



Independent Limited Assurance Report

to the Directors of Thames Water Utilities Limited

Thames Water Utilities Limited (“Thames Water”) commissioned DNV Business Assurance Services UK Limited (“DNV”, “us” or “we”) to conduct a limited assurance engagement over Selected Information presented in the Sustainable Financing and Green Bond Annual Impact Report for 2022/23, 2023/24 and 2024/25 (the “Report”) covering the reporting periods ended 31 March 2023, 31 March 2024 and 31 March 2025 respectively.



Our Conclusion: On the basis of the work undertaken, nothing came to our attention to suggest that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

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

Selected Information

The scope and boundary of our work is restricted to the key performance indicators in relation to the Eligible Green Projects, included within the Report, for the reporting years (the “Selected Information”), as listed below and in Appendix A:

Selected Information - Allocation	Bond issued (ISIN)	Allocated (100%)	Currency
Claims and assertions relating to the allocation of net proceeds as per Thames Waters’s 2021 Sustainable Financing Framework	ISIN XS2438026440 issued 31 January 2022	575	million Euro
	ISIN XS2438026366 issued 31 January 2022	575	million Euro
	ISIN XS2576550326 issued 18 January 2023	650	million Euro
	ISIN XS2576550672 issued 18 January 2023	1,000	million Euro

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used Thames Water’s reporting criteria - a summary of which can be found in Appendix B, [Sustainable Finance Framework 2021](#) and 2018 [Our Green Bond Framework](#) (together the “Criteria”).

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

Standard and level of assurance

We performed a **limited** assurance engagement of specified data and information using the ‘Greenhouse Protocol – A Corporate Accounting and Reporting Standard’ (revised 2015) and international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised) issued by the International Auditing and Assurance Standards Board. To ensure consistency in our assurance process, we conducted our work in accordance with DNV’s assurance methodology, Verisustain™, applying only the pertinent sections of the protocol relevant to the specific purpose of the activity. This methodology ensures compliance with ethical requirements and mandates planning and execution of the assurance engagement to obtain the desired level of assurance.

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - Conformity Assessment - General principles and requirements for validation and verification bodies and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and are shorter in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained if a reasonable assurance engagement had been performed.

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV did not provide any services to Thames Water that could compromise the independence or impartiality of our work. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Disclaimers

The assurance provided by DNV is limited to the selected indicators and information specified in the scope of the engagement. DNV has not conducted an assessment of the reporting organisation's overall adherence to reporting principles or the preparation of the Report. Therefore, no conclusions should be drawn regarding the reporting organization's compliance with reporting principles or the quality of the overall submission. The assurance provided by DNV is based on the selected indicators and information made available to us at the time of the engagement. DNV assumes no responsibility for any changes or updates made to the indicators or information after the completion of the assurance engagement.

Basis of our conclusion

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

- Conducting interviews with the management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Reviewing that the evidence, measurements and their scope provided to us by the management for the Selected Information is prepared in line with the Criteria;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported;
- Reviewing evidence that Thames Water's procedures for project evaluation, selection and management of proceeds are in line with the Criteria; and
- Reading the Report and narrative accompanying the Selected Information within it with regard to the Criteria.

In performing these activities, we did not come across any limitations to the agreed scope of work.

We found a limited number of non-material errors, and these were corrected prior to inclusion in the Report.

For and on behalf of DNV Business Assurance Services UK Limited

London, UK
18/06/2026

Arun Aravind A
Lead Verifier
DNV Business Assurance Services UK
Limited

Paul O'Hanlon
Technical Reviewer
DNV Business Assurance Services UK
Limited

Inherent limitations

DNV's assurance engagements are based on the assumption that the data and information provided by Thames Water to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. Because of the selected nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected.

The engagement excludes the sustainability management, performance, and reporting practices of the Company's suppliers, contractors, and any third parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement.

We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement.

The assessment is limited to data and information in scope within the defined reporting period. Any data outside this period is not considered within the scope of assurance. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.

Responsibilities of the Directors of Thames Water and DNV

The Directors of Thames Water have sole responsibility for:

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

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria to Thames Water in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. Our Independent Limited Assurance Report represents our independent conclusion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Limited Assurance Report.

DNV Business Assurance Services UK Limited

DNV Business Assurance Services UK Limited is part of the DNV Group. DNV is an independent assurance and risk management provider, operating in more than 100 countries. Through its broad experience and deep expertise, DNV advances safety and sustainable performance, set industry standards, and inspire and invent solutions.

Appendix A: Selected Information

The scope and boundary of our work is restricted to the Selected Information, listed below.

Selected Information (Eligible Green Projects)	Reported value 2022/23	Reported value 2023/24	Reported value 2024/25	Unit
Deephams sewage treatment works (STW)				
Additional renewable energy generated	1,044	2,025	3,483	MWh
CO ₂ e saved	4,595	4,766	5,237	tonnes of CO ₂ e
Effluent discharge prevented	296.3	450.2	220.5	million litres
Household metering				
CO ₂ e saved	1,751	2,055	1,986	tonnes of CO ₂ e
Mains rehabilitation				
CO ₂ e saved	4,338	5,093	4,920	tonnes of CO ₂ e
Water mains rehabilitation				
Water saved	12	12*	12*	million litres/day
Distribution mains renewals	101	n/a	n/a	km
Mains decommissioned	374	n/a	n/a	km
Mains replaced	3	n/a	n/a	km
Mains relined	6	n/a	n/a	km
Water mains monitoring				
Water saved	107	107*	107*	million litres/day
Water meter installation				
Water saved	96	96*	96*	million litres/day
Meters installed or replaced	294,318	n/a	n/a	number
Sewage discharge monitoring				
Monitors installed	318	n/a	n/a	number
Investment in wastewater management sites				
Activities carried out to maintain sites	3,283	n/a	n/a	number
Resilience and growth investment				
Properties protected - Flood alleviation schemes	62	n/a	n/a	number
Sewage treatment works capacity added	1,271	n/a	n/a	population equivalent
Pollution Prevention and Control				
Chemical investigations programme	1	n/a	n/a	number
Maple Lodge STW				
Additional renewable energy generated	2,362	2,884	2,806	MWh
CO ₂ e saved	2,154	2,290	2,277	tonnes of CO ₂ e
Basingstoke STW				
Additional renewable energy generated	7,304	8,003	8,183	MWh
CO ₂ e saved	1,815	2,137	2,298	tonnes of CO ₂ e
Early CHP replacement projects				
Additional renewable energy generated	23,521	22,172	24,502	MWh
CO ₂ e saved	4,965	4,989	5,521	tonnes of CO ₂ e
Crossness STW – sludge				
CO ₂ e saved	5,675	5,017	5,303	tonnes of CO ₂ e
Hogsmill STW				
Additional renewable energy generated	4,259	3,655	3,926	MWh
CO ₂ e saved	899	822	885	tonnes of CO ₂ e

*The water saved reported for 2022/23, 2023/24 and 2024/25 are identical, as they reflect the ongoing annual benefits generated by projects financed through Green Bond proceeds that were fully allocated by 2022/23. No additional bond allocation occurred in 2023/24 and 2024/25; however, the realized impact continues to be achieved at the same level over the reporting periods.

Appendix B: Thames Water's Reporting Criteria

The table below has been prepared by Thames Water Utilities Limited, it is intended to provide readers with a summary of the methodologies used by the company to prepare the Selected Information.

KPI	Unit	Definition	Comments
Renewable energy generation (between April 2022 and March 2025)	MWh	Amount of renewable energy self-generated by our Combined Heat and Power engines. This uses gas extracted from wastewater treatment to create fuel.	Half hourly metered data is sent daily (one day in arrears) electronically to Thames Water from our energy provider, under our contract agreements. Metered data is loaded and validated into the corporate energy database (Optima).
CO2e avoided (between April 2022 and March 2025)	tonnes of CO2e	The amount of Carbon Dioxide equivalent emissions saved	Thames Water use carbon accounting multiples for water savings and reduced leakage: tonnes of CO2e per mega-litre is 0.16975 and note that the methodology to calculate "operational GHG emissions per MI of water treated" changed in 2022/23 and as per Ofwat's determinations, now includes additional Scope 3 measures such as Well-to-tank emissions, emissions from chemicals and from disposal of waste. Please see "Thames Water Annual Performance Report 2022/23" published on our website. We have also used energy generation as 0.00021 tonnes of CO2e per kWh.
Water savings from leakage prevention and demand reduction (installed between April 2022 and March 2025)	MI/d	Leakage is defined as the annual average leakage from our network and customer supply pipes in mega litres per day (MI/d). Leakage prevention/ benefit is individually tracked against each of the following: Mains replaced (per km) Pressure management schemes Number of meters installed	Metering: Optants programme: Demand - Optant MI/d saving is based on an assumed unit rate per installation. Leakage - Optant MI/d saving is based on an assumed unit rate per installation. Progressive Metering Programme: Demand - This is based on an assumed unit rate per installation and claimed at various phases during the customers transition Leakage - This is calculated on the consumption data from the meter. The MI/d saving is generated from the delta between the continuous flow prior to leak repair and the revised flow profile following leak repair. The average flow for 2 weeks before and after the repair is used to calculate the saving. Bulk meters: Leakage - This is calculated on the consumption data from the bulk meter. The MI/d saving is generated from the delta between the continuous flow prior to leak repair and the revised flow profile following leak repair. The average flow for 2 weeks before and after the repair is used to calculate the saving. Mains rehabilitation: There are two main methods of calculating mains rehabilitation leakage: large areas (Usually District Meter Areas (DMA)) and small pipe cohorts. The calculation of leakage for large areas (DMA) replacement is very similar to the methodology used for pressure management where a pre-construction and post-construction leakage calculation is carried out. The difference between the two is the leakage saving. In small cohort mains, replacement leakage is taken from our AIM (corporate) systems which holds a leakage estimate against each pipe. When a pipe is replaced the leakage estimate is claimed as the leakage benefit achieved. Pressure Management: All areas for potential pressure management are subject to a leakage calculation (often using a combination of field data and desktop analysis) before being selected for the installation of a pressure control device. When construction and commissioning are completed, a further leakage calculation is carried out. The difference between the two calculations is the leakage saving. The leakage benefit claimed is subject to a sign-off process to ensure the calculation of benefit is appropriate. Ongoing benefit: Use of Green Bond proceeds in leakage reduction deliver an ongoing environmental benefit from commissioning.

Appendix B: Thames Water's Reporting Criteria (continued)

The table below has been prepared by Thames Water Utilities Limited, it is intended to provide readers with a summary of the methodologies used by the company to prepare the Selected Information.

KPI	Unit	Definition	Comments
Effluent discharge prevented (between April 2022 and March 2025)	Megalitres (Ml)	Effluent prevented from flowing into the river during storm surges.	The data provided comes from Event Duration Monitors (EDMs) to the environment. EDMs record the frequency and duration of storm overflow spills. This data is then fed to the internal software (SLAM/DAM Tool) where durations are aggregated and spills are validated.
Metering (installed between April 2022 and March 2025)	Number of meters	Number of meters installed and maintained or replaced based on count data from each of our metering programmes.	Meter installed data is taken from the Thames Water Metering System (TWMS). This management system records all meter installations including those from contractors . Ongoing benefit: Use of Green Bond proceeds for meter installations deliver an ongoing environmental benefit from commissioning.
Mains rehabilitation (between April 2022 and March 2025)	Kilometres of mains	We have reported on the length of rehabilitation of two types of mains: Trunk mains which are larger diameter pipes used for clean water (typically 18" or greater) Distribution mains which are smaller in diameter than trunk mains	Metric includes all mains delivered by our capital delivery alliance partnership (Eight20). Project outcomes are collated, reviewed and uploaded to a master tracking sheet and our reporting system (SAP). Ongoing benefit: Use of Green Bond proceeds in mains rehabilitation deliver an ongoing environmental benefit from commissioning.
Sewage monitors (installed between April 2022 and March 2025)	Number of monitors installed	This is a regulatory requirement as part of the Environment Agency's Water Industry National Environment Programme ("WINEP").	The system data used was the SKF output report from SAP which had forecasted figures – the actualised numbers were then queried with the relevant stakeholders who provided us with the correct actualised numbers of sewage monitors installed.
Investment in wastewater management sites (between April 2022 and March 2025)	Number	Planned and reactive site managed capital investment programmes deliver serviceability, mitigate health & safety risk and extend asset life in key risk area	The activity data is captured in our accounting system SAP, against the work orders for the relevant eligible projects. The total across all the eligible green bond projects are then pro-rated in line with the green bond spend allocation.
Resilience and growth investment (between April 2022 and March 2025)	Number	We invest in our assets to increase resilience and capacity	
Chemical investigations programme (between April 2022 and March 2025)	Number of investigations	Capex investment relating to chemical investigation programmes	
Allocation of proceeds	In millions of pounds (£m)	This refers to the how the proceeds from our January 2022 £965m green bond issue and January 2023 £1.46b green bond issue were allocated to certain projects, split out into the following categories: Sustainable Water and Wastewater Management, Pollution Prevention and Control, Energy Efficiency, Renewable Energy and Other.	The project details are held within SAP and spend data is downloaded along with a description of the project which enables the relevant spend for each eligible project to be allocated to the relevant ICMA green category There have been no further issuances of green bonds in 2023/24 or 2024/25.