

# Independent Limited Assurance Report

## to the Management of Anglian Water Services Financing Plc

Anglian Water Services Financing Plc (“Anglian Water”) commissioned DNV GL Business Assurance Services UK Limited (“DNV GL”, “us” or “we”) to conduct a limited assurance engagement over Selected Information presented in their Green Bond Annual Report 2018-19 (the “Report”) for the period 21<sup>st</sup> July 2017 ended 28<sup>th</sup> June 2019.



**Our Conclusion:** Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information, and is to be read in the context of this Assurance Report, in particular the inherent limitations explained below.

### Selected Information

The scope and boundary of our work is restricted to the key performance indicators included within the Report (the “Selected Information”), listed below:

- £250m Green Bond: Capital carbon reduction of 78,899.56 CO<sub>2</sub> equivalent tonnes (eT)
- £300m Green Bond: Capital carbon reduction of 39,408.48 CO<sub>2</sub> eT
- £150m Green Bond: Capital carbon reduction of 23,940.69 CO<sub>2</sub> eT
- £65m Green Bond: Capital carbon reduction of 13,616.83 CO<sub>2</sub> eT
- ¥7bn Green Bond: Capital carbon reduction of 4,870.94 CO<sub>2</sub> eT

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used Anglian Water’s reporting criteria (the “Criteria”), a summary can be found in Appendix A.

We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on Anglian Water’s website for the current reporting period or for previous periods.

### Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Site visits to Ingoldisthorpe Wetland and Heigham Water Treatment Works to view the programmes and projects resulting in the Selected Information, chosen by DNV GL on the basis of their contribution to the overall figures;
- A visit to Anglian Water’s Head Office to review the implementation of the mechanisms, methods and processes in place for data collection and calculation of the Selected Information;
- Conducting interviews with Anglian Water’s management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Performing limited substantive testing of the Selected Information to determine whether data had been appropriately measured, recorded, collated and reported;
- Reviewing that the evidence, measurements and the context provided to us by Anglian Water for the Selected Information was prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information; and
- Reading the Green Bond Report 2019 narrative accompanying the Selected Information to determine its alignment with the Criteria.

### Our competence, independence and quality control

DNV GL established policies and procedures are designed to ensure that DNV GL, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV GL) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

### Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by Anglian Water have been provided in good faith. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.

## Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV GL applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

## DNV GL Business Assurance Services UK Limited

London, UK

2<sup>nd</sup> December 2019



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## Responsibilities of Anglian Water's Management and DNV GL

The Management of Anglian Water have sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to Anglian Water in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

## DNV GL Business Assurance

DNV GL Business Assurance Services UK Limited is part of DNV GL – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.

[www.dnvgl.co.uk/BetterAssurance](http://www.dnvgl.co.uk/BetterAssurance)

## Appendix A. Anglian Water's Key Performance Indicators (KPIs): Definitions and methodology

The table below has been prepared by Anglian Water Services Financing Plc It is intended to provide readers with a summary of the methodologies used by them to prepare the Selected Information.

KPI	Units	Definition	Comments
Capital carbon reduction	CO2 equivalent tonnes (eT)	The capital carbon emissions avoided by projects in the TOTEX investment programme against a 2010 baseline.	<p>Includes emissions from materials and products used in building our assets. These are defined as 'capital' carbon emissions, but they are also described as 'embodied' carbon emissions.</p> <p>The emissions occur from energy used in abstracting raw materials out of the ground, fabricating materials into a product, transporting materials and products to site and onsite emissions from construction and commissioning.</p> <p>Reduction targets against a 2010 baseline: 60% by 2020 65% by 2025 70% by 2030</p> <p>The methodology for calculating capital carbon is certified to PAS2080.</p>