

Financing the future

Wessex Water's

Sustainable Finance Framework

April 2024



Wessex Water
YTL GROUP



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Introduction

Our Sustainable Finance Framework aims to introduce Wessex Water and provide the structure through which investors can confidently support our sustainable projects.

At Wessex Water we serve local communities and the environment through our business activities and investments. In the first pages of this document, we share some of our contributions to the region and how we are guided by our purpose: **through water we support our customers' health and wellbeing and enhance the environment and the diverse communities we serve**. Following this, we explain the principles guiding our Sustainable Finance Framework and how we will allocate, manage and report on any proceeds raised.

We launched our Sustainable Finance Framework, the "Framework", in September 2022. It has enabled Wessex Water to link the investment in our many environmental and social initiatives to those who finance them. We continue to develop our Framework and impact reporting as the principles and reporting guidance for sustainable finance progress.

These are challenging times for the water sector. The need for environmental performance and resilience is increasing, whilst cost-of-living pressures emphasise a requirement to avoid our bills adding an unnecessary burden on our customers' household budgets.

Over the last 20 years YTL's sole ownership of Wessex Water has provided a strong foundation for us to meet these challenges. We have proposed a significant increase in investment during 2025-30. We aim to improve river health, deliver further environmental improvements, respond to the growing impact of climate change, reduce our carbon footprint, and deliver our customers' other priorities.

In March 2023, we issued our first £300m sustainable bond which was well received by the market. In conjunction with our Framework, we have also published our first Sustainable Finance Allocation and Impact Report. This impact report contains case studies on our latest innovative projects and initiatives that were allocated to our first sustainable bond.

With the significant investment required over the 2025-30 AMP8 regulatory period, we will return to the capital markets to seek further sustainable financing. Our aim is to present investors with the detail and transparency needed to continue to be a trusted, financially strong company with fair returns and to continue attracting investors who are supportive of our goals and ambitions, as valuable long-term partners in supporting our sustainability agenda.



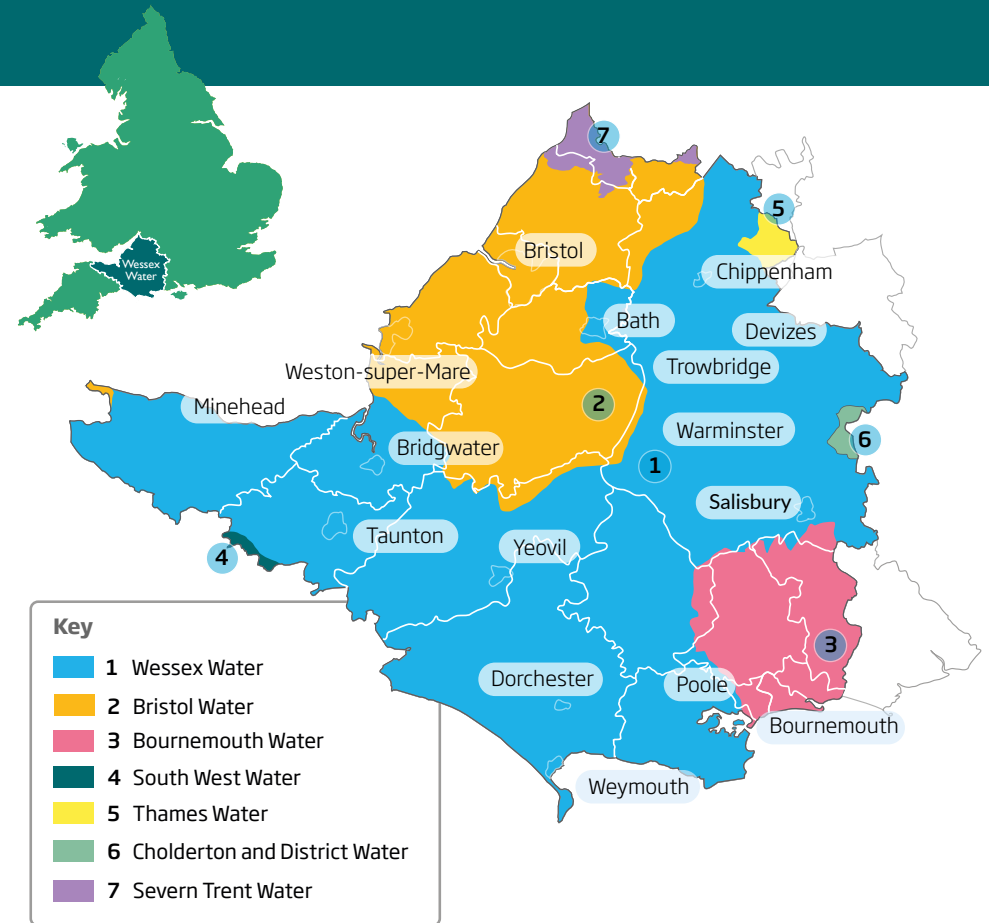
About Wessex Water

Wessex Water is the regional water and sewerage treatment business serving a 10,000 square kilometre area of the south west of England, including Dorset, Somerset, Bristol, most of Wiltshire and parts of Gloucestershire and Hampshire. The company is a wholly owned subsidiary of YTL Power International of Malaysia.

Through our service we support our customers' health and wellbeing, and enhance the environment and the diverse communities we serve. We aim to:

- 1 Provide reliable, affordable services for all customers and communities.**
- 2 Deliver a better environment for nature and people.**
- 3 Be a great place to work.**
- 4 Be a trusted, financially strong company.**

Wessex Water is one of the leading water and sewerage companies for customer service and satisfaction, as judged by standards set by our regulators. We are committed to delivering the highest levels of customer service and environmental performance at a price that customers can afford.



We treat and supply	We take away and treat
Over 278m litres of water per day to 1.4m people and over 47,000 businesses	898m litres of wastewater/day from 2.9m people and over 62,000 businesses
We have	We have
<ul style="list-style-type: none"> • 253 water sources and treatment centres • 74% groundwater sources, 26% reservoirs or river sources • 311 service reservoirs and water towers • 12,116 km of water mains 	<ul style="list-style-type: none"> • 35,089km of sewers • 2,159 pumping stations • 398 water recycling centres

We continually seek innovative ways of working, delivering a high quality service and experience for our customers. We provide training, development and opportunities for our staff and work collaboratively with our stakeholders.

We are a long-term business that is committed to reducing our environmental impact. This includes our support for the government's net zero by 2050 target; and our own commitment to achieve net zero operational emissions by 2030 and net zero total emissions by 2040.

Alongside mitigation, we recognise the importance of preparing for climate change and having a business that is resilient to potential impacts. Adapting to a changing climate is integral both to our long-term vision and our business plan, and to subject-specific exercises such as our water resources planning process.

Our values

Ethical: We are honest and ethical in the way we conduct our business.

Respect: We treat our customers, the wider community, the environment, and one another with respect.

Value: We value everybody's contribution and ensure the health, safety and welfare of all our colleagues.

Long-term: We are a long-term business, we plan, innovate, and invest for future resilience.

Our mission

Customers: To provide reliable, affordable services for all customers and communities.

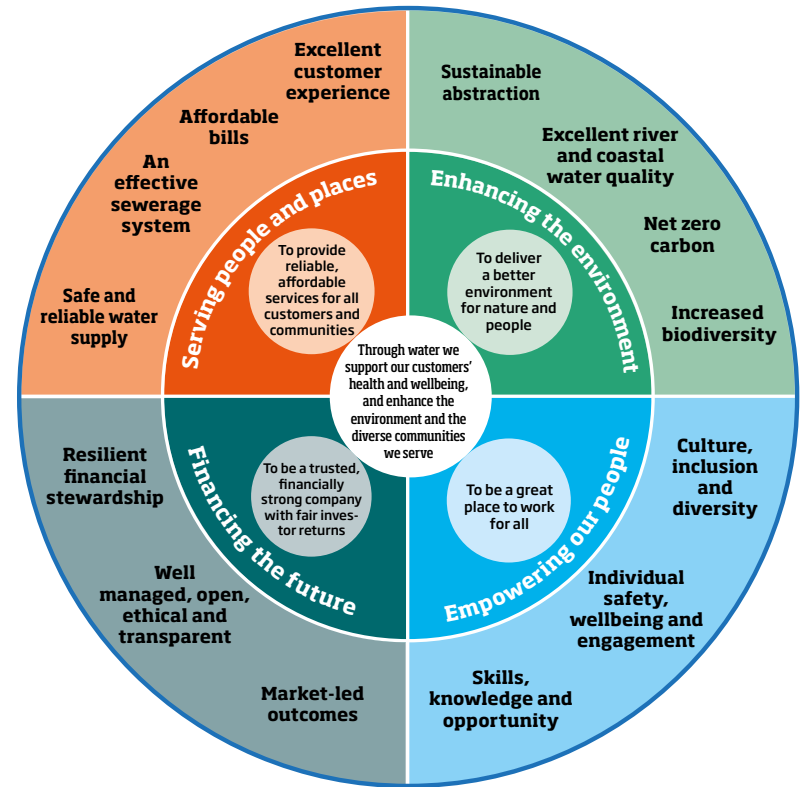
Environment: To deliver a better environment for nature and people.

Employees: To be a great place to work for all.

Investors: To be a trusted, financially strong company with fair investor returns.

Our purpose

Through water we support our customers' health and wellbeing and enhance the environment and the diverse communities we serve.



"We are proud that our aims have remained the same since 1988 and that, over the last 30 years, we have evolved what they mean and how we deliver them."

Colin Skellett, Chief Executive

Outcome	Aim
Safe and reliable water supply	100% quality compliance, always Zero interruptions of longer than three hours
An effective sewerage system	Halve the impact of sewer flooding
Affordable bills	Zero water poverty
Excellent customer experience	Be a top 10 customer service provider in the UK
Sustainable abstraction	Never harm the health of the water environment through our abstraction
Excellent river and coastal water quality	To restore the quality of our rivers and coastal waters
Net zero carbon	Be a net zero carbon ¹ business by 2040
Increased biodiversity	Double our contribution to the region's biodiversity

¹Net zero carbon will include the embodied carbon associated with construction materials, treatment chemicals and other products that we consume (scope 3).

Empowering our people:

- **Culture, inclusion and diversity:** we will have an inclusive workforce that reflects the cultures and diversity of the region we serve.
- **Individual safety, wellbeing and engagement:** our colleagues will be safe at work, proud to work for us and fully engaged in their roles.
- **Skills, knowledge and opportunity:** our colleagues will have all the skills and knowledge they need to confidently carry out their roles.

Financing the future:

- **Market-led outcomes:** we will harness the power of markets to drive the most efficient solutions.
- **Resilient financial stewardship:** we will demonstrate long-term financial stability.
- **Well managed, open, ethical and transparent:** we will prove that we are honest and ethical in the way we conduct our business.

Delivering against our purpose

Wessex Water is a long-term business and thus sustainability is central to our company culture. We work to translate our purpose into practical benefits for the community and the environment, and we keep a close eye on emerging issues and opportunities.

Delivering our 2025 - 2030 Business Plan

We prepare a business plan every five years in consultation with our customers and our regulator, Ofwat. Our business plan for the 2025 to 2030 regulatory period, AMP8, incorporated feedback from people throughout the region who gave their opinion on our bills and services.

Our plan for 2025-30 proposes capital investment of £3.5bn which is more than double that for the previous five years. It delivers a highly ambitious set of outcomes, including tackling pollution, enhancing the water environment, and ensuring there is enough water to cater for everyone's needs over the long-term.

Our business plans guide our capital expenditure investment priorities, underscoring the basis for this Framework. The doubling of investment is centred around environmental improvements:

- Invest record amounts in reducing discharges from storm overflows, including through a programme of nature-boosting wetland creation.
- Spend £900m - just over a quarter of our whole budget - on stripping nutrients out of our treated wastewater discharges. 43% of our area is covered by nutrient neutrality rules, due to the sensitive nature of the receiving waters. This is a far higher proportion than for any other water company. The investment will protect the water environment whilst facilitating an increasing number of households in our region.
- Pursue several supply enhancement and demand reduction activities that will enable us to abstract up to 20% less water from rivers and groundwater sources.

We have ensured alignment between our vision for 2050 and our business plan: they are structured around the same aims and outcomes.

We have injected innovation and ambition to deliver the most affordable and sustainable outcomes possible. We have prioritised innovations that deliver multiple benefits rather than single outcomes.

Wherever possible and within the confines of the regulatory framework, we have chosen alternative, more cost-effective delivery options, including nature-based solutions, catchment approaches, partnership working and delivering at a pace our customers can afford.

We have protected customers who will be hardest hit by expanding our industry-leading affordability assistance programme; redoubling our effort to eradicate water poverty by 2030.

Serving people and places

We recognise the importance of water provision to the local community and the role that we play in everyday life. We support our customers, some of whom are among the most vulnerable in society.

Every Customer Matters, our strategy for supporting vulnerable customers, has been created in partnership with, and endorsed by, independent charities and specialist organisations.

As part of this we have a tailored assistance programme consisting of a range of specific schemes and low-rate tariffs. These include social tariffs based on ability to pay, debt support schemes, flexible payment plans, and discounts for low-income pensioners.

We are also extending our help towards bill reduction by promoting our risk-free metering service (developed by our Young People's Panel) and by increasing the help we give customers to use water wisely.

Financial difficulties can arise in many contexts so several of our services will continue to be co-delivered with our partners in the debt advice sector, who can look at wider household costs.

In 2022 we agreed to have common naming conventions for our schemes across the water industry to improve awareness and accessibility.



Case studies

Working in partnership with debt advice agencies



- Tackling water poverty is not just about water – customers in financial hardship generally have multiple debts.
- Our role is to develop appropriate schemes and to fund and facilitate their delivery where we can support our customers.
- We work in partnership with agencies, listed below, to ensure that the customers who need the most support can gain independent holistic debt advice, budgeting support and an income maximisation service.
- Our first partnership in 2005 led to the development of the industry's first ever social tariff, Assist, in 2007. Currently, we partner with Citizens Advice, StepChange and National Debt Line as well as many cultural and faith organisations, housing associations and local councils.



Working in partnership with our community

- We participate with local communities, councils and charitable organisations to develop stronger relationships which will allow us to invite and encourage people to contribute.
- We are building on our outreach and engagement programme with students around science, technology, engineering and maths (STEM) subjects and are encouraging our staff to be community ambassadors through our volunteering scheme WaterForce.
- We work with communities to provide financial support for water refill points and drinking fountains to promote health and wellbeing and reduce single use plastic.



Enhancing the environment

Good environmental water quality

Our vision is to improve rivers, estuaries and coastal waters in a way that maximises the benefits for society and the wider environment. This vision encompasses the UK Government frameworks and methodologies that are related to the water environment, including the water industry national environment programme (WINEP).

As an environmental leader, we have committed to improving the health of more than 400 miles of river in our region. Our 2025-30 business plan, for example, commits 26% of the capital investment for the reduction of nutrient levels in our effluent to support appropriate levels of dissolved oxygen in our rivers.

We have ambitious plans to reduce the abstraction of water from the environment. To achieve this, we aim to double the rate of mains replacement and reduce leakage by 5% from our 2025 level. In addition, we will support customers to reduce their household water use. We also seek out opportunities to share surplus water between neighbouring regions.

By 2050, our ambition is to eliminate storm overflow discharges and to halve the impact of sewer flooding on customers. To achieve this, we will focus on improvements at 100 specifically identified storm discharge sites and take holistic approaches wherever possible. For example, we will use nature-based wetland treatment solutions for 38 groundwater induced overflows. In the longer term, separating rainwater from foul water at source will be essential to stop combined sewers being overwhelmed.

Our investment also supports and generates economic growth and new development in the region. We identified different ways to achieve outcomes that offer greater environmental benefit at lower cost. These changes have been agreed with the Environment Agency and the savings incorporated into our 2025-30 plan.

Case study

Warleigh Weir

Warleigh Weir, a location along the River Avon near Bath, is visited by people who use the stretch of river for recreation, including swimming. We have investigated how factors in the large river catchment upstream of the site influence the condition of the river water and the role our assets have.

River water quality can be affected by several factors, including storm overflows, treated wastewater, agricultural run-off, septic tanks, road drains and wild animals. We have worked with the landowner, the Rivers Trust, Bristol Avon Rivers Trust and the Environment Agency to gain a better understanding of the factors that influence bacterial water quality at the location.

We are working with leading AI providers UnifAI Technology and have now developed a UK-first web app which shows data collected by sensors at sample points at Warleigh and Monkton Combe every 30 minutes.

The app uses algorithms to give half-hourly predictions on bacteria levels in the River Avon. Though still in the development phase, current testing shows the algorithm to be 90% accurate when compared to laboratory samples.

As well as bacteria levels, the app shows four other parameters that could be of interest to swimmers - temperature, water level, water flow and rainfall.

In July 2022 UnifAI Technology and Wessex Water were recognised with the UK Water Industry's prestigious Digitalisation Project of the Year Award.



Case studies

Water Guardians

- We have joined forces with Somerset Wildlife Trust to work towards cleaner rivers and good quality habitats for wildlife. Funded by us, the aim of the project is to recruit and train local volunteers - the Water Guardians - to monitor watercourses, identify possible pollution incidents and report them to Wessex Water for further investigation.



- The project will initially focus on the Brue Valley catchment area within the Somerset Levels and Moors, particularly areas near our assets, pollution hotspots and environmental areas of interest and importance. The Somerset Levels and Moors are working wetlands and areas important for agriculture, an intricately managed landscape full of history, heritage and culture.
- The landscape of the Levels and Moors is one of Somerset's most biodiverse habitats with unique communities of wintering waterfowl, waders, and invertebrates within flower-rich wet grassland.

Biodiversity

Our proactive conservation programme is set out in our Biodiversity Action Plan, through which we aim to improve or create biodiverse habitats on 716 hectares of our land by 2030.

Much of our land that is set aside and protected for water supply, is of conservation value or has the capacity to be of value for wildlife. We carry out a rolling programme of ecological surveys to continually update and understand the condition of our habitats and species. We work to remove invasive non-native species from our sites, and we investigate options for additional tree planting on our landholding, where compatible with existing uses.

Durleigh: wetlands improving raw water quality

- Wetlands created upstream of Durleigh reservoir have significantly improved water quality entering the Durleigh water treatment centre.
- Ammonia levels have dropped by around three-quarters and phosphorus and sediments by around a third since the wetlands project was completed.



A constructed wetland area improves the quality of supply from the Bridgwater and Taunton Canal, and recycled water from the water treatment centre.

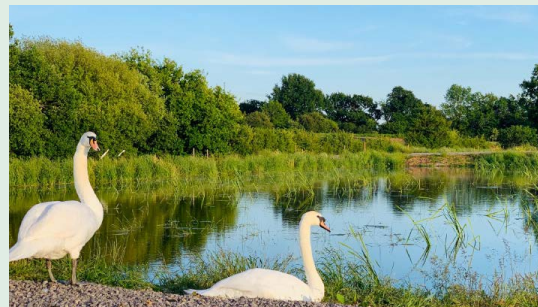
- Biodiversity in the surrounding river and land habitats increased by between 55 and 76 per cent, using the Natural England Biodiversity Metric.



A naturalised wetland captures sediment and silt by connecting the Durleigh Brook back to its floodplain.

Cromhall: wetlands 'polish' treated effluent

- A constructed wetland next to Cromhall water recycling centre serves as both a rich habitat and a passive, energy efficient method for reducing nutrient levels in effluent, reducing the need for chemical dosing.
- Ammonia and nitrogen levels more than halved and phosphorous levels dropped by nearly a third.
- Numerous species of plants, birds, bats insects and amphibians, have already colonised or are currently using the wetland system with a 111% increase in biodiversity value.
- The diversity and number of individuals using the wetland is expected to increase with ecological successional changes over time.



Net zero carbon

By 2030, we aim to achieve net zero operational carbon emissions. This target includes our annual emissions linked to energy use and transport, plus other greenhouse gases that are emitted from sewage and sludge treatment processes. However, our goal does not end there.

We reported on embodied emissions for the first time in our March 2023 Annual Performance Report (Table 11A), beginning with emissions attributable to capital projects, and purchased goods and services.

By 2040, 10 years ahead of the UK government target, we aim for our entire business to be net zero total carbon. This will include the embodied carbon associated with construction materials, treatment chemicals and other products that we consume (scope 3). We are adopting tools that provide detailed estimates of the whole life carbon of capital schemes to assist our decision making on the lowest carbon options. We published our route map to net zero carbon emissions in 2021, and set out proposals for 2025-30 in our 2024 business plan submission.

Our processes to treat, distribute and supply potable water, and to pump and treat wastewater, are inherently energy intensive. However, we have a strong track record of carbon management work. We are continually seeking ways to avoid emissions, to use energy more efficiently by optimising our treatment systems and pumps, and to increase renewable energy generation.

In line with our commitments to reduce our environmental footprint, we track and manage our impact on a gross absolute, net and intensity basis, with data calculated using the water industry's Carbon Accounting Workbook which is updated and maintained annually. Our annual emissions have fallen consistently since 2015 due to our own work to improve energy efficiency and renewable energy generation, and the reduced carbon intensity of UK-wide electricity generation.

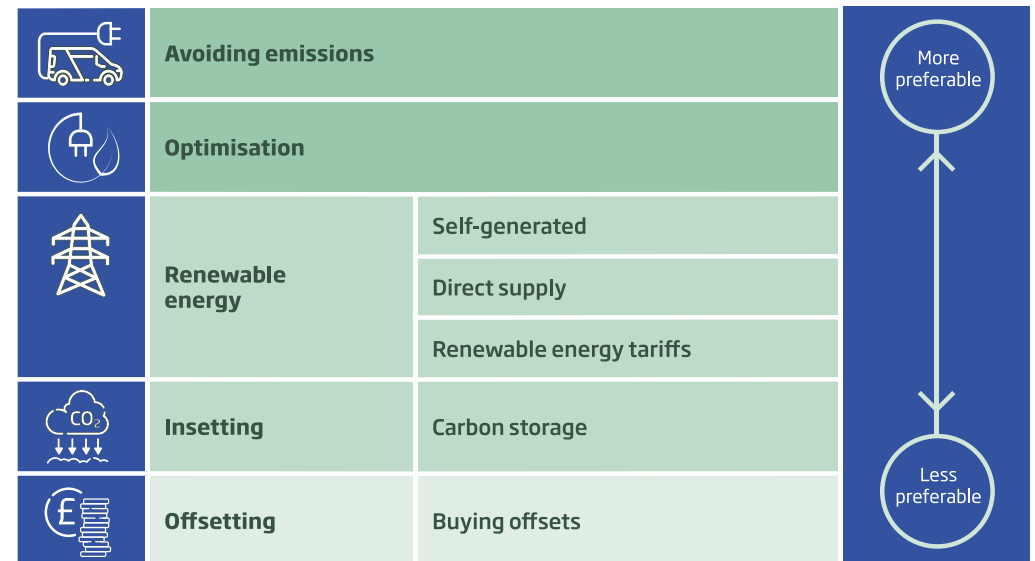
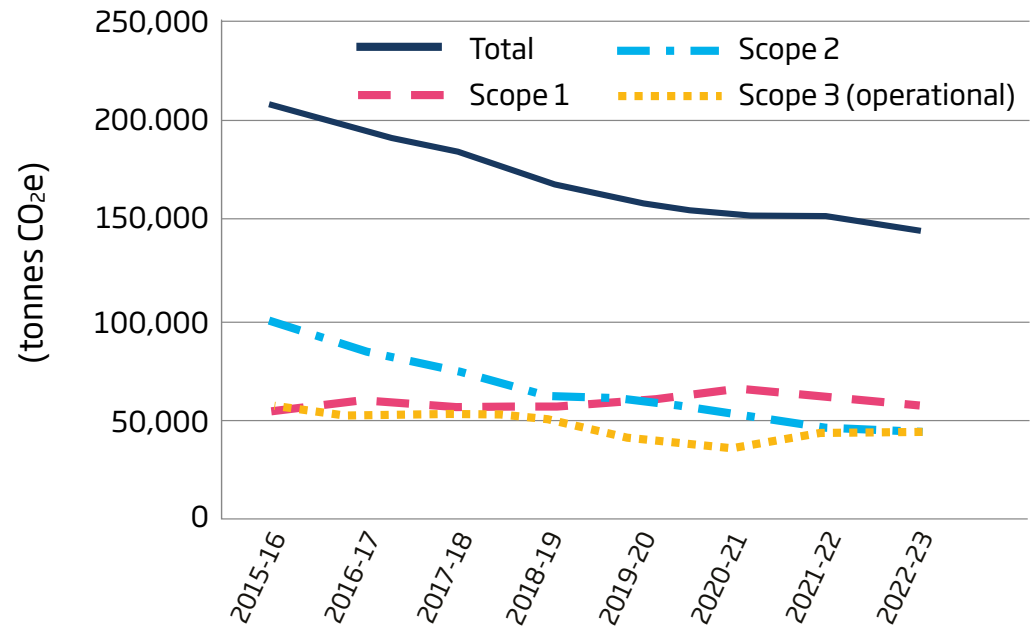
Intensity metrics

Operation	2022-23	2021-22 (rebased)	2021-22 (published)	Unit
Water	254	278	158	kg CO ₂ e / MI water treated
Wastewater	342	370	223	kg CO ₂ e / MI sewage treated (flow to full treatment)

The 2021-22 metric has been rebased to include additional scope 3 emissions for comparability with data published for 2022-23.

The wastewater intensity metric can fluctuate due to weather - notably the amount of rainfall that is conveyed by the sewerage system - as well as energy use and process emissions.

Gross operational emissions (tonnes CO₂e), with the expanded inventory for regulatory reporting.



The decarbonisation of UK energy infrastructure will mean that our energy and transport emissions are likely to fall by around one third from our current position. Therefore, we need to take concerted action between now and 2030 to reduce our operational carbon emissions to net zero.

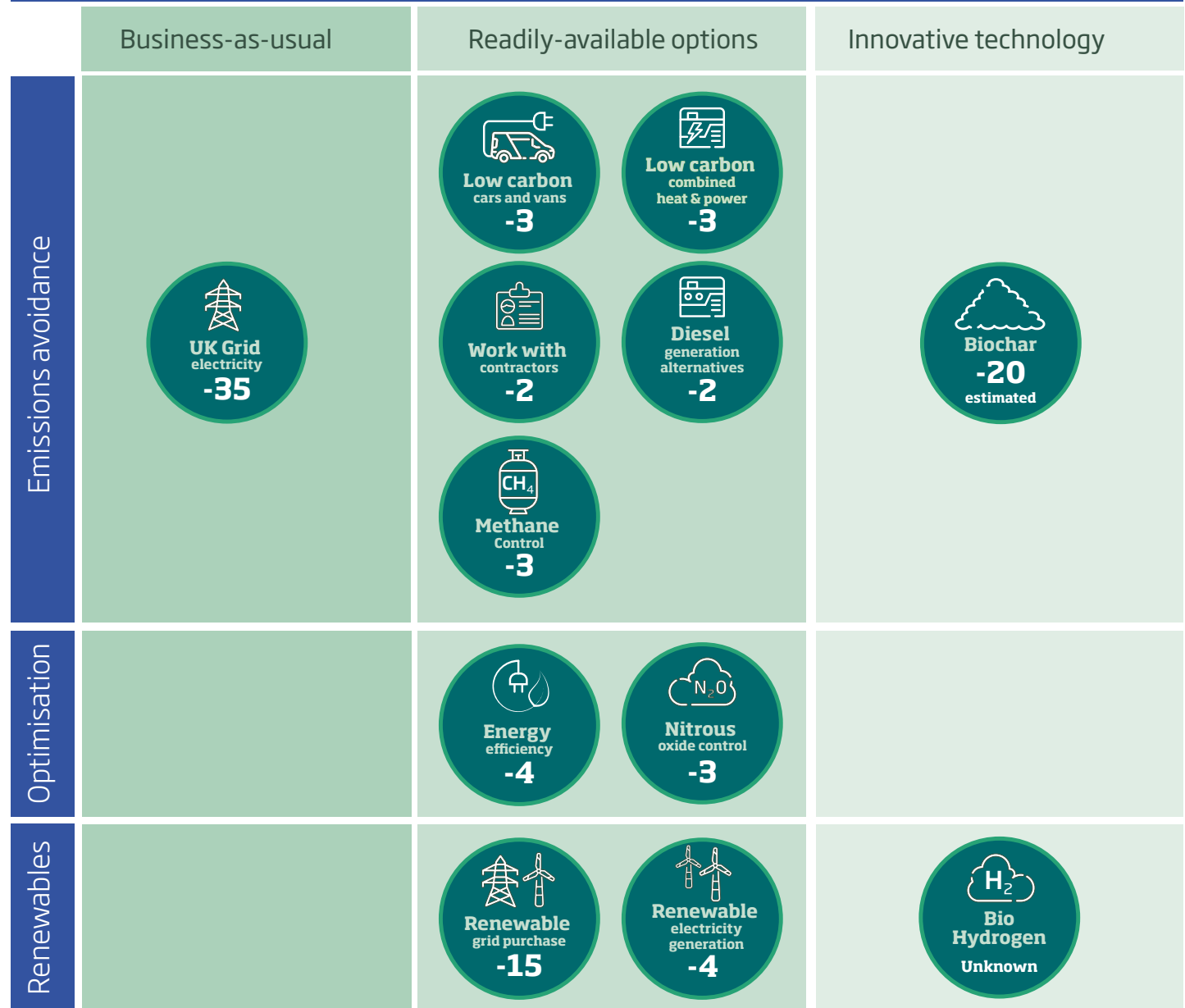
Some of the options involve currently available methods and technology, for example:

- emissions avoidance measures – such as reducing water use and leakage, increasing the use of lower carbon transport, and promoting nature-based solutions that avoid energy use
- optimisation measures – such as energy efficiency work and systems for monitoring and controlling greenhouse gases released during sewage treatment
- renewable energy – increasing the amount of biogas that we generate from anaerobic digestion and pursuing opportunities for wind and solar power, either as generators or as the end-user.

However, reductions in background emissions and the most readily available options will not be sufficient to achieve our goal of net zero carbon. We will need to pursue more innovative options involving emerging science and technology, such as turning sewage sludge into biochar. While these methods are not yet well-established, we are assessing their maturity and availability and will take part in trials where appropriate.

As noted above, we will go beyond operational carbon emissions and will also address embodied carbon associated with our supply chain – covering capital carbon and consumables. We expect our embodied carbon to reduce as other heavy industries and manufacturing decarbonise, and in the next two years we will start to publish our own estimates within our annual reporting to provide a total carbon viewpoint.

Tackling the climate emergency – our routemap to net zero carbon



This diagram shows the annual emissions reductions (kilotonnes CO₂e) that we believe can be achieved by 2030. These figures were updated at the end of 2023, in line with our PR24 business plan.

Empowering our people

Diversity

We encourage culture, inclusion and diversity at Wessex Water. We aim for an inclusive workforce that reflects the cultures and diversity of the region we serve.

We strive to create a workplace that is free from discrimination, harassment and bullying, and where everyone is treated with dignity and respect.

We have a growing number of internal support groups and networks which are run by our people, for our people. Not only do these groups provide vital support for their members, but they also push for change to make Wessex Water a more inclusive place to work.

We provide our employees with extensive training and education to equip them with the technical, leadership and management skills to be successful in future. We are an equal opportunities employer, and we respect and value everyone's contribution.

We have launched a new partnership with Seetec Plus - an organisation supporting people from disadvantaged backgrounds to gain employment. We have recently been approved for Disability Confident Employer status through the Disability Confident employer scheme.

We have signed up to the Race at Work Charter supporting ethnically diverse talent in the workplace.

Wessex Water, and the water industry in general has a workforce that is predominantly male. We are working to develop STEM skills among children and young people to improve both education and diversity in future.

The percentage of female employment at Wessex Water is higher in leadership roles than across the total workforce.

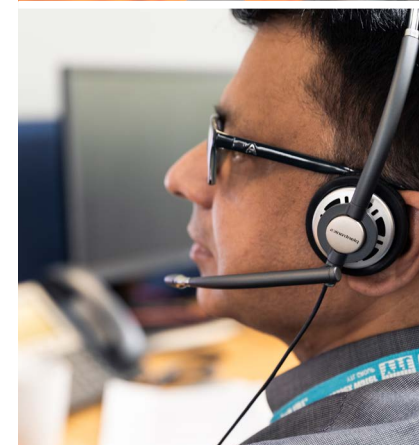
Our gender pay gap is significantly lower than the UK average and reflects gender distribution in job role rather than equal pay issues. Our mean gender pay gap has been steadily reducing and currently stands at 1.56% as of 5 April 2023.

Health and safety

Protecting the health, safety and welfare of our colleagues, contractors and customers is a shared responsibility and we continue to develop and embed a strong health, safety and wellbeing culture in our day-to-day operations.

Our aim is for zero accidents, and we monitor all accidents, incidents and observations reported by employees. The information we collect assists in determining problem areas or emerging trends and allows resources to be allocated to remove unnecessary risk, and control and manage any residual risk to prevent injury or harm.

Our continued commitment to high safety standards and performance has again been recognised with our Sustainable Operations and Engineering (SOE) team awarded the RoSPA Gold Medal (8 consecutive golds) award.



Financing the future

Governance principles

The Wessex Water board has undertaken detailed discussions on the suitability, value and impact of various governance frameworks on the company. Particular consideration was given to the impact on all stakeholders and interest groups. The board has a commitment to first-class governance and social value. It has adopted the Wates Principles as the best approach to governance, transparency and leadership.

Our Environment and Public Value Committee has been established to advise our board on how Wessex Water's purpose, aims and values are developed and delivered. It provides a focal point for the board on emerging issues, resilience and diverse ways to meet social and environmental commitments.

Our executive team is an intrinsically motivated and collaborative team of individuals. The variable pay arrangements that further incentivise the executive team are in alignment with our long term 2050 aims and are substantially tied to sustainability related KPIs.

We have aligned our reporting with the Taskforce for Climate-related Financial Disclosures (TCFD). Our annual report summarises the documents and pages in which the specific items in the Framework are considered. These are primarily within our Climate Change Adaptation report, and our net zero carbon routemap.

Ethical policy

We observe the highest standards of personal and corporate integrity and are committed to ethical business principles detailed in our Policy and Guidance on Business Ethics.

We value everyone's contribution in our pursuit of excellence.

We are honest in the way we conduct our business, and we treat one another, our customers and the environment with respect.

Modern slavery

Wessex Water is committed to meeting the aims of the Modern Slavery Act 2015. We are committed to making a positive and sustainable impact on society which includes a commitment to tackling modern slavery.

Our processes are designed to actively identify potential slavery risks and we would never knowingly engage with suppliers or contractors involved in slavery or human trafficking.

We have published our comprehensive Modern Slavery and Human Trafficking Statement 2022 on our website.

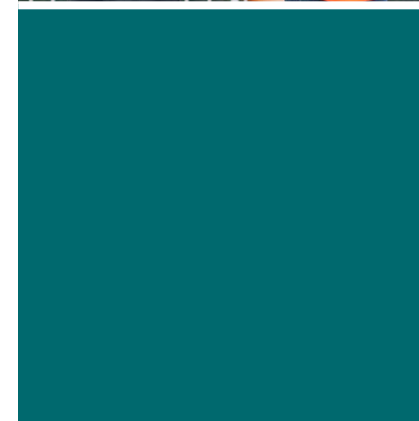
Wessex Water Foundation

Current cost of living pressures emphasise the importance of responding to the short and long term needs of our communities.

Launched in 2020 and run in partnership with the Somerset, Wiltshire, Dorset and Quartet Community Foundations, the Wessex Water Foundation provides grants to projects across the Wessex Water region. Annually, we provide grants to our community, environment funds and partner grants for debt advice totaling over £500,000.

In recognition of the increased financial stress on our customers, we provided an additional £160,000 to our debt advice partners to fund new adviser roles and hours, training courses, presence in warm spaces and other outreach projects. And, as part of the Community Connectors launch, £66,360 of new funding was devoted to supporting community-led projects in Chippenham and Bridport.

The charitable Wessex Water Foundation spent just over £800,000 in 2022-23 supporting thousands of people and environmental initiatives across the south west.



Risk management integration

At Wessex Water we define risks as any event(s) that can impede our ability to achieve the objectives that support our purpose: to support our customers' health and wellbeing and enhance the environment and the diverse communities we serve.

It is critical that our risk management framework proactively identifies, evaluates and communicates material risks to our business with appropriately defined and reviewed mitigation strategies.

The diagram (right) summarises the governance structure within our risk management framework.

We continuously review and improve the risk management framework and have made several improvements over 2022-23, as detailed in our annual report. Further improvements are planned as part of the implementation of our risk and investment framework over 2023-24.

Our resilience approach involves identifying emerging shocks and stresses which are then mitigated and managed at strategic, tactical and operational levels. Our resilience action plan is approved by the Audit and Risk Committee and aligns with Ofwat's concept of 'Resilience in the Round'.

All principal risks have mitigations in place that reduce the severity and likelihood of those risks to an acceptable level.

For example, we have widely consulted with the sector and stakeholders to develop Outcomes Based Environmental Regulation (OBER). This is a significant mitigation for the risk that the unintended consequences of regulatory action impede our objectives.

Many of our mitigations and controls involve international standards, for example:

- ISO 9001 for quality management both for water quality and environmental harms
- ISO 4001 for mitigation of health and safety risk within our engineering and construction activities
- ISO 27001 for information security for mitigation of technological risk in the business.



Innovation and ambition

We aim to retain our position as an acknowledged leader and exemplar of innovation, in ways that benefit the people we serve and the environment around us. Accordingly, we:

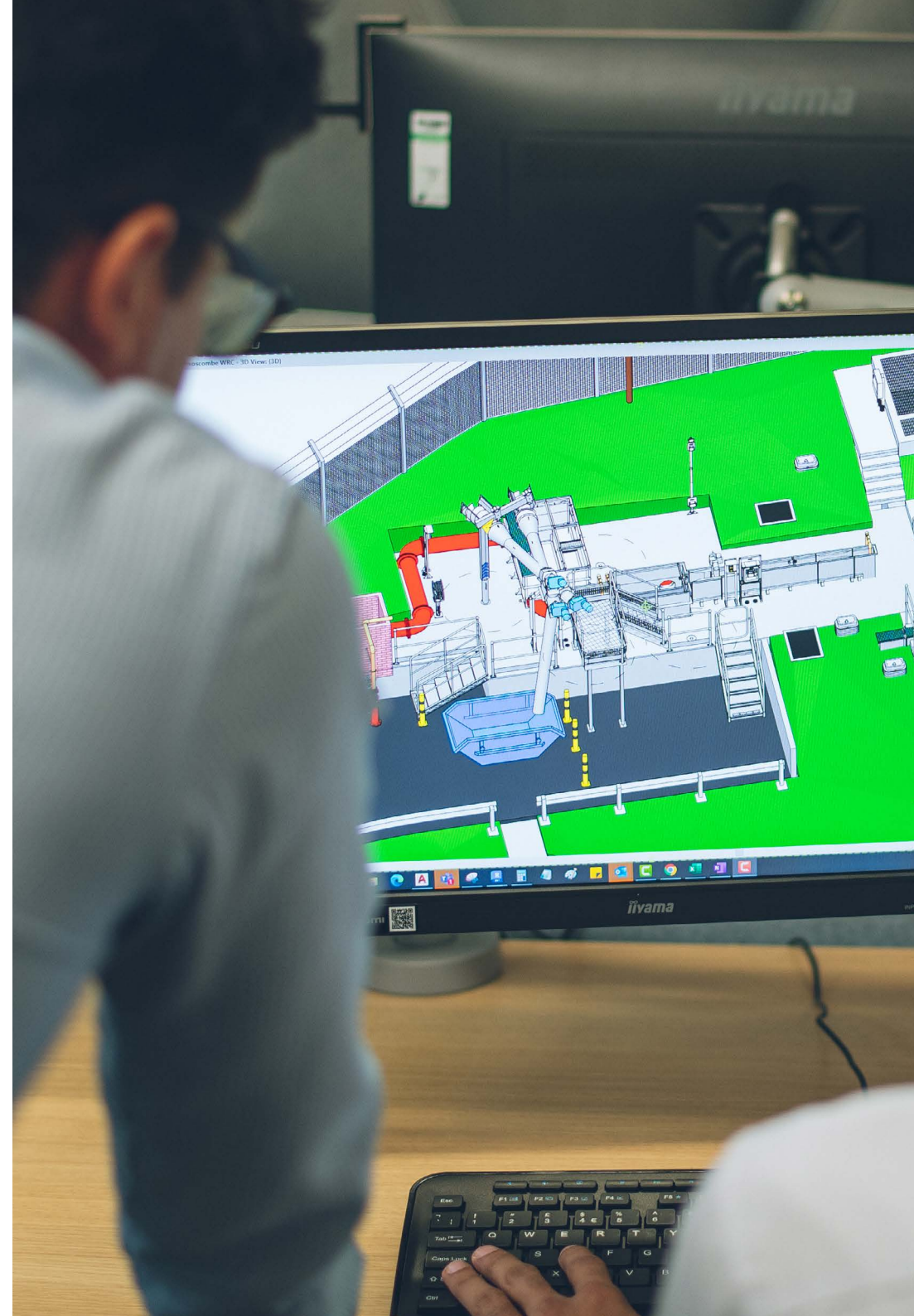
- work to understand challenges and opportunities that relate to our work.
- are actively pursuing alternative approaches wherever these are permitted by policy and regulation, cost-effective and in line with customer preferences.
- build on our internal knowledge and skills and improve our processes as a result.
- form partnerships with others where we don't have the knowledge or expertise ourselves.

We are keen to use new technology, data and digital platforms, but we also understand that innovations can be focused on people, behaviour and how we work together. For example:

- In our construction and engineering functions we have been 3D modelling assets to allow ideas and solutions to be tested in a safe virtual environment.
- We are creating special smart sites, where we encourage innovation owners to plug their ideas in for testing and development.
- We are developing the dynamic routing of individuals: mapping the skills and locations of individual team members with the needs of the task in hand and sending the closest and best person for the job.

Wessex Water is committed to supporting the UN Sustainable Development Goals (SDGs)

We have mapped our environmental and social outcomes to the goals to demonstrate how we are supporting them. Our activities and outcomes, against which we measure our performance, support all 17 goals, with our most material contributions relating to quality clean water supply, water management and supporting development within our local communities. We continue to track and enhance the alignment of our actions to the SDGs over time.



Commitment to the UN Sustainable Development Goals (UN SDGs)

Wessex Water's outcomes	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Great customer experience	●		○			○					●	○					●
Affordable bills	●	●	○							●		○					●
Safe, reliable water supply			●			●		○	●		●	●	●				●
An effective sewerage system			●			●		○	●		●		●	●			●
Sustainable abstraction						○					○	●		●			●
Great river and coastal water quality						○		○	●		●	●	●	●			●
Net zero carbon						○	●		●		○	○	●	○	○		●
Increased biodiversity									○		○		○	●	●		●
Individual safety, wellbeing and engagement			●									○					●
Skills, knowledge and opportunity			○	●	●	○	○	●	●	●	○						●
Culture, inclusion and diversity			○	○	●					●	○						●
Resilient financial stewardship						○			○				○	○		●	●
Market-led outcomes						●			●			○		●			●
Well managed, open, ethical and transparent					●	●			●	●		●	●	●		●	●

Key ● Direct linkage ○ Indirect linkage

Framework rationale

The Sustainable Finance Framework, the “Framework”, aligns our purpose and our business plan commitments to our financing ambitions using targeted financing.

We intend to finance key projects and assets which are fundamental to our purpose and which will deliver tangible environmental and social benefits on an individual and/or combined basis, in addition to achieving global targets formalised by the Paris Agreement on Climate Change, and contributing to the United Nations’ Sustainable Development Goals more broadly.

We seek to continue attracting investors who are supportive of our goals and ambitions and will remain valuable long-term partners in supporting our sustainability agenda. Our commitment to delivering a better future will allow our investors to participate in funding our provision of water and wastewater services on a sustainable basis.



Sustainable Finance Framework

This Framework has been reviewed and approved by the Group Board.

Under this Framework, the Wessex Water Group may issue green, social and/or sustainability debt instruments (individually or together, a “Sustainable Financing Instrument(s)”) to support our environmental and social objectives, including but not limited to senior or subordinated:

- green, social and / or sustainability bonds, private placements, medium term notes or commercial paper.
- green and / or social loans.

Our Framework aligns to the following principles and guidelines as published by the International Capital Markets Association (ICMA) and Loan Market Association (LMA):

- ICMA Green Bond Principles (GBP) – (June 2021, with June 2022 Appendix 1)¹
- ICMA Social Bond Principles (SBP) – (June 2023)²
- ICMA Sustainability Bond Guidelines (SBG) – (June 2021)³
- LMA Green Loan Principles (GLP) – (February 2023)⁴
- LMA Social Loan Principles (SLP) – (February 2023)⁵

The Framework takes into consideration the environmental objectives outlined in the EU Taxonomy for categorising and informing our selection of relevant eligible projects and, where feasible, we intend to review the Framework against future developments in the UK and EU.

We intend to follow best market practices where possible and in so doing, have structured our Framework to focus on the four core components of the principles, being:

1 Use of proceeds

2 Process for project evaluation and selection

3 Management of proceeds

4 Reporting

1 Use of proceeds

We intend to allocate amounts at least equivalent to the gross proceeds (the “Proceeds”) of Sustainable Financing Instruments issued under this Framework to finance or refinance, in whole or in part, a portfolio of eligible projects (“Eligible Projects”) which align to the Eligibility Criteria defined below in respect of relevant ICMA categories.

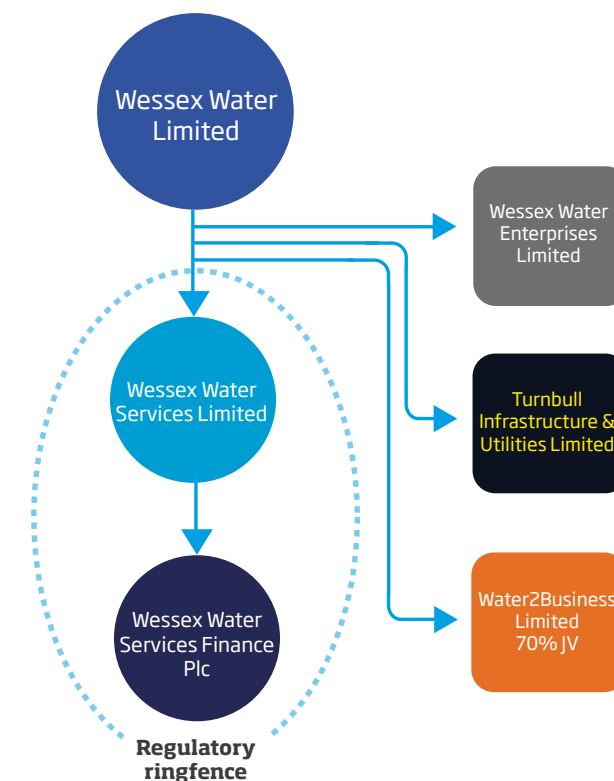
We expect to allocate the proceeds to capital expenditures originated, approved, financed or completed between 36 months before the issuance date of a Sustainable Financing Instrument to 24 months after the issuance date. The refinancing of existing eligible green or social assets originated at an earlier date may be considered on an exceptional basis and would be measured at asset value.

We may also incorporate relevant operating expenditures⁶ aligned to the eligibility criteria where these were incurred more recently than three years prior to the issuance of a Sustainable Financing Instrument.

In no circumstances do we expect to allocate the proceeds of a Sustainable Financing Instrument to finance dividend payments.

This Framework will therefore provide the Wessex Water Group with the ability to issue sustainable finance

throughout its business. Wessex Water Services Limited as an appointed provider of water and wastewater services, raises most of its funding directly or via Wessex Water Services Finance Plc. The Wessex Water Group has a number of businesses which may raise financing, with the main entities set out in the structure below.



¹ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Green-Bond-Principles-June-2022-060623.pdf>

² <https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Social-Bond-Principles-SBP-June-2023-220623.pdf>





³ <https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Sustainability-Bond-Guidelines-June-2021-140621.pdf>

⁴ https://www.lma.eu.com/application/files/8916/9755/2443/Green_Loan_Principles_23_February_2023.pdf






⁵ https://www.lma.eu.com/application/files/9416/9755/3230/Social_Loan_Principles_23_February_2023.pdf

⁶ Operating expenditures shall mean direct non-capitalised costs which relate to research and development, education and training, building renovation measures, short-term lease, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of fixed tangible or fixed intangible assets of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets.




Environmental outcomes

UN SDGs	ICMA & LMA category	EU taxonomy objective alignment	Wessex Water outcome themes	Benefits that we aim to achieve	Examples of Eligible Projects / methods of delivery	Wessex Water impact metrics
   	Sustainable Water and Wastewater Management	Sustainable Use and Protection of Water and Marine Resources Climate Change Mitigation	Safe and reliable water supply An effective sewerage system	<ul style="list-style-type: none"> Improved drinking water quality Increased resilience of water supply Reduced water losses from the system through leakage Increased resilience of wastewater and surface water network 	<p>Construction, extension and operation of water collection, treatment and supply systems</p> <ul style="list-style-type: none"> Operation and promotion of sustainable alternatives to conventional water management and treatment Expansion, refurbishment and improvement of the resilience of the water supply network Nature-based solutions which deliver environmental improvements, such as reducing the nutrient load in catchments Demand reduction measures including water saving kits and water efficiency audits for customers <p>Construction, extension and operation of wastewater collection and treatment</p> <ul style="list-style-type: none"> Wastewater collection network and infrastructure Water recycling centres (WRCs) and other treatment centres/enhancements Upgrade of sewerage/sewage treatment infrastructure to reduce pollution incidents <p>Sustainable urban drainage systems (SuDS)</p> <ul style="list-style-type: none"> Work to reduce or mitigate flood risk and maintain sustainable urban drainage systems <p>Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems</p> <ul style="list-style-type: none"> Leakage reduction through detection, pinpointing location and repair Improvements in the efficiency of water use through water meter installations 	<ul style="list-style-type: none"> Water quality compliance (CRI - compliance risk index) Volume of water leaked - megalitres Water main repairs - number of repairs per 1,000 km Water supply interruptions - minutes per property per year. Unplanned outage - percentage of peak week production capacity Lead communication service pipes replaced (Wessex Water assets) Wastewater pollution incidents - total number of pollution incidents (categories 1 to 3) per 10,000km of sewer Wastewater treatment compliance (%) number of failing sites (as a percentage of the total number of discharges) Customer property internal sewer flooding incidents - absolute number of external sewer flooding incidents per year Risk of sewer flooding in a storm (%) Sewer flooding risk (nr.) Sewer collapses (nr. incl. rising mains)




Environmental outcomes

UN SDGs	ICMA & LMA category	EU taxonomy objective alignment	Wessex Water outcome themes	Benefits that we aim to achieve	Examples of Eligible Projects / methods of delivery	Wessex Water impact metrics
	Terrestrial and Aquatic Biodiversity Conservation	Sustainable Use and Protection of Water and Marine Resources Protection and Restoration of Biodiversity and Ecosystems Climate Change Mitigation	Sustainable abstraction Great river and coastal water quality	<ul style="list-style-type: none"> Recovery of rivers or improvement in overall river / water quality Greater biodiversity and stronger ecosystems Reduced risk of spread of invasive species 	Conservation, including restoration, of habitats, ecosystems, and species <ul style="list-style-type: none"> Biosecurity implementation Ecology and/or biodiversity preservation projects Biodiversity net gain improvements Restoration of wetlands <ul style="list-style-type: none"> Restoration of rivers and other wetland environments River water quality improvements Preservation of watercourses in good ecological and chemical condition, accommodating abstractions, effluent and land run-off 	<ul style="list-style-type: none"> Length of river with improved water quality Water Industry National Environment Programme (WINEP) - cumulative kilometres Length of river with improved water quality (non-WINEP) Working with communities to improve bathing water experience (nr. bathing waters) Number of water bodies with improvement linked to effluent changes
	Environmentally Sustainable Management of Living Natural Resources and Land Use	Protection and Restoration of Biodiversity and Ecosystems Climate Change Mitigation The Transition to a Circular Economy	Increased biodiversity	<ul style="list-style-type: none"> Improving or reducing the overall impact of Wessex Water on land Land conservation and enhancement 	Conservation, including restoration, of habitats, ecosystems, and species <ul style="list-style-type: none"> Preservation or restoration of natural landscapes Restoration of wetlands <ul style="list-style-type: none"> Delivery and maintenance of wetland environments Phosphorus recovery from wastewater <ul style="list-style-type: none"> Natural capital solutions for phosphorus removal Additional activities¹ <ul style="list-style-type: none"> Catchment management programmes that promote farming practices that reduce fertiliser and pesticide use 	<ul style="list-style-type: none"> Working with catchment partners to improve natural capital (nr. schemes) Land assessed and managed for biodiversity - hectares Number of biodiversity projects undertaken Area of land conserved and enhanced in the region through land management and focused projects and investments - hectares
 	Pollution Prevention and Control	Climate Change Mitigation	Net zero carbon Great river and coastal water quality	<ul style="list-style-type: none"> Reduced pollution and lower impacts from water abstraction Reduced airborne emissions 	Anaerobic digestion of sewage sludge <ul style="list-style-type: none"> Development of technological carbon capture such as biochar from sewage sludge pyrolysis, gasification or hydrothermal carbonisation Monitoring and control of methane and nitrous oxide systems Nature-based solutions which deliver environmental improvements, such as reducing the nutrient load in catchments 	<ul style="list-style-type: none"> Greenhouse gas emissions (ktCO₂e) Methane leakage and nitrous oxide reduction (kgCO₂e) See pollution metrics in Sustainable Water and Wastewater Management section above
	Energy Efficiency	Climate Change Mitigation	Net zero carbon	<ul style="list-style-type: none"> Greater energy efficiency Increased energy storage capacity / systems 	Additional activities¹ <ul style="list-style-type: none"> Pump efficiency investments and critical asset replacements / upgrades Smart equipment including metering 	<ul style="list-style-type: none"> Average energy consumption of the system, kWh per cubic meter billed / unbilled authorised water supply Emissions per megalitre of treated water, kg CO₂e/megalitre

Environmental outcomes






UN SDGs	ICMA & LMA category	EU taxonomy objective alignment	Wessex Water outcome themes	Benefits that we aim to achieve	Examples of Eligible Projects / methods of delivery	Wessex Water impact metrics
 	Renewable Energy	Climate Change Mitigation	Net zero carbon	<ul style="list-style-type: none"> Increased renewable energy generation 	<p>Electricity generation from solar photovoltaic power</p> <ul style="list-style-type: none"> Expenditures related to all photovoltaic installations whether ground mounted, roof mounted or floating <p>Electricity generation from wind power</p> <ul style="list-style-type: none"> Expenditures related to all wind power installations whether on or adjacent to our own land <p>Electricity generation from hydropower</p> <ul style="list-style-type: none"> Acquisition, construction, installation, maintenance and repair of on-site assets, or expenditures including for the generation of medium and small-scale hydropower <p>Anaerobic digestion of sewage sludge</p> <ul style="list-style-type: none"> Generation of biogas or biomethane from sewage sludge and other organic waste streams; used for electricity generation, export to the gas grid or vehicles <p>Battery and thermal storage of renewable energy</p> <ul style="list-style-type: none"> Investment in non-diesel backup generation, including renewable energy with battery storage <p>Cogeneration of heat/cool and power from bioenergy and geothermal energy</p> <ul style="list-style-type: none"> Recovery of heat from sewage pumping stations and sewers Combined Heat & Power (CHP) - where biomethane generated from sludge and food waste provide both heat and electricity <p>Manufacture and storage of hydrogen</p> <ul style="list-style-type: none"> Hydrogen production and storage for use within our activities <p>Additional activities¹</p> <ul style="list-style-type: none"> Investment in off-site verified renewable energy power purchase agreements Investment in alternative, low carbon heating of anaerobic digesters 	<ul style="list-style-type: none"> kWh of renewable energy generated Avoided emissions from renewable electricity generated, ktCO₂e Avoided emissions (tCO₂e) and energy generation from biomethane export
	Clean Transportation	Climate Change Mitigation	Net zero carbon	<ul style="list-style-type: none"> Reduced emissions associated with transport 	<p>Transport by motorbikes, passenger cars and light commercial vehicles</p> <ul style="list-style-type: none"> Vehicles with tailpipe emissions equal to 0g CO₂e/km, including of battery electric and hydrogen powered vehicles Biofuel vehicles, eg, diesel to biomethane, with a carbon intensity of <50gCO₂/km; refuelling infrastructure <p>Installation, maintenance and repair of charging stations for electric vehicles in buildings</p> <ul style="list-style-type: none"> Electric vehicle charging infrastructure and associated parking spaces 	<ul style="list-style-type: none"> % of fleet compliant with latest emissions standards Greenhouse gas emissions from fleet vehicles (scope 1)

Environmental outcomes

UN SDGs	ICMA & LMA category	EU taxonomy objective alignment	Wessex Water outcome themes	Benefits that we aim to achieve	Examples of Eligible Projects / methods of delivery	Wessex Water impact metrics
	Climate Change Adaption	Climate Change Adaption	Safe and reliable water supply An effective sewerage system Sustainable abstraction	<ul style="list-style-type: none"> Reduced risks associated with extreme weather events and gradual changes linked to climate change 	<p>Flood risk prevention and protection infrastructure</p> <ul style="list-style-type: none"> Improving the resilience of sites at risk of flooding Reducing risk of sewer flooding in a storm <p>Additional activities¹</p> <ul style="list-style-type: none"> Efforts to reduce the risk of restrictions during severe drought Addressing impacts on water resource quality Reducing risk of wastewater odour 	<ul style="list-style-type: none"> Number of restrictions on water use (hosepipe bans) Risk of severe restrictions in a drought Risk of sewer flooding in a storm - percentage of the customer population at risk of experiencing severe restrictions in a one-in-200 year drought, on average, over 25 years
	Green Buildings	Climate Change Mitigation Climate Change Adaptation	Net zero carbon	<ul style="list-style-type: none"> Reduced embodied carbon and emissions associated with use of a building 	<p>Construction of new buildings</p> <ul style="list-style-type: none"> New developments (meeting one of: EPC rating of A or B, or buildings ranked within the top 15% of the national building stock as measured by EPC/SAP or primary energy demand at least 10 % lower than the threshold set for the "nearly zero-energy building" requirements in national measures) <p>Renovation of existing buildings</p> <ul style="list-style-type: none"> Major refurbishments and renovations (meeting one of: increased EPC score by 2 notches if the score is below C or by 1 notch to achieve an EPC A or B, achieving a ranking within the top 15% of the national building stock or achieving a 30% improvement in energy efficiency as measured by EPC/SAP or primary energy demand) 	<ul style="list-style-type: none"> Details of the certifications achieved for new buildings and any improvements resulting in an EPC uplift Number of properties renovated which meet the eligibility criteria
	Eco-efficient and/or Circular Economy Adapted Products, Production Techniques and Processes	The Transition to a Circular Economy	Enhancing the environment	<ul style="list-style-type: none"> Increased value and reduced environmental impacts from byproducts 	<p>Production of alternative water resources for purposes other than human consumption</p> <ul style="list-style-type: none"> Increase non-potable water recycling <p>Additional activities¹</p> <ul style="list-style-type: none"> Increase value creation from waste via recycling to a substitute product and moving up the waste hierarchy Optimisation of biosolids recycling 	<ul style="list-style-type: none"> % of waste diverted from landfill Litres of non-potable water recycled Tonnes of biosolids recycled Total tonnes of waste generated

¹ These additional activities do not explicitly align with the EU taxonomy

Social outcomes

UN SDGs	ICMA & LMA category	Wessex Water outcome themes	Benefits that we aim to achieve	Examples of Eligible Projects / methods of delivery	Wessex Water impact metrics
 	<p>Access to Essential Services & Affordable Basic Infrastructure</p>	<p>Great customer experience</p>	<ul style="list-style-type: none"> • Access to clean potable water and waste water services • Target population: all under-served people without quality or affordable access to water or wastewater services 	<p>Construction, extension, operation and renewal of water collection, treatment and supply systems</p> <ul style="list-style-type: none"> • Maintenance of water assets and services including as necessary to supply water and service all customers • Replacement of lead pipes in the network to ensure the network is lead-free by 2040 <p>Additional activities</p> <ul style="list-style-type: none"> • Enabling disadvantaged customers (e.g. elderly, vulnerable and disabled customers, customers living in remote areas) to maintain access to water supplies through a service that is inclusive and accessible for all • Extending social tariffs to more households living below the poverty line • Extending water use education and help to reduce bills by promoting risk-free metering services - especially among elderly and vulnerable people. 	<ul style="list-style-type: none"> • C-MeX • D-MeX • Total bill reduction to customers on social tariffs • Lead communication service pipes replaced (Wessex Water assets) - number of lead communication pipes replaced • Customer reported leaks fixed within a day • Priority services register - % customers • Volume of water saved through water efficiency - megalitres per day of water consumption reduction • Volume of water used per person
  	<p>Socioeconomic Advancement and Empowerment</p>	<p>Serving people and places</p>	<ul style="list-style-type: none"> • Access to employment and education • Access to community amenity and recreational facilities • Target population: people vulnerable or disadvantaged through socioeconomic status, protected characteristic, or other groups, factors or situations 	<p>Activities may include:</p> <ul style="list-style-type: none"> • Investment in employee/community education and apprenticeships to empower and educate local communities - especially among those who are unemployed or at risk of unemployment, undereducated or underserved • Promoting STEM subjects (Science, Technology, Engineering and Maths) • Creating high quality work placements • Wessex Water Foundation funding to support the environment and communities • Water Force volunteering to help support charities and community groups in our region 	<ul style="list-style-type: none"> • Training plan - number of people • Employees rating company as a good employer - % of employees • Number of apprenticeships offered • Number of students engaged • Value of funding provided to local communities • Number of local people supported through funding • Number of local organisations supported through funding • Number of hours of volunteering

2 Process for project evaluation and selection

Wessex Water is a highly regulated entity and as such has established clear practices and policies in relation to assessing key projects and investment priorities.

We will select Eligible Projects, from expenditure and investment identified within our past, present and future business plans (as relevant), which have been reviewed and approved by the Group Board.

Wessex Water has established a Sustainable Finance Group, led by the Group Treasurer and comprising members of other relevant departments including, Finance and Regulation, Risk and Investment, Sustainability and Innovation, to oversee and ratify the selection of such projects for financing (under general and majority consensus), within the Sustainable Finance Framework, and is responsible for environmental and social risk management of projects.

The Sustainable Finance Group reports to the Chief Finance Officer, working alongside the Group Sustainability Director on our Environment and Public Value Committee.

The Sustainable Finance Group will meet at least semi-annually but more frequently on an ad-hoc basis as necessary, and will be responsible for:

- reviewing projects for eligibility for financing under the Sustainable Finance Framework
- monitoring that the proceeds of Sustainable Financing Instruments are allocated in accordance with defined eligible categories listed within the Sustainable Finance Framework (or otherwise held appropriately pending allocation)
- determining whether any changes are necessary to the allocation of proceeds (due to disposals, cancelled or ineligible projects)
- overseeing collection of data and reporting of information in allocation and impact reporting
- reviewing applicability of the framework for future financing needs (including expenditures and instruments)
- reviewing the Framework for relevant and appropriate updates due to changes in generally accepted market practices, guidelines produced by financial industry bodies (including relevant international and or domestic taxonomies) and significant changes in corporate strategy.

3 Management of proceeds

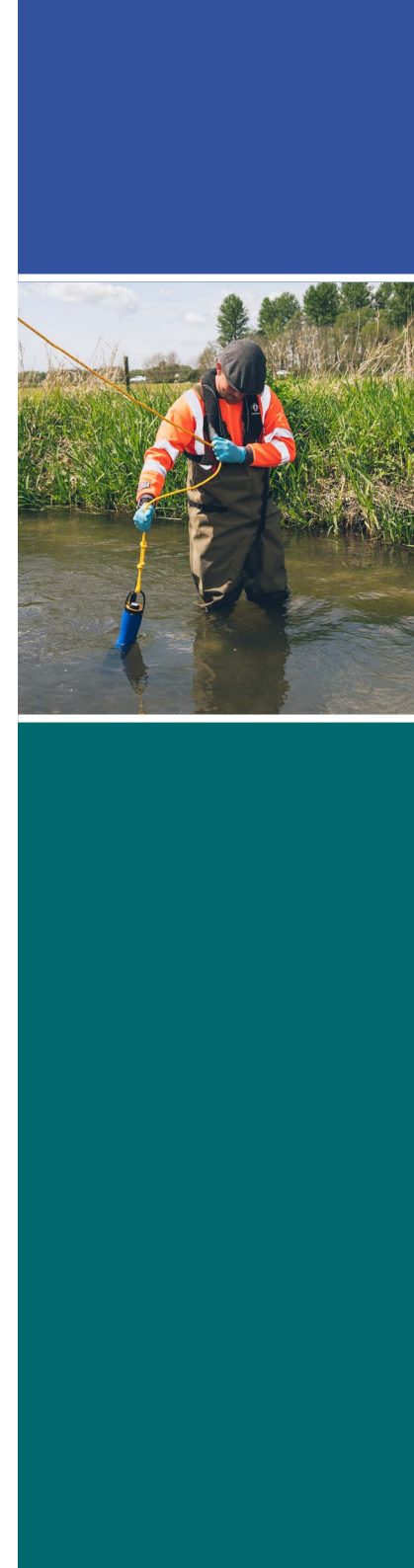
The proceeds will be carefully managed by our Group Treasurer in accordance with our treasury management processes. The net proceeds will initially be paid into our general treasury account. An equivalent amount to the gross proceeds will be tracked. The balance of the tracked proceeds will be periodically reduced by an amount matching the allocations made to Eligible Projects during that period, until the tracked proceeds have been fully allocated. On a best-efforts basis, we aim to allocate proceeds within a period of 24 months following issuance or funding (partial or full) of any Sustainable Financing Instrument, subject to sufficient availability of approved Eligible Projects.

Wessex Water will maintain a register for tracking sustainable projects (the "Sustainable Finance Register") to which the proceeds are to be allocated, with associated investments recorded in our accounting systems. This will allow the balance of allocated and unallocated proceeds to be tracked over time. Wessex Water Treasury will oversee the production and maintenance of the Sustainable Finance Register, which will be presented to and discussed with the Sustainable Finance Group at least semi-annually.

Treasury and the Sustainable Finance Group will seek to ensure that the value of assets recorded on the Sustainable Finance Register are at least equal to the amount of Sustainable Financing Instruments outstanding whenever possible.

Pending full allocation, unallocated proceeds will be tracked and managed in accordance with our Group Treasury policy. This may include refinancing or temporary investments, the latter of which may include: deposits with money market funds, holding in cash, cash equivalents or other permitted instruments. We will maintain sufficient liquidity in the event these proceeds are required for an eligible project. We may seek to use "green" deposit products where it is economical to do so, and where terms allow.

We scrutinise deposit-taking institutions and other liquidity funds selected to ensure they meet our minimum credit quality criteria. We seek to avoid knowingly supporting any investment of our liquidity and reserves directly in assets which support sectors including fossil fuels, defence, alcohol, tobacco or gambling.



4 Reporting

Corporate report

We report our sustainability performance via our website¹, our Annual Review and several other regulatory reporting documents. We continue to enhance this information for the benefit of our customers and stakeholders - capturing environmental and social benefits which can be linked to the activities supported by Sustainable Financing Instruments.

Sustainable finance reporting

Within one year of issuance, and annually thereafter until full allocation of the proceeds of a Sustainable Financing Instrument, we will publish a report detailing a breakdown of such allocations and the impact of the instrument. The report will be made available to investors via the Wessex Water website [investor page](#).

Allocation reporting

The allocation reporting will be updated periodically should there be any material amendments following allocation, eg, due to disposals. Our allocation reporting for a Sustainable Financing Instrument will include:

- the amount of proceeds allocated per eligible category
- the split between financing and refinancing
- details of any look back/look forward used
- a selection of relevant case studies or information about material projects financed
- information on remaining unallocated proceeds and how they are being held.

Impact reporting

Our impact reporting for a Sustainable Financing Instrument will include a selection of relevant impact metrics guided by the list provided (pages 18-22) on a non-exhaustive basis. Our reporting will be designed to assist investors with determining the quantifiable impact of their financing.

Our methodology will refer to approaches outlined in the Harmonised Framework for Impact Reporting (June 2023) as published by ICMA.

The approach to impact reporting may be updated over time to align with emerging reporting standards and methodologies. We will look to disclose the relevant methodologies used within the annual report.

¹<https://www.corporate.wessexwater.co.uk/our-performance>

External review and assurance

Wessex Water has obtained a Second Party Opinion from independent verifier DNV Business Assurance Services UK Limited (“DNV”), which is an assessment of this Framework. DNV have confirmed the Framework adheres to:

- ICMA Green Bond Principles (GBP) - (June 2021, with June 2022 Appendix 1)
- ICMA Social Bond Principles (SBP) - (June 2023)
- ICMA Sustainability Bond Guidelines (SBG) - (June 2021)
- LMA Green Loan Principles (GLP) - (February 2023)
- LMA Social Loan Principles (SLP) - (February 2023)

The Second Party Opinion for Wessex Water’s Sustainable Finance Framework can be found on the [Sustainable Finance Framework](#) page of our website.

This review covers issuance of all Sustainable Financing Instruments issued under this Framework.

Wessex Water engage an independent external verifier to provide third party verification of the allocation report annually until full allocation of a relevant Sustainable Financing Instrument. This third party verification gives assurance that proceeds from any finance raised under the Framework are being allocated and reported on correctly in accordance with the terms of this Framework to continue providing investors with an appropriately high level of confidence and transparency.





Wessex Water
YTL GROUP

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