love every drop
anglianwater

Sustainable Finance Impact Report 2026

Anglian Water Group Limited

Contents

About Anglian Water

Welcome to Anglian Water's 2025/26 Sustainable Finance Impact Report. This year marks the first of the new Asset Management Period (AMP8). This report covers the investments made under our sustainable finance portfolios, many of which extend across multiple AMPs.

Anglian Water is the largest water and water recycling company in England and Wales by geographic area, serving around 7 million customers across the East of England – one of the UK's fastest growing and most water stressed regions.

We supply over 1.2 billion litres of clean, safe drinking water every day and collect and treat more than 1.7 billion litres of wastewater, returning it safely to the environment. Our asset base includes over 1,200 water recycling centres, more than 100,000 kilometres of water and sewer networks, reservoirs, pumping stations and treatment works that together form critical national infrastructure.

The region we serve is environmentally significant, containing a high proportion of the world's chalk streams, designated bathing waters and protected habitats. At the same time, population growth, climate change and ageing infrastructure present increasing challenges for water security, resilience and environmental performance.

Anglian Water operates within five-year regulatory cycles and is currently in AMP8 (2025–2030), during which we are delivering our largest-ever investment programme. We plan to invest around £11 billion over the period to improve resilience, protect the environment, support sustainable regional growth and enhance service for customers. This includes major programmes focused on water resource resilience, network renewal, pollution reduction and environmental improvement.

Our Purpose is to bring environmental and social prosperity to the region we serve through our commitment to Love Every Drop. This purpose underpins our long-term approach to investment, financing and value creation for customers, communities, the environment and investors.

The region we serve

Sustainable finance at Anglian Water

Sustainable finance is one of the tools we use to support delivery of our Purpose. It sits alongside our wider financing approach, helping to align funding with long-term environmental, social and financial outcomes for customers, communities, the environment and investors.

A pragmatic approach to sustainable finance

Over the past decade, Anglian Water has developed a sustainable finance approach that reflects the nature of our business as a regulated provider of essential infrastructure. During AMP7 (2020–2025), sustainable finance played a meaningful role in supporting investment linked to environmental protection, resilience and social outcomes, including the issuance of green bonds and the development of a robust Sustainable Finance Framework.

Our approach has always been deliberately pragmatic. Sustainable finance is not used as a substitute for conventional funding, nor to increase overall borrowing, but selectively where it supports transparency, accountability and alignment with our Purpose and regulatory obligations.

Sustainable finance in 2025/26

As we transitioned into AMP8, our focus shifted towards mobilising our largest ever capital programme and strengthening financial resilience. Within this context, sustainable finance continued to play a targeted role. In March 2026, we issued a £200 million tap of an existing Green Class A bond, supporting liquidity while maintaining a clear link between funding and eligible environmental expenditure under our Sustainable Finance Framework.

This report reflects the allocation and impact of sustainable finance instruments outstanding during 2025/26. As the proceeds from the £200 million bond tap were received at the end of the reporting period, they remain unallocated within this report. Allocation of these proceeds to eligible projects will be reported in the 2026/27 Sustainable Finance Impact Report, once deployment has taken place.

Beyond this issuance, our priority during the year was to maintain strong governance, allocation and reporting disciplines, ensuring that sustainable finance remains credible, transparent and aligned with investor expectations.

The role of sustainable finance in AMP8

AMP8 will see us invest around £11 billion to improve resilience, protect the environment and enable sustainable growth in one of the UK's fastest-growing and most water-stressed regions. The majority of this investment will be funded through customer bills, equity support and conventional debt issuance.

Against this backdrop, sustainable finance will play a more selective role than in the previous AMP. Its contribution will be focused on:

- Supporting clearly defined areas of eligible environmental investment;
- Reinforcing transparency over how capital is deployed; and
- Providing investors with confidence that funding is aligned with long-term outcomes.

This reflects both market conditions and our commitment to responsible financing, affordability and long-term financial resilience.

Our ESG credentials continue to be validated externally

We are assessed by a range of independent organisations that provide external validation of our performance, governance and transparency. These assessments help inform investors and other stakeholders on how effectively we are managing long-term environmental and social risks and opportunities associated with operating critical national infrastructure.

GRESB

We continue to perform strongly in the GRESB Asset Infrastructure Assessment, which benchmarks ESG performance across global infrastructure assets.

In 2025, we achieved:

- **98/100** overall score
- **Four** star rating

This reflects our approach to governance, environmental management, stakeholder engagement and long-term resilience, and supports our focus on disciplined capital investment and transparent reporting.

CDP

We continue to disclose through CDP, providing investors with consistent, comparable data on climate- and water-related risks and opportunities.

For 2025, we received:

- **A-** rating for Climate Change
- **A-** rating for Water Security

These ratings recognise our approach to climate mitigation and adaptation, water resource management and disclosure quality, aligned to the long-term challenges facing the East of England.

Our business model

At Anglian Water, we operate critical national infrastructure in one of the fastest-growing regions in the UK. We are responsible for delivering safe, clean water, returning it safely to the environment, and protecting and enhancing the natural systems our region depends on.

We create value by delivering safe, reliable water, while supporting economic growth, enabling economic development and strengthening resilience in communities. As a business, we operate in five-year regulatory cycles, securing funding through a combination of customer bills and external investment. Our investment plan for AMP8 reflects the realities of ageing infrastructure, population growth and climate change.

Our Purpose and strategic priorities guide the investments we prioritise and how we deliver sustainable value over the short, medium and long term.

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

Anglian Water's strategic priorities:

- A high performing organisation that attracts investment and creates lasting value
- Embedded in our communities, and valued by our customers
- Enabling sustainable growth and resilience in an environmentally significant region
- Our people and partners are proud to deliver excellence and be Safer Every Day
- Trusted by government and regulators to meet our commitments

At a time where the water sector's regulatory framework continues to develop, this year we refreshed our strategy. Our strategy looks ahead to 2055 and sets out the actions we are taking in both the short and long term to build a resilient, future-ready water company. It shapes how we invest in our assets, develop our people and partners, alongside embracing digital and new ways of working.

Underpinned by our values. Together we:

Do the right thing | Build trust | Are always exploring

Our commitment to safety:

safer every day

Our strategy informs how we create value for stakeholders:

- Customers
- Communities
- Our people
- Our partners
- Investors
- Regulators and Government
- Environment

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.

The outcomes we deliver, and how they relate to the UN SDGs

Safe, clean water	Supply meets demand	A smaller footprint	Investing for tomorrow	Positive impact on communities	Flourishing environment

3 GOOD HEALTH AND WELL-BEING

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.

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.

How the SDG target aligns to our outcomes:
Safe, clean water

Examples of activities that positively support the target:

- Pollution Incident Reduction Plan
- A-WINEP / WINEP (p.56)
- Just Bin It
- Catchment Regeneration Fund
- Chemical Investigations Programme

6 CLEAN WATER AND SANITATION

Example target of material interest: **(6.5)** By 2030, implement integrated water resources management at all levels.

Underlying potential for negative impact: 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.

How the SDG target aligns to our outcomes:
Supply meets demand

Examples of activities that positively support the target:

- Future Fens: Integrated Adaptation
- Catchment Management
- New Reservoirs
- Water Resources Management Plan
- Catchment Regeneration Fund

7 AFFORDABLE AND CLEAN ENERGY

Example target of material interest: **(7.2)** Increase global percentage of renewable energy.

Underlying potential for negative impact: Treating and moving water around our flat region is an energy intensive operation.

How the SDG target aligns to our outcomes:
A smaller footprint

Examples of activities that positively support the target:

- Anglian Water Climate Transition Plan
- Triple Carbon Reduction - Innovation Hub
- Tool for Optimising decisions for Recovery of sewer Catchment Heat Fund

8 DECENT WORK AND ECONOMIC GROWTH

Example target of material interest: **(8.4)** Improve progressively, through to 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation.

Underlying potential for negative impact: We build and operate a large network of assets and infrastructure that use energy and resources.

How the SDG target aligns to our outcomes:
A smaller footprint

Examples of activities that positively support the target:

- Leakage
- Building for better across our region

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Example target of material interest: **(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: 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.

How the SDG target aligns to our outcomes:
Investing for tomorrow

Examples of activities that positively support the target:

- Sustainable Finance Framework 2024
- New water pipelines
- Innovation Hub

13 CLIMATE ACTION

Example target of material interest: **(13.2)** Integrate climate change measures into national policies, strategies and planning.

Underlying potential for negative impact: 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.

How the SDG target aligns to our outcomes:
Investing for tomorrow

Examples of activities that positively support the target:

- Climate Change Adaptation Report 2024
- Carbon management and our journey to net zero

11 SUSTAINABLE CITIES AND COMMUNITIES

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.

Underlying potential for negative impact: We manage large areas of open space to deliver our service.

How the SDG target aligns to our outcomes:
Positive impact on communities

Examples of activities that positively support the target:

- Leisure - Water Parks
- Enabling Water Smart Communities

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Example target of material interest: **(12.8)** By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

Underlying potential for negative impact: Without knowledge our customers are unable to act sustainably.

How the SDG target aligns to our outcomes:
Positive impact on communities

Examples of activities that positively support the target:

- Save water
- Smart meter upgrades

14 LIFE BELOW WATER

Example target of material interest: **(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.

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.

How the SDG target aligns to our outcomes:
Flourishing environment

Examples of activities that positively support the target:

- Caring for our coastline
- RiverCare and BeachCare
- Just Bin It
- Pollution Incident Reduction Plan
- Catchment Regeneration Fund
- Storm Overflow Action Plan

15 LIFE ON LAND

Example target of material interest: **(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: Our operations have a large footprint within the natural environment.

How the SDG target aligns to our outcomes:
Flourishing environment

Examples of activities that positively support the target:

- Biodiversity
- RiverCare and BeachCare
- Water Industry National Environment Programme (WINEP)
- Catchment Regeneration Fund
- Storm Overflow Action Plan

Further reports and disclosures

We publish a wide range of reports and disclosures that provide detailed information on our performance, plans and progress across environmental, social, governance and financial topics. These publications support transparency and enable all our stakeholders to explore specific areas in more depth.

Alongside this Sustainable Finance Impact Report stakeholders can access further information on topics including, but not limited to:

- our approach to climate transition and long-term resilience;
- pollution prevention, environmental compliance and performance improvement;
- environmental monitoring, data and metrics;
- customer, community and social impact; and
- governance, risk management and regulatory reporting.

These reports are produced in line with regulatory requirements and recognised good practice, and together provide a comprehensive view of how we deliver our Purpose.

Reports

[Annual Integrated Report 2025/2026]

[Climate Transition Plan]

[Pollution Incident Reduction Plan]

[Customer Vulnerability Strategy]

[Flooding Incident Reduction Plan]

[Drainage and Water Recycling Management Plan]

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	2024/25	2024/25 (N_20 emissions factor applied)	2025/26 (N_20 emissions factor applied)	Inclusions
Energy consumption used to calculate emissions kWh	kWh	1,100,697,958	1,100,697,958	1,079,246,513	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	17,988	17,988	11,277	Fossil fuel combusted, natural gas and biogas
Scope 1 – Process and fugitive emissions	Tonnes CO_2e	85,250	318,787	313,784	Water and wastewater treatment, biogas
Scope 1 – Owned transport	Tonnes CO_2e	22,216	22,216	23,232	Fleet vehicles and company cars
Scope 1 – Total	Tonnes CO_2e	125,454	358,991	348,293	
Scope 2 – Purchased electricity	Tonnes CO_2e	133,989	133,989	118,042	Grid electricity – location-based electric for vehicles
Scope 2 – Total	Tonnes CO_2e	133,989	133,989	118,042	
Scope 3 – Business travel	Tonnes CO_2e	809	809	1,486	Private cars, public transport
Scope 3 – Outsourced transport	Tonnes CO_2e	25,074	25,074	27,030	Outsourced tankers
Scope 3 – Purchased electricity	Tonnes CO_2e	11,828	11,828	12,873	Transmission and distribution
Scope 3 – Total significant	Tonnes CO_2e	37,712	37,712	40,873	We have not included commuting, capital carbon and emissions from use of water in customers' homes
Total annual gross emissions	Tonnes CO_2e	297,156	530,692	507,207	
Exported renewables	Tonnes CO_2e	-8,739	-8,739	-3,731	Exported renewables REGO certified
Green tariff	Tonnes CO_2e		0	0	
Total annual net emissions	Tonnes CO_2e	288,417	521,953	503,476	
Intensity ratio – water treated	Kg CO_2e per Ml	186.7	194.8	159.03	
Intensity ratio – recycled water	Kg CO_2e per Ml	461.1	514.2	949.48	

Reported emissions are presented in line with Anglian Water's Net Zero Carbon 2030 Routemap and industry-standard carbon reporting methodologies. The 2025/26 figures reflect sector-wide changes to N_2O emissions factors and associated calculation assumptions; further information on these methodological changes and the basis of reporting can be found on page 87 of the Annual Integrated Report 2025/26.

Sustainable Finance programme

Anglian Water's Sustainable Finance Framework for AMP8 supports the financing of water and water recycling projects that demonstrate the sustainable management of natural resources and land use, alongside adaptation to climate change.

The Framework aligns with the ICMA Green Bond Principles (2021), including the updated Appendix I (June 2022), the ICMA Social Bond Principles (2023) and the Sustainability Bond Guidelines (2021), as well as the Loan Market Association's Green and Social Loan Principles (2023). It allows for both green and social projects, recognising that some social projects may also deliver environmental co-benefits, and that certain green projects may generate positive social outcomes

The Framework is aligned with Anglian Water's wider strategy and provides a structured basis for issuing green, social or sustainability-labelled financing, where appropriate, in support of our Purpose: to bring environmental and social prosperity to the region we serve through our commitment to Love Every Drop. Further details of the Framework are available on our website.

We intend to continue following recognised market practice and, where relevant, consider the development of UK taxonomy and related regulatory frameworks as they evolve. The Sustainability Finance Framework may be reviewed and updated over time to reflect changes in market standards, regulation and best practice.

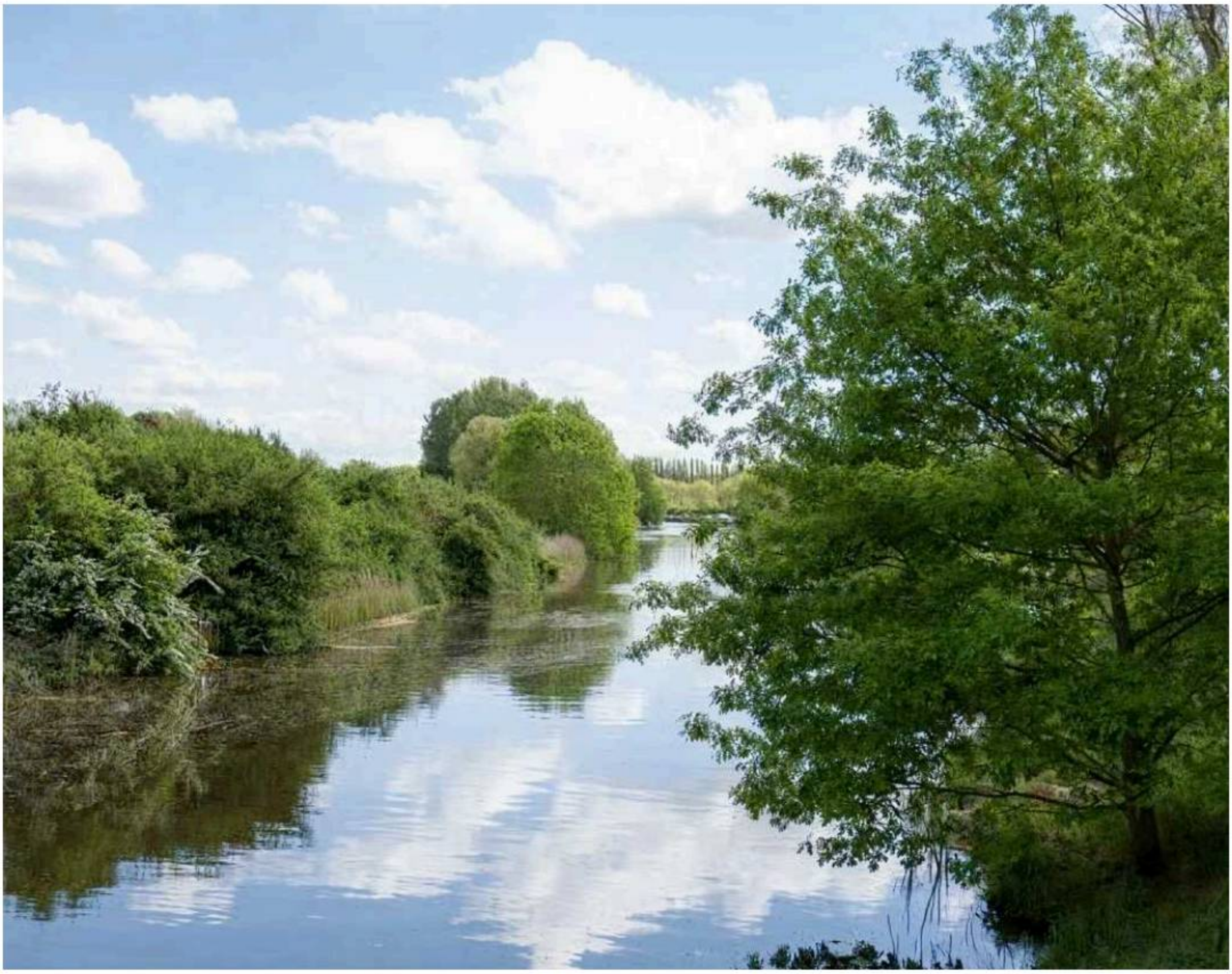
Glossary

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.
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)	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]
Asset Management Period (AMP)	The five-yearly cycle over which water companies are regulated by the water regulator Ofwat.
Anglian Water Services Financing Limited (AWSF)	The financing entity that legally issues debt.
Anglian Water (Osprey) Financing Limited (AWOF)	The financing entity that legally issues debt.
Aigrette Financing (Issuer) Plc (AFIP)	The financing entity that legally issues debt.

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.

Name	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
Operational carbon	Achilles	tCO_2e	Click here for report
Priority Services Register (PSR)	DNV	Number of customers signed up 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



Capital expenditure information

All capital expenditure follows Anglian Water's AMP8 Governance Framework. Most 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 at 31 March 2026, the majority of bond proceeds raised under both our previous and current Sustainable Finance Frameworks have been fully allocated. For ease of reference, sustainability categories from both frameworks are shown below.

The £700 million bond referenced in this report was issued under Anglian Water's Sustainable Finance Framework and has been used exclusively to finance Eligible Sustainable Projects, with no proceeds allocated to the refinancing of existing projects. During 2025/26, all allocated proceeds were deployed to finance new projects.

Capital expenditure is governed through Anglian Water's AMP7 Governance Framework and is assessed against eligible green project categories aligned to the Green Bond Principles. The table below maps our categories to the relevant ICMA Green Bond Principles categories.

Sustainability categories aligned with our previous Framework

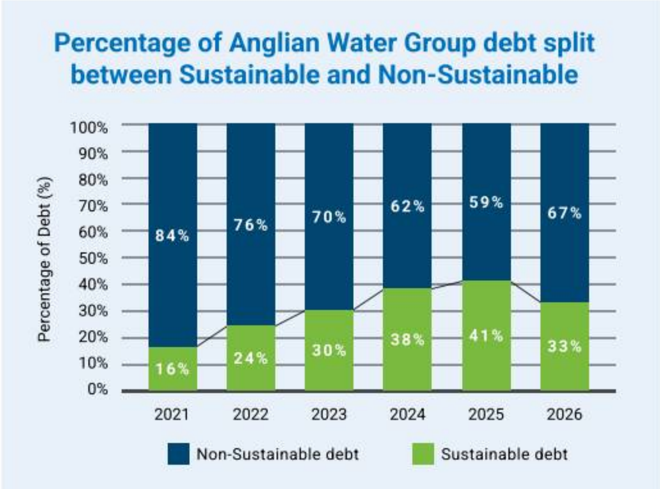
ICMA category	AWG green/social portfolio category	AWG definition
Sustainable water and wastewater management	Sustainable service (water recycling)	Capital maintenance of water recycling infrastructure to prevent deterioration of services to customers and the environment
Sustainable water and wastewater 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

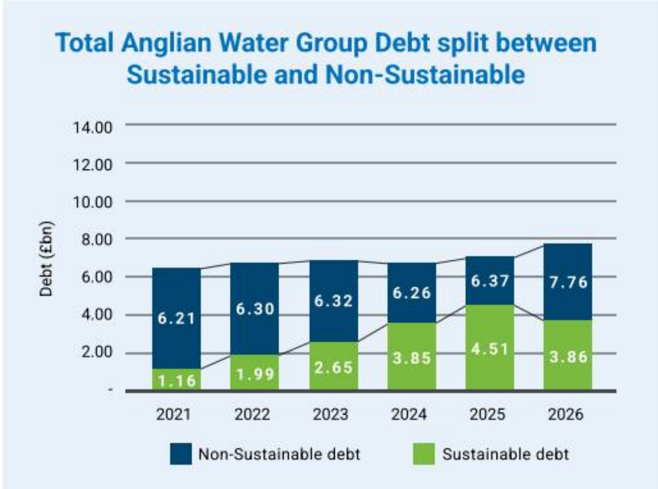
Sustainability categories aligned with our updated (February 2024) Framework

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	

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





Our track record of sustainable finance

At Anglian Water we have an established track record in sustainable finance, reflecting the long-term, asset-intensive nature of our regulated business and our Purpose.

In 2017, we became the first European utility to issue a sterling Green Bond, marking the start of a programme of sustainable financing that supported delivery of environmental improvement, resilience and customer outcomes throughout AMP7. Over that period, we issued £3.7 billion of Green Bonds, in line with the ICMA Green Bond Principles, helping to fund capital investment across our water and water recycling infrastructure.

As AMP7 concluded, the majority of sustainable finance issuance associated with that investment period was completed. Going forward, all new use-of-proceeds financing is governed by our AMP8 Sustainability Finance Framework, and no further reporting will be undertaken on AMP7 expenditure.

During 2025/26, as we transitioned into AMP8, our focus was on maintaining financial resilience and supporting mobilisation of our largest-ever capital programme. Sustainable finance continued to play a targeted role within our broader funding strategy, including the £200 million tap of an existing Green Class A bond in March 2026, reinforcing our commitment to transparency and disciplined use of proceeds.

Looking ahead, while sustainable finance remains an important part of our financing toolkit, the majority of funding across AMP8 will be delivered through a combination of customer bills, equity support and conventional debt. Sustainable finance will be used selectively, where it supports clearly defined eligible investment and aligns with affordability, regulatory expectations and long-term value creation.

Alongside this, Anglian Water continues to invest at scale in environmental improvement. Since 2020, we have committed significant capital through programmes such as the Water Industry National Environment Programme (WINEP), supporting improvements in river health, pollution reduction and environmental resilience across the region.

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.

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 2025	Bond draws in 2025/26	Drawn as of 31 March 2026	Ring-fenced account balance as of 31 March 2026
Green Bond 700m	36,854,632	655,276,368	692,131,000	0
Green Bond 200m*	0	0	0	201,694,000
Total**	**36,854,632**	**655,276,368**	**692,131,000**	**201,694,000**

*Following the £860m Green Bond issued in 2023, Anglian Water has tapped the first tranche (£300m) up to £200m. This will be used to finance operational and capital expenditure to meet the Company's obligations set out under the AMP8 period, focusing specifically with regard to the Water Industry National Environment Programme (WINEP). WINEP is England's regulatory programme requiring water companies to invest in environmental improvements. The proceeds for this bond tap were received during March 2026 and are showing as a closing balance. We will report on the specific project allocations of the £200m bond tap in the 2026/27 Sustainable Finance Impact Report.

**All bond proceeds are net of fees / charges and any accrued interest.

All figures in table are in GBP for all bonds	Proceeds as of 31 March 2025	Deposits during 2025/26	Total net proceeds
Green Bond 700m	692,131,000	0	692,131,000
Green Bond 200m	0	201,694,000	201,694,000
Total*	**692,131,000**	**201,694,000**	**893,825,000**

*All bond proceeds are net of fees / charges and any accrued interest.

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 £700m 2044	1,104	1.026
Total	**1,104**	**1.026**

Green Bond 2044 £700 million

Green Bond 2044 £700 million

Issuer	AWSF
Currency	GBP
£ equivalent	700 million
Issue date	12 Sept 2024
ISIN	XS2898771774
Maturity date	12 Sept 2044
Coupon	6.250%

AWG total portfolios allocation summary in FY 2025/26

ICMA Category	Eligibility criteria	Total net proceeds allocated in FY 2025/26 £
Sustainable water and wastewater management	Reducing demand for clean water, adapting to a changing climate	48,959,675
Sustainable water and wastewater management	Sustainable drainage systems, adapting to a changing climate	347,853
Sustainable water and wastewater management	Wastewater treatment, adapting to a changing climate	127,803,103
Sustainable water and wastewater management	Water supply measures, adapting to a changing climate	471,047,599
Terrestrial and aquatic biodiversity	Restoration, remediation and the conservation of habitats and ecosystems to enhance biodiversity in our region	7,118,137
Total		**655,276,368**

Sustainability-linked debt

We have a number of banking facilities and loans in place which are linked to our sustainable benchmarks (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	AFIP	AFIP	AFIP	AWOF
Currency	GBP	GBP	GBP	GBP
Amount	30	125	95	250
£ equivalent	30	125	95	250
Unique Idenitifer	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	28 Oct 2021	13 Jul 2021	09 Dec 2021	16 Jun 2021
Maturity Date	28 Oct 2026	16 Jun 2026	09 Dec 2027	16 Jun 2026
Margin	2.75%	3.25%	3.25%	2.25%
Ref Rate	SONIA	SONIA	SONIA	SONIA

Issuer	AWSF	AWSF	AWOF
Currency	GBP	GBP	GBP
Amount	75	75	105
£ equivalent	75	75	105
Unique Idenitifer	F35 F NAT 1.05 2029 GBP 75m	F36 F NAT 1.15 2032 GBP 75m	L01 A Fix 2.20 2028 GBP 105m
Issue Date	01 Nov 2022	01 Nov 2022	15 Dec 2021
Maturity Date	01 Nov 2029	01 Nov 2032	15 Dec 2028
Margin	1.05%	1.15%	2.20%
Ref Rate	FIXED	FIXED	FIXED

As at 31 March 2026, in total, we have £280 million of sustainable linked 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. If more than three KPIs are achieved, we could be rewarded by paying less in interest or commitment fees.

Sustainability key performance indicators

As referenced in our 2024 Sustainability Finance Framework, we report against four key sustainability indicators: Priority Services Register (PSR) reach, water abstraction, capital carbon and operational carbon. The following section provides an update on our performance against each measure during the year.

Priority Services Register reach

Target met

Measure	2025/26 actual:	2025/26 target:
Measure: Number of domestic households on Priority Services Register (PSR) – as % of the number of households (connected properties).	17.0%	13.2%

We have continued to expand the support we provide for customers who need extra help, with our Priority Services Register (PSR) reaching a significant milestone during the year.

As of 31 March 2026, our PSR totalled 514,016 households, representing 16.9% of all customer households, an increase of 69,629 households compared to the prior year. Our PSR remains central to how we deliver tailored support, including accessible billing and priority assistance during emergencies, supported by our updated 2025–2030 customer vulnerability strategy.

In 2025/26, we delivered £95.1 million in financial assistance to nearly 400,000 customers, alongside targeted initiatives such as our industry-first Medical Discount.

Our performance demonstrates our commitment to inclusive, accessible services, ensuring customers who need extra help receive the right support.

Water abstraction*

Target met

Measure	2025/26 actual:	2025/26 target:
Measure: Average daily amount of water abstracted directly from rivers, reservoirs and groundwater, for household use, per capita in a year.	187.1	189.3

Sustainable water abstraction is critical in one of the UK's most water-stressed regions, where balancing environmental protection with growing demand is a long-term priority.

Our approach focuses on reducing abstraction in environmentally sensitive catchments, supported by investment in strategic infrastructure such as our interconnecting water grid. This enables us to move water to where it is needed most, helping to reduce pressure on vulnerable sources and protect important ecosystems, including chalk streams.

Alongside this, we are reducing demand through improved water efficiency and industry-leading smart metering, helping to lower consumption and reduce reliance on water abstraction across our region. By combining demand management, network optimisation and new supply solutions, we are balancing the needs of customers, communities and the environment.

Our performance demonstrates continued progress in reducing environmental impact, while supporting long-term water security and sustainable growth across our region.

*This KPI is derived from independently audited water balance data disclosed in our Annual Performance Report, although the KPI itself has not been subject to separate independent assurance.

Operational carbon (net zero)

Measure: Reduction in carbon emissions from operational activity measured in tonnes of CO_2 equivalent compared to a 2018/19 baseline.	**2025/26 actual:** 322,943 tCO_2e	**2029/30 target*:** 91,000 tCO_2e

In 2025/26 our operational carbon emissions totalled 322,943 tonnes CO_2e, an 11.6% reduction. This is calculated in line with the net zero methodology outlined in our Net Zero strategy.

This performance is slightly lower than how we performed in 2024/25 - a consequence of a reduction in the quantity of Renewable Energy Guarantee of Origin (REGO) certificates purchased.

*For more information on our Net Zero plans please see our Climate Transition Plan

Capital carbon

Measure: Percentage reduction in carbon emissions from construction activity measured in tonnes of CO_2 equivalent compared to a 2010 baseline.	**2025/26 actual:** 58.4%	**2029/30 target:** 70.0%

Over the year, we achieved a 58.5% capital carbon reduction. This is less than the reductions made in the year prior (2024/25: 66.1% reduction). The reason is, 2025/26 is the first year of AMP8, which means that there are a limited number of projects that have reached an advanced stage of design and are included in the performance calculation.

Performance is calculated when projects have reach an advanced stage of design. We are confident that as we go through AMP8 and more schemes are included that our reduction performance will improve.

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 reduction from baseline is calculated as the difference between the capital carbon associated with completed DM4 projects and the equivalent 2010 baseline carbon figure. The reduction is then reported 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, often called cradle to as built – against a 2010 baseline
Priority Services Register (PSR) - reach	%	Number of domestic households on PSR – as % of number of households (connected properties) in 2025/26.	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 2025/26.	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. Superlight and light projects are not included in the assessment.

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