

## **Anglian Water –Tax and Transparency - 2026**

### **Introduction**

Anglian Water is committed to complying with tax laws in a responsible manner and to having open and constructive relationships with tax authorities. We support the principle behind moves towards greater transparency that increase understanding of tax systems and the building of public trust.

Our commitment is underpinned by the following principles:

### **Tax planning and compliance**

We engage in efficient tax planning that supports our business and reflects commercial and economic activity. We are registered for tax in the UK and do not engage in artificial tax arrangements or make use of artificial tax havens.

We adhere to relevant tax law and we seek to minimise the risk of uncertainty or disputes.

We do this because it helps keep customer bills low, which is a guiding principle in everything that we do.

We aim to be compliant with UK tax legislation and to pay the right taxes at the right time.

We conduct transactions between Anglian Water group companies on an arm's-length basis and in accordance with both current OECD principles and Regulatory Accounting Guidelines.

Tax incentives and exemptions are sometimes implemented by governments and fiscal authorities in order to support investment, employment and economic development. Where they exist we seek to apply them in the manner intended, so that we can make a comprehensive contribution to infrastructure development, environmental protection and customer engagement in the regions we serve.

Due consideration will be given to the Group's reputation, brand and corporate and social responsibilities when seeking to apply tax incentives, as well as the applicable legal and fiduciary duties of directors and employees of the group and will form part of the overall decision-making and risk assessment process.

### **Relationships with tax authorities**

We are committed to the principles of openness and transparency in our approach to dealing with tax authorities. All dealings with the tax authorities and other relevant bodies are conducted in a collaborative, courteous and timely manner. Our aim is to strive for early agreement on disputed matters, and to achieve certainty wherever possible.

### **Tax risk management and governance**

Anglian Water has a comprehensive multi-layered risk management system which consists of risk registers for all areas of the business. These registers are subject to both internal and external review. Our aim is to have no risk on matters of compliance, and we have a specialist tax team who identify, assess and manage tax risks and account for them appropriately. We implement risk management measures including controls over compliance processes and monitor their effectiveness.

Where there are areas of judgement as to the application or interpretation of tax law, appropriate written advice evidencing the facts, risks and conclusions may be taken from third party advisers to support the decision-making process. We may also enter into discussions with HMRC, all with the intention of making reasonable judgements regarding taxation.

We report on a periodic basis to the Board on how risks are managed, monitored and assured and on improvements that are being made. In this way the Board provides governance and oversight of significant risks.

### **Further Information**

Our approach to tax is applicable across the Anglian Water Group.

This document is the responsibility of our CFO, Michael Bradley and is in accordance with Schedule 19 of the 2016 Finance Act and will be periodically reviewed. Any amendments will be approved by the Anglian Water Services Ltd and the Anglian Water Group Ltd Boards. It is effective for the year ending 31 March 2026.

Further information about this strategy can be obtained from our Corporate Communications Department.

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