our capital expenditure and operational expenditure investment programme against a 2010 baseline during the AMP 7 Period.	Net capital carbon reduced from baseline is calculated in line with PAS2080, the global standard for managing carbon in infrastructure, which we helped to develop, and which is now being used both nationally and internationally. We only consider standalone and completed projects and compare the capital carbon associated with the 'as built' asset – that is the carbon involved in the manufacture and transport of materials and the construction process, often called cradle to as built – against a 2010 baseline.
Priority Service Registry (PSR) – reach	%	Number of domestic households on PSR – as % of number of households (connected properties) in 2024/25.	The PSR is kept up to date and regularly reviewed to ensure customers are receiving the right support. Number of connected properties is based on domestic properties supplied with water and/or wastewater services excluding any void properties.
Climate resilient projects	1–3	The weighted average (by tCO_2e) climate resilient score for all projects completed reaching DM4 stage in 2024/25.	Climate resilience score is based on the assessment of completed projects (DM4) against a number of climate related hazards, including whether assets will be impacted by increased temperatures, wind and storms and susceptible to flooding with the increased chance of wet weather events. A score of 1 indicates the completed work is resilient to climate change, while 2 is only partially resilient and 3 is not resilient. We only consider standalone, large or complex, and completed projects.
Capital carbon reduction ratio	%	Percentage reduction in carbon emissions from construction activity measured in tonnes of CO_2e compared to a 2010 baseline. Not limited to projects funded by Green Bonds. The capital carbon emissions avoided by projects in the Totex (total expenditure – this includes our capital expenditure and operational expenditure) investment programme against a 2010 baseline.	Net capital carbon reduced from baseline is calculated in line with PAS2080, the global standard for managing carbon in infrastructure, which we helped to develop, and which is now being used both nationally and internationally. We only consider standalone and completed projects and compare the capital carbon associated with the 'as built' asset. That is the carbon involved in the manufacture and transport of materials and the construction process, often called cradle to as built – against a 2010 baseline. Further information on the methodology can be found in pages 20-21 in Sustainability Finance Framework.

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