

Fast Facts on Sustainable finance

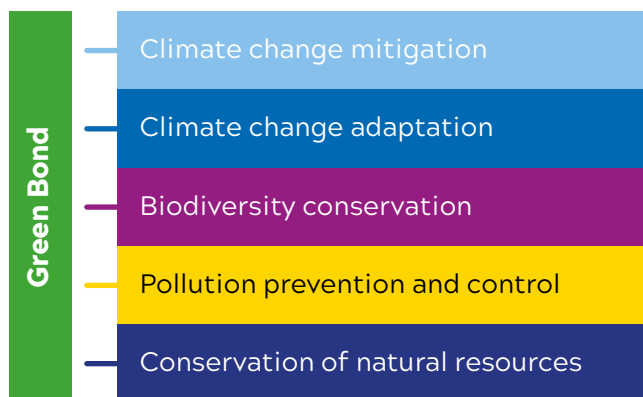
Sustainable finance at Anglian Water

In 2022, we were the first UK company to issue a **£225 million corporate Green Bond** in the Canadian 'maple' bond market.

We were awarded **'Deal of the year: Bond below GBP 750m'** by the Association of Corporate Treasurers for our funding mechanism, with judges stating that we have 'diversified' our 'investor base while providing financing for a strategically important project.'

In 2023 we celebrated another milestone, closing out a **£860 million dual-tranche bond**, used to fund both WINEP and SPA.

The investments we've financed through our Green Bonds contribute to five environmental objectives:



We published our first Sustainable Finance Impact Report in 2023, shedding light on how sustainability is embedded throughout the business, through our six capitals framework, and how we are held to account on our impacts.

We have third-party assurance against many of the metrics that we work towards, demonstrating how we are

meeting stringent ESG standards. In 2023 we maintained our AA rating in MSCI's 2023 ESG rating – the second-highest ranking for the second year running. The measurement assesses a company's resilience to long-term ESG risks. Our approach to corporate governance and business ethics practices was hailed as 'globally leading'.

We were an early adopter of sustainable funding instruments, pioneering the use of Green Bond funding in 2017, when we became the first European utility to launch a sterling Green Bond. Since the start of 2017 we have issued £2.6 billion of funds through green finance, and we plan to fund our entire remaining capital programme to 2025 using sustainable sources.



Sustainable instruments

Our sustainable finance instruments are underpinned by evidence of how the funds raised are used, and through transparent reporting of our impacts.

For example, our first Sustainability-Linked Bond for £300 million issued in 2021/22 is tied to achieving our net zero 2030 targets and 2025 interim targets.

This means that the interest rates payable for the debt are tied to us achieving our net zero targets: should we fail to achieve our ambitious 2025 transitional carbon goals (including a best-in-class 65% reduction in capital carbon and a 106,905-tonne reduction in operational emissions), we will pay a higher rate of interest for the debt.

In 2023, we reduced capital carbon, the carbon embodied in our assets, by over 63% from our original 2010 baseline, and operational emissions, the carbon used in running the business day-to-day, by 6% against a 2018 baseline.

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

