

Our 2020/21 Green Bond Impact Report



Summary of the benefits

In January 2018, we issued our inaugural Green Bond and Green Bond Framework in line with International Capital Market Association (ICMA) Green Bond Principles. For the life of the debt issued under this Framework we've committed to giving investors information about the environmental impact of the category of projects funded by our outstanding Green bonds, until the maturity of the debt.

We choose eligible Green Bond projects based on their strategic, social and environmental importance. These projects help to reduce water leaks, encourage customers to use water efficiently, reduce pollutions into rivers, and increase our wastewater treatment capacity.

Project ¹	Project description	KPI outputs for financial year 2020/21				Total AMP6 Spend (£m)	Deliverables ⁶
		Energy generated (MWh) ²	CO ₂ e saved (kg) ³	Water saved (Ml/day)	Effluent discharge prevented (Ml) ⁵		
Deephams sewage treatment works (STW)	We have upgraded one of our largest sewage treatment works, which serves 880,000 people, to help accommodate population growth and meet higher environmental standards.	12,967	7,061,424 ⁴	-	394.2	216.7	Serve additional 100,000 customers Two new Combined Heat & Power (CHP) engines installed
Household metering	We're installing water meters across our customer base, helping to reduce water use.	-	193,583	28.3	-	511.3	301,313 meters installed 97,578 revenue meters maintained or replaced Reduction in water needing to be produced
Mains rehabilitation	We're replacing and repairing some of the oldest parts of our network to help reduce leaks.	-	479,683	70.0	-	290.1	246km of mains rehabilitated (including 26km of trunk mains)
Thames Tideway Tunnel interfacial works	This 25km tunnel will help to boost the capacity of London's existing sewerage system and prevent millions of tonnes of sewage from going into the Thames.	-	-	-	-	298.7	21 sites handed over to the Thames Tideway Tunnel delivery team as part of connecting and enabling works
Total		12,967	7,734,690	98.3	394.2	1,316.8	

Contributing to Sustainable Development Goals

The Member States of the UN adopted 17 Sustainable Development Goals (SDGs). We make a significant contribution to the SDGs that closely align with our projects and activities.



We provide a clean and sanitary water supply to over 15 million customers. Our sustainable projects help us deliver this essential service.



In 2020/21, we self-generated 23% of our own electricity from sewage, wind, and solar to help power our operations.



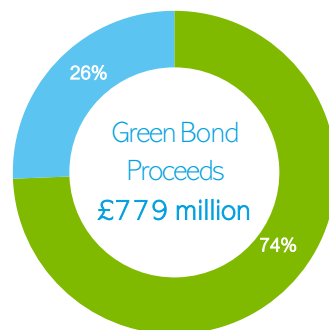
We contribute to the circular economy through various initiatives, including putting 100% of sewage sludge to beneficial use.



We've committed to achieving net zero operational carbon emissions by 2030.

Allocating the proceeds

The total spend across these projects from April 2015 to March 2020 was £1.32 billion. We used the c.£779m proceeds from the debt issued under the Framework to refinance existing debt and the projects above between April 2015 and March 2018. 100% of the proceeds of the debt issues, including c.£74m issued in 2020/21, were used for capital expenditure⁷. We will be reporting on how proceeds have been allocated for the EUR 1.15bn of bonds issued in January 2022 in our 2021/22 Sustainable Financing Impact Report.



£580m

Networks projects

- Thames Tideway Tunnel interfacial works
- Mains rehabilitation
- Household metering

£199m

Treatment projects

- Deephams STW

¹All projects deliver an ongoing annual benefit from commissioning. This was calculated in 2017/18 and independently reviewed by DNV.

²This is based on actual outputs from Deephams for 2020/21.

³We use carbon accounting multiples for water savings and reduced leakage (all for 2020/21): Kg of CO₂e per mega-litre is 18.77, energy generation is 0.24 Kg of CO₂e per kWh; CO₂e means carbon dioxide equivalent emissions.

⁴This figure includes any emissions reductions that have resulted from heat generated by our new CHP engines to heat the anaerobic digestors instead of fossil fuels and from avoiding the use of gasoil which was utilised in the old CHP units.

⁵Effluent prevented from flowing into the river during storm surges.

⁶Base data has been updated and restated to reflect actuals which have become available since initial reporting.

⁷This allocated expenditure includes an element of overcollateralisation (c.16%), which can be used should the projects require substitution during the life of the bonds. The reported benefits arise out of the total spend allocated. Project spend from December 2017 – March 2018 is included in the table following this issuance.

Want to hear more about sustainability?

Find out more about our sustainable performance:
[Corporate Investor Page](#)
[2018 Green Bond Framework](#)
[Annual Report & Sustainability Report](#)
[2021 Sustainable Financing Framework](#)

To talk to the team, please contact
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