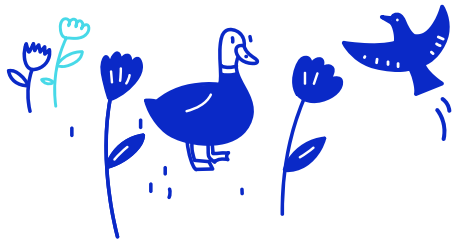
Our 2021/22 Green Bond Impact Report

Affinity Water

Summary of the benefits

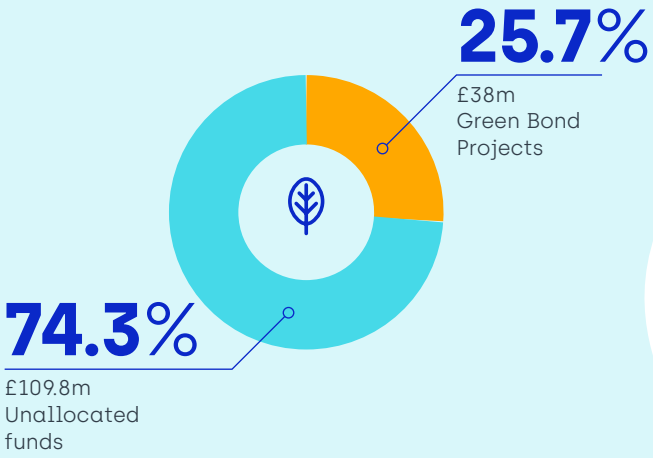
- In October 2021, we issued our inaugural Green Bond and Green Bond Framework in line with International Capital Market Association (ICMA) Green Bond Principles.
- Every year, we use this framework to report on the environmental benefits that our funded eligible Green Bond projects deliver until the maturity of the bonds.
- We choose eligible Green Bond projects based on their strategic, social and environmental importance. Our selected projects help to reduce water leaks, encourage customers to use water efficiently.



KPI Outputs 2021/22

Project[1]	Total AMP7 spend (£k)	Meters Installed	Leakage reduction	Benefits
Universal Metering Project We're installing water meters across our customer base, helping to reduce water use.	20,959	54,877		2.98 Ml/d saving (pg118 Annual Performance Report 2022) By carefully targeting our metering rollout programme and increasing the metering volumes we have been able to increase the demand reduction benefit to 2.98Ml/d in 2021/22.
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.	16,654		16.6Ml/d	We reduced leakage by 16.6Ml/d since 2020/21 which represents a 10.5 % reduction since 2019/20.

Green Bond Proceeds
£147.8 million



ICMA Eligible Green Project Category

Sustainable water and wastewater management
- Treatment investment - This is largely maintaining/upgrading our existing water treatment assets. This includes projects designed to end unsustainable abstraction.
- Leakage reduction – Expenditure aimed at finding and fixing leaks or future potential leaks.
- Production and Supply – All expenditure related to the abstraction, treatment, storage and pumping of water.

Pollution prevention and control
- Demand management – Expenditure aimed at reducing water usage in the community. The main measure of success is reductions in Per Capita Consumption (PCC). This workstream includes; home water efficiency checks, issuing water saving devices and universal metering.
- Catchment management – This is about pollution management (improving raw water quality so, in theory, we have to do less to treat the water, reducing costs and carbon).

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.
Climate change adaptation – This is reducing unsustainable abstraction, it's about improving environmental resilience where our catchments are over-abstracted and over-licenced.

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

[1] All projects deliver an ongoing annual benefit from commissioning. This was calculated in 2021/22 and independently reviewed by DNV.