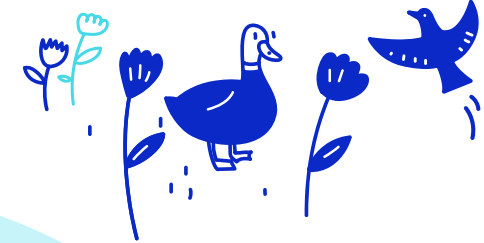




Our Green Bond Impact Report Summary 2022/23 and 2023/24



KPI outputs for the period

| Project | Total allocation to date (£k) | Total meters installed (No.) | Aggregate leakage reduction (Ml/d) |
|--|-------------------------------|------------------------------|------------------------------------|
|  Universal Metering Project We've installed water meters across our customer base, helping to reduce water use. | 43,312 | 121,231 | |
|  Leakage infrastructure We invested in improving our technology and this enables us to piece together all the monitoring across the network and understand where the leaks are. | 36,868 | | 14.1 |
| Total allocation | 80,180 | | |

Total Green Bond Net Proceeds:
£147.8 million

45.7%

£67.6m
Unallocated funds

15.7%

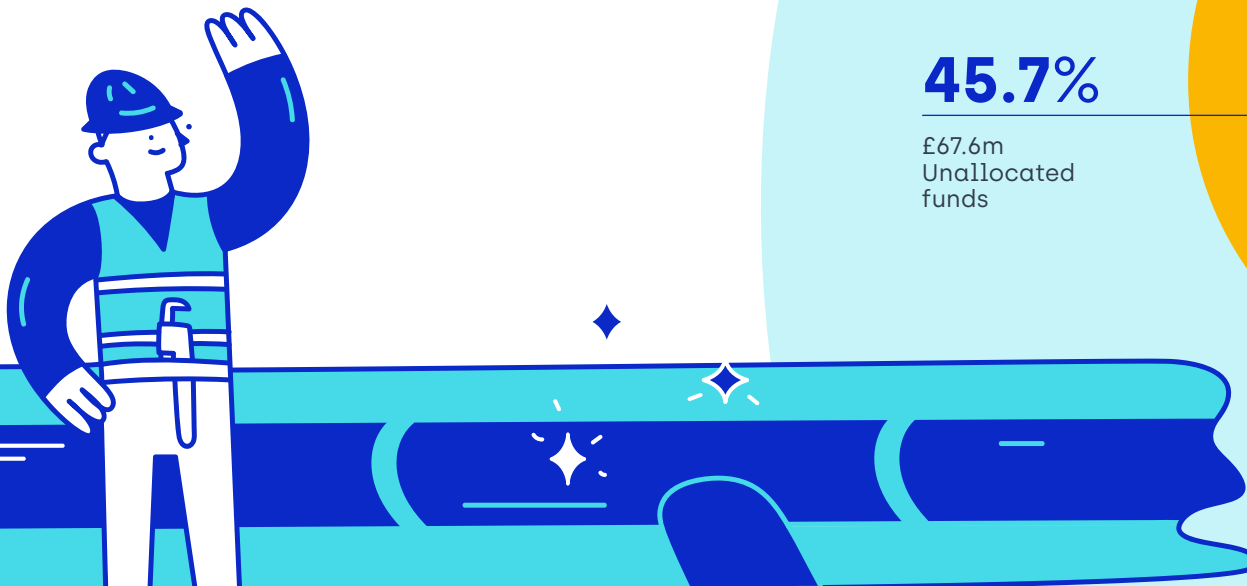
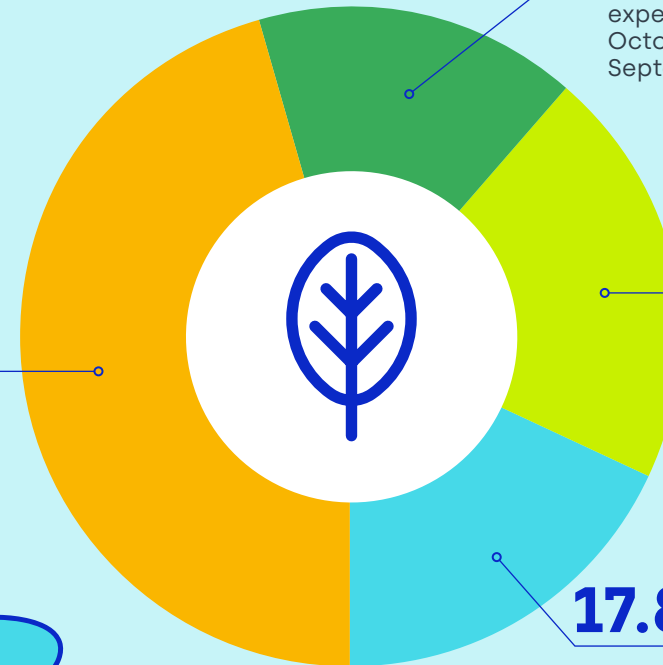
£23.2m
Total leakage expenditure from October 2022 to September 2024

20.7%

£30.6m
Total metering expenditure from October 2022 to September 2024

17.8%

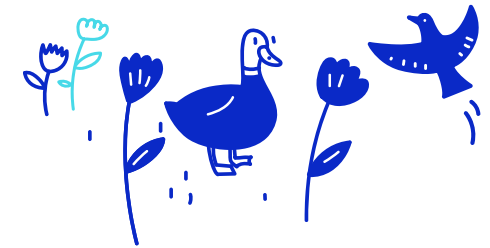
£26.3m
Net proceeds allocated in previous periods





Our Green Bond Impact Report 2022/23

Summary of the benefits

- In October 2021, we issued our inaugural Green Bond and Green Bond Framework in line with International Capital Market Association (ICMA) Green Bond Principles.
- Every year, we use this framework to report on the environmental benefits that our funded eligible Green Bond projects deliver until the maturity of the bonds.
- We choose eligible Green Bond projects based on their strategic, social and environmental importance, this is outlined in our Green Finance Framework, published in September 2021 (revised 2023). Our selected projects help to reduce water leaks as well as encourage customers to use water efficiently.
- This report considers net proceed allocation from the period 1 October 2022 to 30 September 2023 and project metrics are for the financial year ending 31 March 2023.

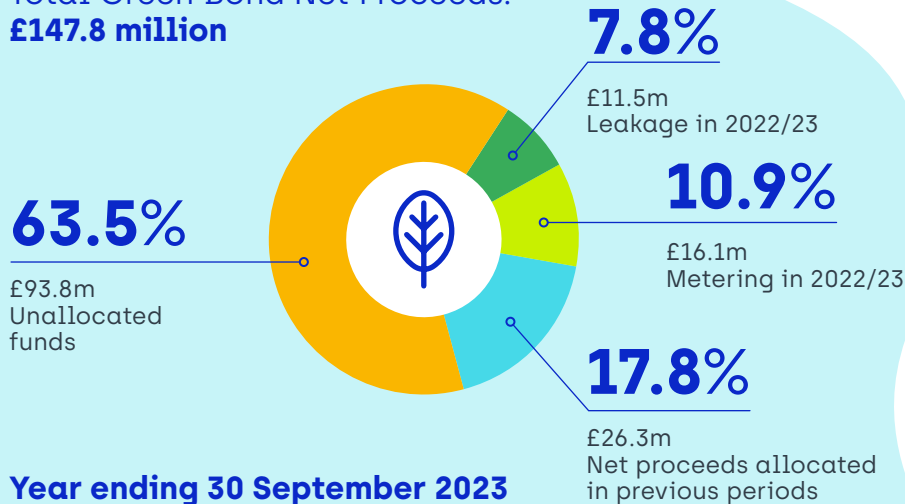


KPI outputs

| Project | Allocation (£k) | Meters installed (No.) | Leakage reduction (Ml/d) | Benefits |
|--|-----------------|------------------------|--------------------------|---|
|  Universal Metering Project We've installed water meters across our customer base, helping to reduce water use. | 16,116 | 62,660* | | By carefully targeting our metering rollout programme and increasing the metering volumes we have been able to reduce customer demand. This means we can leave more water in the environment. |
|  Leakage infrastructure We invested in improving our technology and this enables us to piece together all the monitoring across the network and understand where the leaks are. | 11,529 | | 9.3* | We have reduced leakage by 9.3 Ml/d [based on three-year average from 2020/21]. This means that less water needs to be extracted and more water is kept in the environment. |
| Total | 27,645* | | | |

* Figures assured by DNV

Total Green Bond Net Proceeds:
£147.8 million



Year ending 30 September 2023

ICMA Eligible Green Project Category

Sustainable water and wastewater management

- **Treatment investment** – Expenditure related to maintaining and upgrading water treatment assets and investing in new assets to reduce unsustainable abstraction.
- **Leakage reduction** – Expenditure aimed at finding and fixing leaks or future potential leaks.
- **Sustainable abstraction** – Projects designed to provide sustainable water solutions for future generations including expenditure which maintain, enhance and upgrade or water network.
- **Environmental monitoring** – Collecting field data to understand the impact of our abstraction.



Pollution prevention and control

- **Demand management** – Expenditure aimed at reducing water usage in the community.
- **Carbon transition** – Expenditure related to reducing our carbon footprint including investments in a zero carbon fleet and sustainable carbon management.



Terrestrial and aquatic biodiversity conservation

- **River restoration** – Re-naturalising river channels to improve health and biodiversity, making the rivers more resilient to environmental shocks and stresses such as drought.
- **Biodiversity management** – Expenditures related to ensuring that biodiversity within our catchment area is in a better position than we found it.
- **Species and habitat management**



Energy efficiency

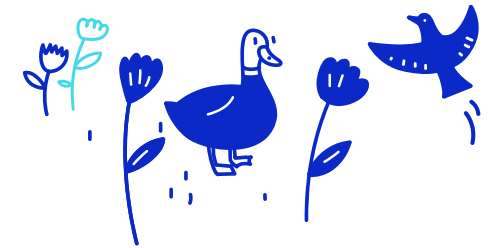
- Investments and/or expenditures relating to improvement in the energy efficiency of Affinity Water's water system.



Our Green Bond Impact Report 2023/24

Summary of the benefits

- In October 2021, we issued our inaugural Green Bond and Green Bond Framework in line with International Capital Market Association (ICMA) Green Bond Principles.
- Every year, we use this framework to report on the environmental benefits that our funded eligible Green Bond projects deliver until the maturity of the bonds.
- We choose eligible Green Bond projects based on their strategic, social and environmental importance, this is outlined in our Green Finance Framework, published in September 2021 (revised 2023). Our selected projects help to reduce water leaks as well as encourage customers to use water efficiently.
- This report considers net proceed allocation from the period 1 October 2023 to 30 September 2024 and project metrics are for the financial year ending 31 March 2024.

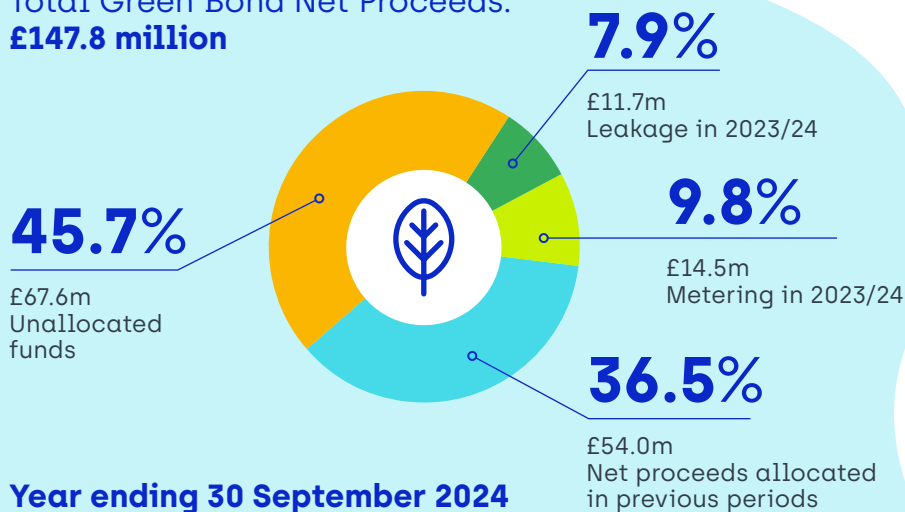


KPI outputs

| Project | Allocation (£k) | Meters installed (No.) | Leakage reduction (Ml/d) | Benefits |
|--|-----------------|------------------------|--------------------------|---|
| Universal Metering Project We've installed water meters across our customer base, helping to reduce water use. | 14,528 | 58,571* | | By carefully targeting our metering rollout programme and increasing the metering volumes we have been able to reduce customer demand. This means we can leave more water in the environment. |
| Leakage infrastructure We invested in improving our technology and this enables us to piece together all the monitoring across the network and understand where the leaks are. | 11,659 | | 4.8* | We have reduced leakage by 4.8 Ml/d [based on three-year average from 2021/22]. This means that less water needs to be extracted and more water is kept in the environment. |
| Total | 26,187* | | | |

* Figures assured by DNV

Total Green Bond Net Proceeds:
£147.8 million



Year ending 30 September 2024

ICMA Eligible Green Project Category

Sustainable water and wastewater management

- **Treatment investment** – Expenditure related to maintaining and upgrading water treatment assets and investing in new assets to reduce unsustainable abstraction.
- **Leakage reduction** – Expenditure aimed at finding and fixing leaks or future potential leaks.
- **Sustainable abstraction** – Projects designed to provide sustainable water solutions for future generations including expenditure which maintain, enhance and upgrade or water network.
- **Environmental monitoring** – Collecting field data to understand the impact of our abstraction.



Pollution prevention and control

- **Demand management** – Expenditure aimed at reducing water usage in the community.
- **Carbon transition** – Expenditure related to reducing our carbon footprint including investments in a zero carbon fleet and sustainable carbon management.



Terrestrial and aquatic biodiversity conservation

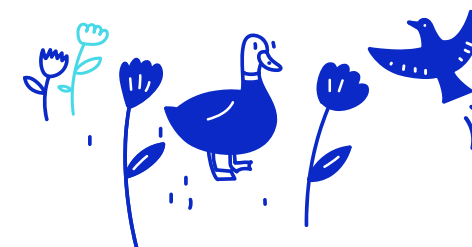
- **River restoration** – Re-naturalising river channels to improve health and biodiversity, making the rivers more resilient to environmental shocks and stresses such as drought.
- **Biodiversity management** – Expenditures related to ensuring that biodiversity within our catchment area is in a better position than we found it.
- **Species and habitat management**






Energy efficiency

- Investments and/or expenditures relating to improvement in the energy efficiency of Affinity Water's water system.





Basis of reporting

| Key Performance Indicator | Units | Definition | Comment |
|---|---------------------------|---|--|
|  Allocation | £'000 | Expenditure allocated to eligible green projects in line with Affinity Water Limited's Green Finance Framework 2021 (revised 2023). | <p>Calculated using internal accounting reporting and systems. Data is subject to access controls and internal assurance procedures.</p> <p>Process for project selection can be found within the Green Finance Framework 2021 (revised 2023). [https://www.affinitywater.co.uk/docs/PR24/Appendices/AFW15.pdf]</p> <p>Data Source: Internal source</p> |
|  Leakage | Megalitres per day (Ml/d) | Ml/d is a measure of water consumption where one megalitre is equal to one million litres. This KPI is the reduction in leakage using a three-year rolling average. | <p>Calculated as per Ofwat AMP7 leakage methodology [Reporting-guidance-leakage.pdf]. Information is published in Affinity Water Limited's Annual Performance Report in table 3F. [Investor Library Annual Report & Financial Statements Affinity Water]</p> <p>Data Source: Internal source</p> |
|  Meters installed | Number of meters | Number of customer side meters installed. | <p>Number of meters installed in customer properties within the period. Information is published in Affinity Water Limited's Annual Performance Report in table 6D. [Investor Library Annual Report & Financial Statements Affinity Water]</p> <p>Data Source: Internal source</p> |

DNV Business Assurance Services UK Limited was engaged to provide an independent third party limited assurance on the claims and assertions related to the allocation of proceeds and impacts as disclosed in the report.

For more details, please refer to the Independent Limited Assurance Statement here. [[Investor Library | Annual Report & Financial Statements | Affinity Water](#)]

