Tideway's commitment to sustainability is two-fold. Firstly, we are building infrastructure that will support London in becoming a more environmentally sustainable and resilient city by preventing the sewage pollution of the River Thames. Secondly, we are doing as much as we can to deliver the project and operate our company in a way that is sustainable and have aligned our financing with this dual purpose.

Our approach to sustainability is set out in our Legacy Plan, first published in 2015, which details our 54 measurable commitments. Our legacy commitments are a wide-ranging set, but all of them are intended to ensure we leave a positive and lasting legacy – which is how we define sustainability.

This report provides an update on how we are working to achieve our commitments, together with our assessment against the Task Force on Climate-related Financial Disclosures (TCFD) framework. The latter includes a compliance statement which highlights how our disclosures align with TCFD as well as areas in which we do not align due to the nature and advanced stage of the project. The issue of sewage pollution of UK water courses has never been as high on the agenda as it is today. This awareness and impetus for action is welcome and it shines a greater spotlight on our responsibility for tackling this problem. When we mapped our 54 legacy commitments to the UN Sustainable Development Goals (SDGs) we identified SDG 6 Clean Water and Sanitation and SDG 11 Sustainable Cities and Communities as our core goals that we will make a long-term direct contribution to. We took many steps forward this year towards these SDGs and our goal of a cleaner, healthier river Thames as the construction of the new super sewer reached the end of the underground excavation phase. The sewer tunnel infrastructure is now in place. As we reach the latter phases of the project we have completed some of our legacy commitments – such as the creation of 4,000 sustainable jobs and the introduction of new river training and safety standards – while others, including the creation of new riverside public spaces, will only be achieved once the project is fully complete. This year we issued a further £300m of green bonds (taking the total to £1.8bn). Our bond programme was 5x over-subscribed which demonstrates confidence in our credentials which were also rated highly this year by S&P Global. We are reporting on how these proceeds are allocated in line with international guidelines. Our legacy commitments are embedded within our business and we hope that by highlighting both the successes and the challenges we can influence others to go even further in delivering projects with a sustainable legacy.

We hope you will find the report useful and informative; and we look forward to continuing to evolve the way we report on our sustainability programme as we near completion.

Andy Mitchell CBE

Andy Mitchell CBE
The Thames Tideway Tunnel (TTT) project being delivered by Bazalgette Tunnel Limited, trading as Tideway, is a Nationally Significant Infrastructure Project (NSIP) aiming to improve the condition of the water in the tidal Thames and ensuring it complies with relevant wastewater legislation by reducing the overflow of untreated sewage discharge. As well as the key benefit of increased water quality, the tunnel also provides protection of users of the tidal Thames and infrastructure which will improve the resilience of the sewer network to climate change and population growth.

The Thames Tideway Tunnel is part of the London Tideway Improvements (LTI), which also include improvements at five sewage treatment works and the Lee Tunnel, both now in operation. Without this whole system there would be an increased risk of more frequent sewage overflows, more frequent fish kills, continued increased health risks to recreational users, worse litter blight, and adverse impacts on the attractiveness of the water frontage.

The project is in the construction phase and is 77 per cent complete. Handover to Thames Water is planned for 2025. Thames Water will operate the tunnel as part of the sewage collection and treatment system under a long-term lease. Tideway will remain responsible for maintenance of the tunnel and shafts. The tunnel is designed to be in operation for at least 120 years.

Our Annual Report and Accounts has further information on the Company and delivery progress.
INTRODUCTION

This Sustainability Report is different to previous years, when the report was known as our Sustainable Finance Report. This year we have taken the opportunity to reframe how we report on our Sustainability and Legacy programmes and their linkages with our approach to and reporting commitments on our £2bn sustainable finance. This report also includes our climate-related financial disclosures, which were reported separately last year, and a data section with the most relevant metrics for Tideway. Legacy is what will be left behind after the construction of the tunnel. The primary purpose of the project is to reduce sewage overflows into the River Thames, delivering the core benefit of improved water quality. Tideway and Thames Water agreed with Defra and the Environment Agency what and how to report against the economic, environmental and social benefits stated by Defra at the outset of the project. This includes pre and post operational phase benefits.

However, if the project simply focussed on constructing the tunnel, our vision could never be achieved. Since construction commenced in 2016, we have undertaken a range of activities intended to maximise the benefits of the project for years to come. These are measured and monitored and are essential to the success of the project. As the project progresses, we are entering a phase of closing out more of our Legacy commitments and reflecting on our Legacy programme and the benefits it has delivered. Tideway is now at an advanced stage of construction and we continue to be active in many areas to deliver our legacy. Our 54 legacy commitments are organised under five themes – Environment, Health Safety & Wellbeing, Economy, People, Place and this year, on average, 90 per cent of active commitments were on track, against a target of 85 per cent. We continue to align our commitments to the UN Sustainable Development Goals (SDG), identifying the ten SDG Goals and 27 targets to which Tideway makes a direct contribution. We have identified SDG 6 Clean Water and Sanitation and SDG 11 Sustainable Cities and Communities as our core, long term goals alongside 8 further SDGs that we are positively contributing to during construction. However, construction by its very nature will have negative environmental impacts, even when working towards a positive end result. We acknowledged this last year by reporting that we will have a negative impact on some SDGs.

Four more of the commitments were fully achieved this year; taking the total complete to 15. Figure 1 illustrates the progress of our commitments while Figure 2 illustrates how we have mapped our commitments to the SDGs.

In 2020, we appointed a social value consultant to undertake a robust and comprehensive, evaluation of the social impact of the changes brought about by our Legacy programme. The outcomes from this evaluation, which will include case studies on specific areas of legacy delivery, will be shared during FY 22-23. We hope that future infrastructure projects will be able to draw on our experience to develop robust frameworks designed with evaluation and measurement of social impact in mind. We have already written a technical paper for an Institution of Civil Engineers journal on how we developed our legacy programme and how we are assessing its social value. The paper outlines best practice methodology in creating a framework to achieve social value and the specific approach and lessons learnt from Tideway.

In the year we joined Groundwork London’s 2021-22 Our Space Fund as a way to positively invest in grassroots community organisations within our 14 boroughs that are undertaking projects to reduce climate impacts and green their community (further details can be found in the Place section). Our approach to Sustainable Finance starts on page 30.
## I - PROGRESSING OUR LEGACY

With the Tideway project 77 per cent complete we have taken the opportunity to align our reporting with our original Legacy Plan. Within this section we report on the progress made against the 54 commitments and the value our legacy programme has delivered to date.

![Aerial view of Victoria Embankment](image)
ECOLOGY

Last year we completed our Thames ecology research programme associated with commitment 4. This year we reported against commitment 3 for the first time when the first nest boxes were installed in Frank Bamfield Park in Hammersmith and installation commenced on a biodiverse roof on the Operations kiosk in King George’s Park, Wandsworth. We’re also on track to achieve our commitment to plant two trees for every one we had to remove; further details can be found in the Place section.

CARBON MANAGEMENT

The Energy and Carbon Footprint Report that was produced for the Development Consent Order (DCO) in 2013 estimated a total carbon footprint in the decarbonised scenario of approximately 838,000 tCO2e with the principal impact being the greenhouse gas (GHG) emissions arising from the construction of the infrastructure, in particular embodied carbon of materials we are using.

Through the tender process our Main Works Contractors (MWCs) identified design and materials choices that reduced our anticipated CAPEX (embedded) (Scope 3) carbon footprint down to 769,000tCO2e. Our MWCs report carbon performance on a quarterly basis against a range of emission sources. At the end of the financial year we have consumed 64 per cent of the predicted CAPEX (embedded) (Scope 3) carbon (refer to Table 1). We have recently appointed a carbon consultant to provide third party verification of our carbon data. The assurance process will commence in Q1 FY 22-23, with findings available at the end of that financial year.

Commitments 1 & 2 are considered core benefits, as set out in the Cost and Benefits of the Thames Tideway Tunnel 2015 update, and will not start to be measured until the tunnel is operational. After system commissioning, Tideway will handover those commitments to Thames Water and/or the Environment Agency to monitor and report performance.

Objective 1: Protect and enhance the environment

<table>
<thead>
<tr>
<th>6 Commitments</th>
<th>To commence</th>
<th>European Sustainable Development Goals (SDGs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Improve water quality and reduce bio-chemical oxygen demands in the tidal Thames by dramatically reducing CSO discharges into the river</td>
<td>On track</td>
<td>SDG 6, 6.9</td>
</tr>
<tr>
<td>2. Reduce adverse litter conditions</td>
<td>On track</td>
<td>SDG 1, 6.3</td>
</tr>
<tr>
<td>3. Provide infrastructure that supports more resilient biodiversity</td>
<td>On track</td>
<td>SDG 1, 6.3, 6.4, 6.5, 6.9, 6.10</td>
</tr>
<tr>
<td>4. Undertake and support research to aid understanding of habitats and aquatic ecology of the River Thames</td>
<td>Scheduled</td>
<td>SDG 1, 6.3, 6.4, 6.9, 6.10, 6.11</td>
</tr>
<tr>
<td>5. Minimise carbon footprint</td>
<td>On track</td>
<td>SDG 1, 6.3, 6.1, 6.9, 6.11</td>
</tr>
<tr>
<td>6. Reduction in lorry movements on the project further than the reductions agreed in the DCO</td>
<td>On track</td>
<td>SDG 1, 6.3, 6.1, 6.9, 6.11</td>
</tr>
</tbody>
</table>

*This table illustrates the commitments under Environment, their status and the SDGs and associated target that the commitments contribute to.

Table 1: FY 21-22 carbon emissions

<table>
<thead>
<tr>
<th>Scope 1 emissions</th>
<th>FY 2021/22 tCO2e</th>
<th>Project to date tCO2e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operation of the tunnel</td>
<td>6.4</td>
<td>430.1</td>
</tr>
<tr>
<td>Total scope 1 emissions</td>
<td>6.4</td>
<td>430.1</td>
</tr>
</tbody>
</table>

*Scope 1 emissions: Operational (OPEX) FY 21-22 tCO2e

<table>
<thead>
<tr>
<th>Scope 2 emissions</th>
<th>FY 21-22 tCO2e</th>
<th>Project to date tCO2e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grid electricity used by Tideway (Bazalgette Tunnel Ltd) controlled offices at Camelford House and the Cottons Centre</td>
<td>49.4</td>
<td>400.12</td>
</tr>
<tr>
<td>Total scope 2 emissions</td>
<td>49.4</td>
<td>447.8</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Scope 3 emissions</th>
<th>FY 21-22 tCO2e</th>
<th>Project to date tCO2e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction materials</td>
<td>134,102</td>
<td>425,227</td>
</tr>
<tr>
<td>Operation and use of vehicles</td>
<td>811</td>
<td>4867</td>
</tr>
<tr>
<td>Material transport</td>
<td>2494</td>
<td>15,737</td>
</tr>
<tr>
<td>Waste disposal</td>
<td>8200</td>
<td>9887</td>
</tr>
<tr>
<td>Plant and Machinery</td>
<td>6299</td>
<td>75,890</td>
</tr>
<tr>
<td>Personnel transport</td>
<td>1129</td>
<td>1880</td>
</tr>
<tr>
<td>Total scope 3 emissions</td>
<td>143,000</td>
<td>494,152</td>
</tr>
</tbody>
</table>

[1] Greenhouse gas emissions are categorised into three groups or ‘scopes’ by the most widely-used international accounting tool, the Greenhouse Gas (GHG) Protocol. Scope 1 covers direct emissions from owned or controlled sources. Scope 2 covers indirect emissions from the generation of purchased electricity, steam, heating and cooling consumed by the reporting company. Scope 3 includes all other indirect emissions that occur in a company’s value chain.
In line with O’Hare’s expectations set out in ‘Consultation on regulatory reporting for 2021-22 – Responses document’ (October 2021), our reporting this year includes a SWOT analysis – Strengths, Weaknesses, Opportunities, Threats. This SWOT analysis of our data and methodology focuses on our Scope 3 embedded emissions because our predicted carbon footprint of 788,756CO2e is predominately from the materials we are using to construct the tunnel. We have some Scope 2 emissions from grid electricity used within our offices. We will not have Scope 1 emissions until the tunnel is operational.

SWOT analysis of our Scope 3 embedded emissions

- **Strengths**
  - Clear carbon target set and embedded into contracts and reporting processes of our MWCs
  - Quarterly data monitoring and reporting process in place
  - Our MWCs use carbon datasets from the EA Carbon Calculator, ICE Database and their product and material suppliers
  - Regular engagement with Tideway Executives and Board on carbon activities and opportunities
  - Development of carbon learning legacy project which should inform future infrastructure projects
  - Collaborative approach with infrastructure and water sectors to share best practice
  - Quarterly data monitoring and reporting process in place
  - Clear carbon target set and embedded into contracts and reporting processes of our MWCs

- **Weaknesses**
  - Majority of our MWCs parent companies have set a Net Zero commitment and developed Science Based Targets, which results in a trickle-down benefit for Tideway projects
  - Opportunities to influence materials specification in favour of lower carbon alternatives that could lead to carbon reductions are diminishing.
  - Could be some uncertainty over how we have measured and accounted for our carbon.

- **Opportunities**
  - To work closer with our MWCs and supply chain to better understand how to measure and account for carbon on major infrastructure projects.
  - The adoption of specific standards, like PAS2080 Carbon Management in Infrastructure, could help.

- **Threats**
  - Any reporting weaknesses will be explored through the carbon verification process and addressed where possible.
  - Opportunities to influence materials specification in favour of lower carbon alternatives that could lead to carbon reductions are diminishing.

Reducing our carbon footprint continues to be a key element of the environment theme of our legacy programme, albeit with more limited opportunities to do so as we near completion. During 2021-22 we commenced a project with our supply chain – main works contractors and programme manager – to better understand the carbon implications of how we procured, designed and constructed the tunnel. This will culminate in 2022 – 23 and should provide key lessons learnt for Tideway and future infrastructure projects about how to design, build and measure the carbon impacts associated with major infrastructure assets.

To recognise the activities that our MWCs are implementing to reduce their construction phase carbon footprint, we developed a new Carbon Initiative of the Year category in our annual RightWay Awards. We had 20 submissions under the Carbon Initiative of the Year category, with the winning submission coming from our Central contractor FLO, which is a joint venture between Ferrovial and Laing O’Rourke. Their submission demonstrated the value of carbon literacy training and how upskilling the project team and increasing their knowledge led to many carbon saving initiatives being explored and implemented.

Alternative fuels

We have previously reported on the use of hydrotreated vegetable oil as a diesel replacement in our barges and the carbon saving and air quality benefits from using HVO. HVO remains in use by our MPV Marine, marine contractor transporting materials and waste in the central section and tunnel lining segments in the east. It is also being used in plant and equipment on many of our sites in place of diesel. We are committed to responsible sourcing, which includes ensuring that all HVO used on the project is not derived from palm oil. We request that HVO is 100% waste derived from European refinery cooking oil and is accompanied by a Renewable Fuel Assurance certification.

Reducing lorry movements

Legacy commitment 6 relates to reducing lorry movements and is closely linked with our More by River Strategy which maximises the use of the river to import materials and export waste (refer to Economy theme of our legacy programme, albeit with more limited opportunities to do so as we near completion. During 2021-22 we commenced a project with our supply chain – main works contractors and programme manager – to better understand the carbon implications of how we procured, designed and constructed the tunnel. This will culminate in 2022 – 23 and should provide key lessons learnt for Tideway and future infrastructure projects about how to design, build and measure the carbon impacts associated with major infrastructure assets.
HS&W Performance

We are pleased to report that there were no major injuries or significant incidents as a result of our marine activities. The first half of the year saw the three-day Accident Frequency Rate (AFR-3) plateau in the region of 0.2, coinciding with the second wave of Covid-19, before steadily decreasing month on month from September, testament to the efforts made at every level to eliminate/reduce accident and injury occurrences. This included regular joint venture board level reviews of Health, Safety and Wellbeing (HS&W) improvement plans and strategies and increased focus on site leadership.

Despite the continued additional challenges particularly early in the year, the programme’s three-day Accident Frequency Rate (AFR-3), has remained below the highs experienced during other large infrastructure projects.

There were 19 lost time incidents in the year, of which 5 resulted in RIDDOR reportable injuries. We remain committed to doing things better, having investigated these incidents and implemented the resultant lessons learned, we continue to strive to improve as we progress further into the project.

RightWay

RightWay is our approach to establish a working environment that allows individuals to:
• plan ahead,
• challenge,
• continually strive to do things better, and
• reinforce a positive HS&W culture through effective leadership.

The ‘RightWay in Delivery’ initiative, a collaborative development by the Project Managers and the MWC teams, continues to provide an opportunity for site teams to showcase innovations and good practices against Tideway’s HS&W strategy. On a monthly basis, site teams submit best practice examples for each of the six pillar categories, which underpin the Tideway behavioural HS&W programme; leadership, competence, health & wellbeing, safe workplace, communication & engagement and performance & improvement. Quarterly the overall winning site team is presented with an award and in this way, we celebrate and promote enthusiastic ownership of good practice by the site teams and encourage adoption of best practices across sites.

Health and Wellbeing

Our aim this year was to maintain a focus on Health and Wellbeing to achieve relative parity with Safety and to minimise and mitigate any health risks arising from our work, whilst supporting the wider health and wellbeing of our workforce. Further details on our approach to Health and Wellbeing, including Occupational Health can be found in our Annual Report.

Mental Health

Supporting positive mental health continues to be a major driver for the project. Tideway has taken forward several initiatives, including supporting the Mates in Mind construction charity; training more than 160 mental health first aiders; establishing mental health first aider networks; and delivering mental health-focused briefings. Tideway’s Transforming Health and Safety Group (THSG) set up the Mental Health Working Group (MHWG) with the sole purpose of gaining insights from the business to help inform what actions we needed to take, both now and in the future, to improve mental health at Tideway and wider industry.

Objective 2: Raise standards and performance in health, safety and wellbeing

7 Commitments

7. Aspire to have no major incidents on the project

8. Raise the standard of health, safety and wellbeing inductions

9. All supervisory staff trained in health and safety to a level above industry norms

10. Promote new industry occupational health standards and working practices

This table illustrates the commitments under HS&W, their status and the SDG and associated target that the commitments contribute to.
Employer’s Project Induction Centre (EPIC)

EPIC, our immersive induction programme, set out to make Tideway the safest and healthiest project yet. To date, over 21,000 people have attended the programme, which includes those working on Tideway, but also other interested parties, supporting our aim to be transformational and to help improve health and safety across the construction sector.

Now well established the EPIC centre has been used by many of our partners and is available for external industry days to promote the experience to the wider industry.

Our EPIC immersive induction programme is being qualitatively analysed by our social value consultant. A number of in-depth interviews, group discussions and surveys have been undertaken to grasp the value of EPIC, getting ‘under the skin’ to provide a detailed understanding of the social impact created. The results from the analysis will be known during 2022-23.

Leaving a legacy of reduced risks to road-users

Tideway is committed to ensure the safety of those outside our site hoardings in the same way as we do for those working inside, which is reflected in Legacy commitment 11: Introduce industry-leading initiatives to reduce the risk to vulnerable road-users arising from vehicle movements, which was completed this year. Four initiatives were developed to support this commitment, including the introduction of industry-leading initiatives relating to road safety standards, driver induction and training and lorry design to make things safer for those travelling on London’s roads.

On standards, we worked with Transport for London (TfL) and the logistics industry to develop the Direct Vision Standard (DVS). This requires HGV operators to apply for a free TfL permit that assigns vehicles a star rating based on how much the driver can see directly through their cab windows. The standard is now in full use and all Tideway’s supply chain comply with the DVS terms.

On driver induction and training, we introduced EPIC Logistics, a version of our EPIC for anyone in a traffic or logistics role. This immersive induction provides a visceral experience of a fatal incident, highlighting the impact that a chain of poor decisions can have. More than 1,700 drivers have been through the induction and it has been accredited by the Driver & Vehicle Standards Agency and the Fleet Operator Recognition Scheme. We have also enhanced online driver training and compliance, including a Vehicle and Driver Safety Information pack to set out in detail our vehicle and driver standards and why they are important to us. This proved vital during the pandemic when face-to-face training was disrupted and more than 300 people were inducted this way.

Tideway invested in a fleet of 37 new ‘Low Entry Cab’ (LEC) vehicles for use on specific sensitive (high risk) sites and with certain material types. These vehicles have redesigned cabs that increase the amount of direct driver vision, providing a much better chance of drivers seeing vulnerable road users, especially cyclists.
PROGRESS ON ECONOMY

A modernised sewerage network underpins the capital's general economic prosperity. The economic benefits will be felt across many areas.

**Objective 5: Contribute to the rejuvenation of London’s river economy**
- **15.** Provide London’s essential infrastructure through an enhanced sewerage system that supports growth.
- **16.** Create more than 4,000 direct, sustainable jobs.
- **17.** Demonstrate Tideway is supporting the UK economy on track.
- **18.** Demonstrate Tideway is supporting the UK economy achieved.
- **19.** Use river transport to remove the majority (90 percent) of material excavated to create the main tunnel.
- **20.** Support the development of river transport related skills through Thames Skills Academy.
- **21.** Encourage modernisation of marine equipment through our procurement processes.
- **22.** Provide London’s essential infrastructure through an enhanced sewerage system that supports growth.
- **23.** Engage with local businesses, small and medium sized companies, and social enterprises, helping them to grow their skills and opportunities.
- **24.** Offer sustainable employment either through retention and progression or through transition from and to other major projects.
- **25.** Continue to support the Tunnelling and Underground Construction academy (TUGA).
- **26.** Share our innovations with the industry so they can benefit future projects.

**Key Commitments for London**
- **SUSTAINABILITY REPORT 2022**
- **Volume C - PROGRESS ON ECONOMY**
- **Commitment 1:** Improve competitiveness and vitality for London.
- **Commitment 2:** Contribute to the rejuvenation of London’s river economy.
- **Commitment 3:** Improve the UK’s exportable knowledge base; encourage innovation.
- **Commitment 4:** Contribute to the rejuvenation of London’s river economy.

**Skills to support the river economy**
Tideway’s support for the Thames Skills Academy (TSA) has been central to delivering on our legacy commitments to improve safety for river workers and support river transport-related skills. We were one of the founding members of the TSA in 2016 along with the Port of London Authority, Transport for London and the Company of Watermen and Lightermen. It is now delivering high-quality training, developed to meet the bespoke needs of Thames and other inland waterways, to a new generation of river workers, providing transferable skills to subsequent projects and roles. We have provided funding to support the training of 50 river apprentices through the TSA developing the national Boatmaster apprenticeship and establishing a maritime engineering apprenticeship on the Thames, the only one in the South East. We have also played a leading role in establishing key elements of its training programme:
- **A riverside personal safety course,** which provides an overview of the programme:
  - **Objective:** To ensure that the nation’s premier waterway is a global beacon of best practice.
  - **Target:** To achieve 5.1, 5.5, 8.1, 8.8, 9.4, 11.6, 12.2, 12.7, 12.8, 13.1, 13.3.

**Supporting the UK economy**
Supporting the UK economy through employment, training and procurement remains key, even as employment and procurement opportunities begin to decrease. This year we closed out Legacy commitment 23. Engage with local businesses, small and medium sized companies and social enterprises, helping them to grow their skills and opportunities. Engagement opportunities were held each quarter to communicate with SMEs about future opportunities and to provide them with support. As our construction programme reaches the latter stages and there are fewer procurement opportunities, this commitment has been closed. However, we still post procurement opportunities on our website and our Main Works Contractors continue to use CompeteFor to advertise any appropriate opportunities (Legacy commitment 17).

**Skills to support the river economy**
Tideway’s support for the Thames Skills Academy (TSA) has been central to delivering on our legacy commitments to improve safety for river workers and support river transport-related skills. We were one of the founding members of the TSA in 2016 along with the Port of London Authority, Transport for London and the Company of Watermen and Lightermen. It is now delivering high-quality training, developed to meet the bespoke needs of Thames and other inland waterways, to a new generation of river workers, providing transferable skills to subsequent projects and roles. We have provided funding to support the training of 50 river apprentices through the TSA developing the national Boatmaster apprenticeship and establishing a maritime engineering apprenticeship on the Thames, the only one in the South East. We have also played a leading role in establishing key elements of its training programme:
- **A riverside personal safety course,** which provides an overview of the potential dangers of working on or near water and offers experiential training on how to stay safe. The programme led to the TSA receiving a 2021 Princess Royal Training Award from The City & Guilds Group. The award citation said: “By creating the Riverside Personal Safety Course, the organisation has addressed a huge gap in a largely unregulated sector and met its ambitious targets of reducing incidents on the river by 10% per annum.”
- **A new Thames Continuing Professional Development (CPD) programme,** launched in 2021. This offers CPD for all Thames Boat Masters and Crew, whether newly qualified or with years of experience. It tests skills across a range of areas, with a minimum set of points to be achieved in a five-year period. It includes marine simulator training courses at BAR Wellington. On a visit to the programme launch, Transport Minister Robert Courts MP said, “The Thames CPD programme is a really significant step forward in ensuring that the nation’s premier waterway is a global beacon of best practice.”
More by River

More by River: Tideway’s Sustainable Transport Strategy, achieved a key milestone in April 2022 with the completion of tunnelling bringing an end to large volumes of materials transported by river. Over the year 1,011,427t was transported by river. This brings the total quantities transported by river on Tideway to 5.5 million tonnes. The impact of this was to remove more than 650,000 HGV journeys from London’s roads and avoiding in the region of 23,400tCO2e.

Ethical supply chain

To Tideway, ethical supply chain practices include making sure that:

- everyone on the project is paid the London Living Wage (LLW) as a minimum; our SMEs are paid within 30 days of invoice under the Fair Payment Charter; staff have job security by working under contracts; and our materials are responsibly sourced.

We remain signatories to the Gangmasters and Labour Abuse Authorities (GLAA) Construction Protocol, the purpose of which is to eradicate the risk of slavery and labour exploitation from the construction industry.

We concluded our final year of being verified to the Building Research Establishment (BREE) Ethical Labour Sourcing Standard (BES 6002). For three years the standard has provided us with 3rd party assurance that our processes minimise the risk of unethical practices in our supply chain and these processes remain in place with the same level of high internal assurance.

In terms of responsible sourcing of materials, we have included a requirement within our Works Information that 100% of our key building materials (cement, aggregates, steel) must be certified to either BES6001 Responsible sourcing of construction products, CARES Sustainable Constructional Steel (SCS), or Eco-Reinforcement as applicable. All timber being used on site has to be certified to sustainable standards like FSC and/or PEFC. In FY 2021-22, procured materials that came from certified responsible sources (or otherwise agreed with the Project Manager) ranged from 99% to 100%, which is as the previous year.

Progress on People

The project has created significant opportunities to boost local employment and prosperity within London.

**Objective 6: Increase prosperity, local employment and workforce diversity**

<table>
<thead>
<tr>
<th>Commitments</th>
<th>Status</th>
<th>SDG and associated target that the commitments contribute to</th>
</tr>
</thead>
<tbody>
<tr>
<td>31. 20 percent of employees will live in the local Borough</td>
<td>On track</td>
<td>3.9  4.1, 4.3, 4.4</td>
</tr>
<tr>
<td>32. 25 percent of all staff to live in 14 directly affected local Boroughs</td>
<td>On track</td>
<td>5.1, 5.5</td>
</tr>
<tr>
<td>33. 30 percent of river workers to live in Greater London, Kent or Essex</td>
<td>On track</td>
<td>6.3, 6.6</td>
</tr>
<tr>
<td>34. 30 percent of river workers to live in Greater London, Kent or Essex</td>
<td>On track</td>
<td>8.1, 8.8</td>
</tr>
<tr>
<td>35. Support the London Living Wage campaign</td>
<td>On track</td>
<td>11.6, 11.7</td>
</tr>
<tr>
<td>36. Appoint skills managers to establish employment brokerage</td>
<td>On track</td>
<td>12.8</td>
</tr>
<tr>
<td>37. Promote job security through direct employment in our supply chain</td>
<td>On track</td>
<td>13.3</td>
</tr>
<tr>
<td>38. Employ local workers with a minimum of 10% of the workforce being employed by suppliers located within 30 miles of the project site</td>
<td>On track</td>
<td>17.17</td>
</tr>
</tbody>
</table>

**Objective 7: Inspire and upskill a new generation**

<table>
<thead>
<tr>
<th>Commitments</th>
<th>Status</th>
<th>SDG and associated target that the commitments contribute to</th>
</tr>
</thead>
<tbody>
<tr>
<td>40. Create apprenticeship opportunities, one for every 50 full-time workers on the project</td>
<td>On track</td>
<td>3.9  4.1, 4.3, 4.4</td>
</tr>
<tr>
<td>41. Champion the promotion of careers in engineering and construction, including a minimum of 10% of the workforce taking part in volunteering through the STEM Ambassador (or equivalent) programmes</td>
<td>On track</td>
<td>5.1, 5.5</td>
</tr>
<tr>
<td>42. Provide teaching and learning resources</td>
<td>Complete – achieved FY 21/22</td>
<td>6.3, 6.6</td>
</tr>
<tr>
<td>43. Work with charity partners to employ one person with convictions per 100 workers on the project</td>
<td>Not on track (1 in 255)</td>
<td>8.1, 8.8</td>
</tr>
</tbody>
</table>

**Objective 8: Greater wellbeing for all, improved health for all users**

<table>
<thead>
<tr>
<th>Commitments</th>
<th>Status</th>
<th>SDG and associated target that the commitments contribute to</th>
</tr>
</thead>
<tbody>
<tr>
<td>44. A significant reduction in health risks from waterborne pathogens</td>
<td>To commence</td>
<td>3.9  4.1, 4.3, 4.4</td>
</tr>
</tbody>
</table>

This table illustrates the commitments under People, their status and the SDG and associated target that the commitments contribute to.
Our People theme is arguably the most extensive legacy theme. We have made considerable efforts to provide local employment opportunities and create a culture where you can bring your whole self to work within an inclusive, diverse environment. In parallel we aim to inspire the next generation through our STEM engagement programme and provide apprentice opportunities. We know that everyone needs a second chance, or some are seeking a new career path, so we have reached out to people who are previously workless, people returning to work after a career break and to people with convictions, to provide work experience and job opportunities. As we are nearing completion, new apprentice and job opportunities are becoming limited, but we remain committed to supporting our staff through their career development and onto future roles.

Legacy commitments 31: at each drive site, 20 percent of employees will live in the local Borough and commitment 43: work with charity partners to employ one person with convictions per 100 workers on the project, are unlikely to be achieved. Both have proven to be challenging, stretch targets, which we strive to achieve.

Employing people with convictions

Our partnerships with charities to support people with convictions into the workplace has been a worthwhile activity. Government research has found that ‘many former offenders find it almost impossible to get a job with just 17% in P45 employment a year after release and more than half of employers saying they would not consider hiring someone with a criminal record’. This has not been the case on Tideway, where we are a ‘Ban the Box’ employer and have employed a total of 23 people with convictions for a minimum of 26 weeks across Tideway and our Main Works Contractors. On reflection, our target could have been improved by setting an absolute number to be employed rather than a ratio of 1 in 100 FTE. At the start of 2021-22 we used money from our Apprenticeship Levy fund to help A Fairer Chance, a London-based Community Interest Company. This paid for two apprentices, both of whom have experience of the criminal justice system, to train as Employability Practitioners so they can develop their own careers while supporting other people with convictions, plus care leavers and the long term unemployed, into employment.

Providing apprenticeships

Offering and supporting individuals through an apprenticeship has been a key aspect of our People theme. At the end of the year there were 65 apprentices working on Tideway, with the total number of sustained apprentice opportunities either with Tideway, our Programme Manager Jacobs or our Main Works Contractors, totalling 185. A particular area of success has been our tunnelling operatives apprenticeship. In early 2019 our Main Works Contractors coordinated the recruitment of the first cohort of Tunnelling Operative apprentices in the industry, with a view to addressing a skills gap in the tunnelling sector. 13 tunnelling apprenticeships commenced on Tideway through our specialist labour-only supply chain, who would be the apprentices’ employers. Sharon Vitalis was one of the tunnelling apprentices. She encountered Tideway and our partner, Women into Construction (WiC), at a jobs fair and is now based at our Chambers Wharf site. Sharon recently achieved a Distinction in the Level 2 Tunnelling Operative Apprenticeship and is also now one of the first female-qualified locomotive drivers with a full-time position as a loco driver through her employer, Joseph Gallagher Limited.

Russell Mason of J3M Construction Training, who supported Sharon in her learning, said: “This excellent result is testament to Sharon’s hard work. Sharon is an asset to the tunnelling and underground sector, and a fantastic role model for new entrants.”
Gender equality

Our commitment to gender equality and encouraging women into our industry remains important to us and that is reflected in our continued partnership with Women into Construction (WiC), who we continue to support through a range of programmes and employment opportunities. A case study can be found on page 24 of the Annual Report.

STEM engagement

Tideway’s science, technology, engineering, mathematics (STEM) engagement programme aims to widen the skills and employment legacy we leave through our jobs, apprenticeships and training by inspiring the next generation of engineers and construction workers to come into the industry.

In 21/22 we engaged 6,317 young people, ranging from primary schools close to our sites to masters students at UCL’s Bartlett School of Sustainable Construction. Project staff volunteered 1,257 STEM hours in the year, or 1.8 hours per 3 FTE per year, above the target of 1 hour per 3 FTE.

Through a partnership with education specialist Uptree, we engaged almost 3,000 young people about the project through workshops and assemblies in London schools, as well as offering work experience days. Schools with high numbers from low-income backgrounds were targeted to ensure we reached a diverse pool of potential future workers. Of those who came to work experience days or Uptree’s Futures Up events, 50% identified as female; 32% received free school meals; 82% were from ethnically diverse backgrounds; and almost three quarters of their parents did not attend university.

Before the events, 10% of students considered Tideway to be a very or extremely attractive employer – afterwards this had increased to 90%. A total of 68% said the experience improved their confidence in speaking to industry professionals. One attendee said: “I learnt that apprenticeships are just as attractive as university and civil engineering is an interesting career choice.”

Other highlights from our STEM engagement year included:

• During British Science Week we hosted more than 30 five and six-year-olds from Boutcher Primary School in Bermondsey at our London Bridge offices. We told them about the project’s work to clean up the River Thames before taking them on a ‘Sense explorers’ riverside walk, helping the youngsters use their senses to discover the environment around them.

• More than 20 students aged 13 and 14 from UCL Academy came to Tideway as part of a ‘Constructing the Future’ work experience day supported by the Worshipful Company of Constructors. A total of 90% of the students said the day helped them to understand the different careers in the construction industry.

• Tideway’s Annie He, a Mechanical Engineer who works for our east contractor CVB, was invited to be part of a panel discussion to inspire 260 young females into the industry as part of International Women’s Day. The day was organised by Urban Synergy, a Lewisham-based charity who Tideway is supporting at STEM events and by offering mentors.

PROGRESS ON PLACE

Our Place theme aims to create new areas of public realm and connect the capital’s residents and visitors with the river more closely than is currently possible. It also aims to bring community cohesion by being a responsible business, a good neighbour and to support the communities in which we work.

Objective 5: Improved public realms

7 Commitments

46. For every tree displaced by the project, plant two new ones
On track

47. Create three acres of new foreshore in the public realm
On track

48. Enhance the Thames Path, reopening sections currently closed to the public
On track

49. Give people of reduced mobility the opportunity to connect with the River Thames in a way that has not previously been possible
On track

Objective 10: More cohesive communities

2 Commitments

53. Deliver and fund community investment that will support local communities and where possible encourage members of that community to come together
On track

54. Deliver and fund pan-London community investment activities which bring communities together from across the capital
Complete – achieved

*This table illustrates the commitments under Place, their status and the SDG and associated target that the commitments contribute to.

Tideway supports Uptree’s first ‘in person’ work experience day since the start of the pandemic

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Improved public realm

2021-22 has been the year where our commitment to creating new public realm has become more visible, particularly in relation to the expanses of new river walls across the project’s riverside sites.

In the west section of the project, Putney Embankment Foreshore was the first site to remove the protective cofferdam exposing a high-quality granite and timber clad river wall complete with an engraved site name and tunnel level. Also in the west, hard and soft landscaping installation work started at Barn Elms and King George’s Park, which saw the first signature ventilation column and its site-specific poem installed.

In the central section, granite river wall cladding has been installed at Blackfriars and Victoria Embankment Foreshores with careful detailing around marine safety equipment. The complex brickwork of the curved geometry at Chelsea Embankment Foreshore began, incorporating the coloured brickwork of Florian Roithmayr (see milestones below).

Precast concrete cladding to the river walls and intertidal terraces were installed at Albert Embankment Foreshore where the surface finish has been acid etched at the lower levels to enable limited colonisation by algae and micro-organisms.

In the east, encouraging biodiversity in the river has been taken a step further by our Main Works Contractor who is undertaking trials on the use of an innovative concrete mix and cast surface texture to encourage the colonisation of microorganisms on the new river walls at King Edward Memorial Park and Chambers Wharf.

The new foreshore public realm sites received new names which are based on the lost rivers. In addition to the previously named Bazalgette Embankment, the names have been confirmed as Putney Embankment; Carnwath Riverside; Chelsea Quay; Heathwall Quay; Effra Quay & Isle of Effra (Albert Embankment Foreshore); Tyburn Quay (Victoria Embankment Foreshore).

For the new public realm the site names will feature on some of the new river walls, threshold strips on the sites, gates and railings and on the signage and wayfinding micrototems. The micrototems will have, in addition to maps and directions, information about the project, the tunnel route map, the engineering, the ecology, the heritage and the artworks.

2021-22 key artwork milestones:

June 2021

- Finished patinated sample of Boat Race start line artwork by Dorothea Smartt produced. The artwork is on the Embankment of the Lost River Wandle.

July 2021

- As part of the Totally Thames Festival, Tideway screened a documentary film – Art on the Tideway – which offers an insight into some of the works and the artists behind them.

- Finished sample of Boat Race start line artwork by Claire Barclay for King George’s Park produced.

- Finished sample of Boat Race start line artwork by Adam Chodzko for Barn Elms.

- Signatures on River Walls – the poem by Dorothea Smartt references the Lost River Wandle.

- Artworks by Richard Wirksworth (King George’s Park, Quay & Isle of Effra), Claire Barclay (Putney Embankment) and the anonymous artists behind them.

August 2021

- Signature Ventilation Column installed at King George’s Park – the poem by Dorothea Smartt references the Lost River Wandle.

- Artworks by Richard Wirksworth (King George’s Park), Scully (Putney Embankment) and the anonymous artists behind them.

- The river wall sample panel with the full first colour sample range was produced for the artist, Florian Roithmayr to review.

- The first structural element of the first sculpture was installed into the river wall at Bazalgette Embankment. This is the first part of the five sculptural ‘stages’ on the site.

- The granite cladding element by Claudia Lichtenhaas was fabricated at Putney Embankment.

- Artwork by Richard Wirksworth was consented at Effra Quay & Isle of Effra.

- The artwork is based on the historic location of the Royal Doulton factory near to the site. At Putney Embankment, the granite cladding element by Claudia Lichtenhaas was fabricated.

- First six bronze elements of the King George’s Park artwork by Yemi Awosile have been cast. The artwork is based on the site being published. The VM artist’s impression of the artwork by Nathan Coley was consented at Putney Embankment.

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We committed to making investments close to our sites in partnership with residents and community groups. We pledged to work with them to tackle some of the biggest challenges facing our communities and to support the investments with a significant volunteering programme.

Since then we have assessed all investment proposals against their ability to deliver our legacy commitments through a robust governance process. This has resulted in a wider range of issues, such as community services; social isolation and homelessness; rehabilitation and employment; schools and education; environmental improvements and engagement; and leisure and wellbeing.

At the start of the project we did not specify the impact areas we would seek to address, other than a pledge to support projects that inspired people to engage in river activities. This has meant that the programme did not focus on the deepest impact possible on a specific social issue. Although this reduced the potential for a ‘headline’ social legacy, it did give us the flexibility to adapt our programme as the project progressed - for example, issuing emergency grants in the 2020 pandemic.

In 2021 we reviewed our approach to community investment to ensure we were delivering investments that represented a fair geographical spread across the communities close to our sites and that our ongoing and planned investments supported areas of high deprivation and those with the greatest need. As a result of the review we decided to allocate some of our remaining community investment funds to projects in the borough of Wandsworth, where we have six of our 24 sites but where our level of proactive investment had been comparatively low, relative to our presence there.

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One grant was given to the Katherine Low Settlement (KLS) in Battersea to fund its ‘Love to Learn’ youth and homework clubs, which help young people from refugee backgrounds to learn and explore their local environment. Overall 87% of attendees displayed high levels of wellbeing, based on scoring themselves across five areas of daily life and 87% said they had developed an understanding of the role they can play in combating climate change.

Another grant was given to youth charity World Heart Beat Music Academy who developed the ‘Ebb and Flow’ project, providing young people for 35 young people aged 14 to 23 with activities inspired by the river. The group produced a film of the project, which includes one of four original river-inspired songs produced by participants. A third grant was given to the Bags of Taste charity to support 72 vulnerable people in food poverty through a mentored home cooking course. An average of 86% of students were on benefits; 67% has children living with them and 71% had mental health issues. At the end of the course 80% said they would cook more and the group as an average said they could save £22.56 per week.

As we enter the final year of our community investment programme, we will be telling more of its story through impact reports via our website.
The Framework follows the International Capital Markets Association (ICMA) Green Bond Principles (GBP) and the Loan Market Association Green Loan Principles (GLP). The Framework is also aligned with the Loan Market Association (LMA) Sustainability Linked Loan Principles (SLLP).

A common principle to the various standards is the requirement to provide an annual update to investors of the:

- Allocation of proceeds in the case of green bonds and green loans
- Compliance with the agreed KPI in the case of sustainability-linked loans
- Impact of the project

This Sustainability Report provides an update on these points. BFP issued its inaugural Green Bond, series 11, which was also its debut public bond, on 30 November 2017 and a further seven Green Bonds between December 2017 and March 2022 for a total amount of £1,150 million. In October 2019 the London Stock Exchange (LSEG) moved bond series 1 to 10 for a total amount of £658m (issued before our inaugural green bond in November 2017) to the LSEG Green segment, which is part of LSEG’s Sustainable Bond Market. S&P Global Ratings updated their green evaluation, confirming that it applies to all bonds issued under the bond programme since June 2016.
1. GREEN BOND PROGRAMME AND GREEN US PRIVATE PLACEMENT

In addition to the 18 green bonds issued by BFP to date, BTL has also issued a green USPP and the tables below provide details of each green bond series and the green USPP.

Please refer to the tables below with details of each bond series and green USPP.

Table 1 - Settled green bonds and green USPP

<table>
<thead>
<tr>
<th>Green Bonds</th>
<th>Series 1</th>
<th>Series 2</th>
<th>Series 3</th>
<th>Series 4</th>
<th>Series 5</th>
<th>Series 6</th>
<th>Series 7</th>
<th>Series 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issuer</td>
<td>Bazalgette Finance Plc</td>
<td>Bazalgette Finance Plc</td>
<td>Bazalgette Finance Plc</td>
<td>Bazalgette Finance Plc</td>
<td>Bazalgette Finance Plc</td>
<td>Bazalgette Finance Plc</td>
<td>Bazalgette Finance Plc</td>
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<td>25</td>
<td>25</td>
<td>25</td>
<td>100</td>
<td>100</td>
<td>50</td>
<td>100</td>
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<tr>
<td>Issue Date</td>
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<td>15/06/2016</td>
<td>15/06/2016</td>
<td>15/06/2016</td>
<td>27/06/2016</td>
<td>27/06/2016</td>
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<tr>
<td>Interest Rate</td>
<td>RPI</td>
<td>RPI</td>
<td>RPI</td>
<td>RPI</td>
<td>RPI</td>
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<td>RPI</td>
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<tr>
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<td>15/06/2054</td>
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<td>27/06/2052</td>
<td>05/12/2040</td>
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<td>Listing</td>
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<td>LSE</td>
<td>LSE</td>
<td>LSE</td>
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<tr>
<td>APS Allocation £ million</td>
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<td>75</td>
<td>250</td>
<td>200</td>
<td>75</td>
<td>300</td>
<td>75</td>
<td>300</td>
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</table>

Table 2 – Deferred green bonds

<table>
<thead>
<tr>
<th>Green Bonds</th>
<th>Series 9</th>
<th>Series 10</th>
<th>Series 11</th>
<th>Series 12</th>
<th>Series 17</th>
<th>Series 18</th>
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<tbody>
<tr>
<td>Issuer</td>
<td>Bazalgette Finance Plc</td>
<td>Bazalgette Finance Plc</td>
<td>Bazalgette Finance Plc</td>
<td>Bazalgette Finance Plc</td>
<td>Bazalgette Finance Plc</td>
<td>Bazalgette Tunnel Limited</td>
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<tr>
<td>Size £ million</td>
<td>133</td>
<td>75</td>
<td>250</td>
<td>200</td>
<td>75</td>
<td>300</td>
</tr>
<tr>
<td>Issue Date</td>
<td>15/06/2017</td>
<td>25/06/2017</td>
<td>28/11/2017</td>
<td>28/11/2017</td>
<td>05/08/2018</td>
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<td>Interest Rate</td>
<td>RPI</td>
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<td>RPI</td>
<td>RPI</td>
<td>CPI</td>
<td>CPI</td>
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<tr>
<td>Final Maturity Date</td>
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<td>25/06/2047</td>
<td>28/11/2054</td>
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<td>LSE</td>
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<tr>
<td>Deferred Purchase</td>
<td>Yes, funded Jul 2019</td>
<td>Yes, funded May 2020</td>
<td>Yes, funded May 2020</td>
<td>Yes, funded May 2020</td>
<td>Yes, funded May 2022</td>
<td>Yes, funded May 2023</td>
</tr>
<tr>
<td>APS Allocation £ million</td>
<td>133</td>
<td>75</td>
<td>250</td>
<td>200</td>
<td>75</td>
<td>300</td>
</tr>
</tbody>
</table>

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Second Party opinion

Our bond programme and the bond series issued under it continue to be covered by a Green Transaction Evaluation from S&P Global ratings which was last updated in February 2022 giving us an Environmental benefit score of 95/100 and a governance and reporting opinion rated as advanced.

Use of Proceeds

The proceeds from the fourteen Green Bonds that have funded (see Table 1) were on-loaned by BFP to BTL and deposited in BTL’s sole operating bank account. BTL has also received the funds from the deferral green USPP.

The funds were subsequently drawn to fund the design and construction of the tunnel. While in the operating account, the funds were managed by Tideway’s Treasury team in accordance with the company’s investment management policy that aims to preserve capital and liquidity. Funds were invested in deposits with Tideway’s banks and in liquid money market funds.

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Impact Reporting

The expected environmental and economic benefits of the project remain as per the original Development Consent Order, which provided the overall permissions to the project, until the TTT is built and starts operations:

• The three components of the London Tideway Improvements work conjunctively to reduce discharges in a typical year by about 37 million cubic metres, as described in the Framework.

Impact of Proceeds

The proceeds from the fourteen Green Bonds that have funded (see Table 1) were on-loaned by BFP to BTL and deposited in BTL’s sole operating bank account. BTL has also received the funds from the deferral green USPP.

Table 1: Green Bond Use of Proceeds

<table>
<thead>
<tr>
<th>Project</th>
<th>GBP 1558m</th>
<th>Project</th>
<th>GBP 1875m</th>
<th>Project</th>
<th>GBP 1750m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emission reductions</td>
<td>£188.6m</td>
<td>Emission reductions</td>
<td>£190.99</td>
<td>Emission reductions</td>
<td>£176.35</td>
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<tr>
<td>Water management</td>
<td>100%</td>
<td>Water management</td>
<td>100%</td>
<td>Water management</td>
<td>100%</td>
</tr>
<tr>
<td>Eligibility for green bonds/loans</td>
<td>100%</td>
<td>Eligibility for green bonds/loans</td>
<td>100%</td>
<td>Eligibility for green bonds/loans</td>
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</tr>
<tr>
<td>Allocated Amount</td>
<td>GBP 106.2m</td>
<td>Allocated Amount</td>
<td>GBP 106.2m</td>
<td>Allocated Amount</td>
<td>GBP 106.2m</td>
</tr>
<tr>
<td>Project lifetime</td>
<td>120 years</td>
<td>Project lifetime</td>
<td>120 years</td>
<td>Project lifetime</td>
<td>120 years</td>
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<tr>
<td>Total project cost</td>
<td>100%</td>
<td>Total project cost</td>
<td>100%</td>
<td>Total project cost</td>
<td>100%</td>
</tr>
<tr>
<td>Out goes of raw/uncontrolled wastewater discharged avoided</td>
<td>in years 2025</td>
<td>Out goes of raw/uncontrolled wastewater discharged avoided</td>
<td>in years 2025</td>
<td>Out goes of raw/uncontrolled wastewater discharged avoided</td>
<td>in years 2025</td>
</tr>
<tr>
<td>157.16</td>
<td>135.49</td>
<td>125.53</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The £2,650 million of certified Allowable Project Spend is in excess of the £1,558 million allocated to green issuance, which funded between 25 August 2017 and 10 March 2022, confirming that the use of proceeds of the drawn bonds is in line with the requirements of the Green Bond Principles. The other green bonds issued on a deferred basis will fund between April 2022 and May 2023 and, in time, will be matched against our Allowable Project Spend. Please refer to the tables on the previous pages.

Once the tunnel is operational, we will report the impact in accordance with the Handbook on Harmonized Framework for Impact Reporting published by the Green Bond Principles, in particular ‘Core Indicator B. Wastewater Treatment Projects, #2) Annual amount of raw/uncontrolled wastewater discharges avoided’.

We are now over 77% through the project and getting closer to the end of the construction phase with handover planned for 2023. The excavation of the main tunnel has been completed in all three areas - West, Central and East with the final two tunnel boring machines (TBM)s on the project completing their underground journeys in April 2022. This is a significant milestone for the project. The completion of the secondary lining is underway.

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<table>
<thead>
<tr>
<th>Project</th>
<th>GBP 1558m</th>
<th>Project</th>
<th>GBP 1875m</th>
<th>Project</th>
<th>GBP 1750m</th>
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<td>£190.99</td>
<td>Emission reductions</td>
<td>£176.35</td>
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<tr>
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<td>Eligibility for green bonds/loans</td>
<td>100%</td>
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<tr>
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<tr>
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<td>in years 2025</td>
<td>Out goes of raw/uncontrolled wastewater discharged avoided</td>
<td>in years 2025</td>
<td>Out goes of raw/uncontrolled wastewater discharged avoided</td>
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<tr>
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<td>135.49</td>
<td>125.53</td>
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</table>

To start delivering value for money for the whole of the UK, the TTT is aligned with the principles of the Green Bond Principles, in particular ‘Core Indicator B. Wastewater Treatment Projects, #2) Annual amount of raw/uncontrolled wastewater discharges avoided’.

We are now over 77% through the project and getting closer to the end of the construction phase with handover planned for 2023. The excavation of the main tunnel has been completed in all three areas - West, Central and East with the final two tunnel boring machines (TBM)s on the project completing their underground journeys in April 2022. This is a significant milestone for the project. The completion of the secondary lining is underway.

Table 1: Green Bond Use of Proceeds

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<th>Project</th>
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<td>135.49</td>
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</tbody>
</table>
2. SUSTAINABILITY-LINKED REVOLVING CREDIT FACILITY

Our £160 million Revolving Credit Facility (RCF) is structured as a sustainability-linked loan, in accordance with SLLP with a KPI linked to our Legacy commitments. This loan further aligns Tideway’s financing, not only with the long-term target of cleaning the river, but also with the significant efforts during construction, which have been captured in Tideway’s Legacy commitments.

Key Performance Indicator

Our legacy programme previously targeted at least 75 per cent of the Legacy Commitments which are live at the time of calculation being on track. This target was revised to 85 per cent in 2021 to set a more ambitious KPI in our legacy programme reflecting the KPI in the Company’s sustainable financing. This new target acts as a strong stimulus for the company to continue to focus on the long-lasting benefits from the project and keep creating a healthier and more sustainable future for London. Tideway’s RCF includes the agreed sustainable KPI which is the meeting of at least 85 per cent of the live Legacy commitments. The credit margin on the facility is reduced if the performance target is met.

As at the end of the fiscal year 90 per cent of the 31 live legacy commitments were on track so the 85 per cent KPI was met. See the Data section for performance data against each commitment.

Verification

The May 2021 update to the Sustainability Linked Loan Principles (further updated in March 2022) requires borrowers to obtain independent and external verification of the borrower’s performance level against each KPI at least once a year. This update included an exception to transactions completed prior to June 3, 2021 from following the revised SLLP, and instead should be reviewed in conjunction with the SLLP published in May 2020. This is the case of Tideway’s RCF. As discussed at the outset of this transaction and in our Framework, Tideway has developed a robust internal process to validate the calculation of its performance against the KPI. Furthermore, as discussed below, the social value study underway provides a level of external scrutiny of our performance against the Legacy commitments.

Legacy information from across the three contract areas of the project is compiled into a standardised reporting workbook by assigned Legacy Managers within each Main Works Contractors Joint Venture (MWC JV) and submitted to Tideway on a quarterly basis for assurance in line with our Financial Reporting calendar. 191 data points are collated and submitted by the MWC JVs, covering all areas of our Legacy Programme. Tideway Subject Matter Experts (SMEs) formally review the data and raise any comments with the MWC JVs for them to respond to and address as required. Tideway SMEs include our Legacy & Sustainability Manager and Corporate Social Responsibility Manager. Once Tideway has reviewed and accepted the data as accurate, the data is collated into Tideway’s Data Warehouse and automated reports are generated using predetermined calculations. The reports are subject to internal review and verification by Tideway’s Regulation and Finance departments and are shared with Defra and Environment Agency quarterly and with Tideway’s Board semi-annually.

In 2020, we appointed a social value consultant to undertake a robust and comprehensive, third party evaluation of the social impact of the changes brought about by our Legacy programme. The outcomes from this evaluation will be released during FY 22-23 including five case studies on specific areas of legacy delivery.
1. INTRODUCTION

The Thames Tideway Tunnel has a significant carbon footprint due to the embedded carbon within the built asset. The Energy and Carbon Footprint Report that was produced for the Development Consent Order in 2013 estimated a total carbon footprint in the decarbonised scenario of approximately 838,000 tCO2e with the principal impact being the greenhouse gas (GHG) emissions arising from the construction of the infrastructure, in particular embodied carbon in manufacturing of materials. While the transport of excavated materials and construction plant and machinery (construction worksite activities e.g. tunnel boring and excavations from plant and machinery) is around 10% of the total emissions, the transport of excavated material and construction materials represents approximately 3.5% of the total GHG emissions.

The assumption made for the baseline, is that the UK electricity emission factor would reduce as the grid is decarbonised until the zero carbon target in 2035. This is consistent with Government plans as revealed in the 2019-2025 in 2021 confirming UK commitment to decarbonise the electricity system by 2035. Operation of the tunnel, expected to start in 2025, will be the responsibility of Thames Water with most emissions to be generated during the construction and commissioning period, such opportunities being discussed in this report. We have recently appointed a carbon consultant to provide third party verification of our carbon data. The assurance process will commence in Q1 FY 22-23, with findings available at the end of that financial year.

The ability to change the carbon footprint of an infrastructure project of this nature in a significant manner is during the conceptual and design stages with reduced scope to effect further reductions during the construction period, such opportunities being discussed in this report. Once the tunnel is constructed and commissioned, the operational carbon will be minimal as the tunnel is a passive asset, although see above with regard to operational scope 3. Therefore, certain parts of the TCFD recommendations cannot be applied easily to a single infrastructure project. In particular, it has not been possible to set carbon reduction targets that meet the criteria of the Science Based carbon reduction targets that meet the criteria of the Science Based Targets Initiative for example as the carbon footprint is concentrated in the embedded carbon within the built asset. The Thames Tideway Tunnel has a significant carbon footprint due to the embedded carbon within the built asset.

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1. GOVERNANCE

The governance around climate-related risks and opportunities

Recommended Disclosure

Describe the Board’s oversight of climate-related risks and opportunities

Response

The Board is responsible for setting the strategy and risk appetite for the Company and its approach to risk management. Important aspects of Tideway’s business are subject to scrutiny by the Board’s committees, which report their findings to the Board. The Health, Safety, Security and Environment (HSSE) Committee of the Board meets twice a year. The Committee has a key role in reviewing, developing and overseeing consistent policy, standards and procedures for managing HSSE risk, and helping to ensure that Board members are sufficiently informed to discharge their individual and collective responsibilities for HSSE. Among other things, the Committee reviews environmental and sustainability matters on the corporate risk register, including risks relating to the carbon footprint of the project.

The Board Risk Committee is required to meet at least three times a year. The Committee reviews our principal, corporate and delivery risks and risk management processes. All risks, including identified climate-related risks, are included within this top-tier risk register. There is good overlap in attendance between the HSSE Committee and the Risk Committee which helps ensure consistency in approach. The chair of the HSSE and Risk Committees have experience in managing environmental risk, including climate related.

The Audit and Finance Committee of the Board receives updates on developments of ESG and climate-related reporting and regulation as part of its discussion of the Company’s Sustainable Financing Strategy.

Annual Report

HSSE and Risk Committees terms of reference

ESG Evaluation by S&P Global Ratings

Recommended Disclosure

Describe the management’s role in assessing and managing climate-related risks and opportunities

Response

Our business planning process provides the framework to assessing and managing risks. Performance against our sustainability KPIs is tracked and discussed by the Vision, Legacy and Reputation (VLR) committee, which manages the strategic approach to sustainability, and identifies issues for discussions at the monthly management review chaired by the CEO.

Carbon performance is reported quarterly to the Executive and to the Board and other stakeholders, including investors and regulators, through our quarterly management reports and the six-monthly HSSE Sustainability report.

The Client Sustainability lead provides technical advice on the implementation and compliance of the various environmental commitments such as the code of construction practice and technical input to the HSSE Committee, and they register corporate risks in their area. They work closely with Treasury on the Sustainable Finance Strategy, which has raised £2bn of green financing.

The Legacy & Environment Committee is chaired by Tideway Executive and attended by Tideway, Project Manager, Main Work Contractors Programme Directors, Environment and Legacy leads.

To ensure that any lessons are being shared with the wider industry, Tideway were one of the founding members of the knowledge sharing platform i3P and members of our Executive team and subject matter experts are also active members in industry working groups on carbon such as the Infrastructure Client Group, the Major Projects Association and the Corporate Forum on Sustainable Finance.

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Sustainability Report

References

SUSTAINABILITY REPORT 2022
2. STRATEGY

The actual and potential impacts of climate-related risks and opportunities on our businesses, strategy, and financial planning

Conceptual stage
During the conceptual stage of the project, climate change was considered as having two principal impacts on the tideway tunnels:
• the operation of the sewer system with shorter summers potentially causing an increase in pollutants built-up which could increase the adverse impacts of the ‘Traff’ fault in any overflow, from the tunnel and water courses that could lead to more overflows;
• on water quality processes in the tideway with increases in water temperature leading to dissolved oxygen depletion and faster reaction rates, with potential dissolved oxygen depletion occurring when the tunnel is full.

Construction phase
The most significant climate-related risks during the construction period are:
• in the design or construction methodologies to reduce a particular route which results in increased carbon footprint (specifically regarding the Development Consent Order, in particular maintenance of flood defences of London during the construction work on 11 of our river-based construction sites. This protection requires consenting from the Environment Agency (EA) and monitoring of weather data that is used to alert sites of potential adverse weather conditions or unusually high tides, that have the potential to breach any temporary protection measures.
Throughout the duration of the project there have been several notable interventions which have reduced emissions in construction carbon. Some were made during the conceptual and design phase and others after 2012 to build the tunnel. These are detailed in Appendix A and include changes to the route of the tunnel, use of low carbon cement in non-critical areas, thinner secondary lining, and reduction in the transport emissions due to the increased use of the train to transport materials.

Operational phase
During the operational stage, the main risk will be how well the tunnel design withstands changes in climate, with the risk of shorter summers, winter storms and an increase in the population of London resulting in exceeding the capacity of the tunnel or the treatment centre. This tunnel is designed to accommodate climate and population scenarios until at least 2080 after the DCO Energy and Carbon Footprint report refers to this. Opportunities to reduce carbon footprint during the operational stage are limited. In any case, Thames Water is only responsible for maintaining the tunnel while Thames Water will be the operator, and further reduces the opportunity to reduce scope 3 carbon as it may be reliant on decentralisation of the grid.
The tunnel will be a high quality asset built to achieve 120 years life design (it is expected to require minimal maintenance of deep level assets and it will be built to the low carbon footprint during the long operational stage. Once the tunnel is in operation, the EA and Thames Water will discuss phasing out internal mitigation measures that include the use of two vessels for oxygenation and two skimmers, with consequent reduction in carbon consumed in operating and maintaining these diesel-fuelled vessels.

Recommended Disclosures
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term

Response
The actual and potential impacts of climate-related risks and opportunities on our businesses, strategy, and financial planning

References
Annual Report
Energy and Carbon Footprint Report
DCO document
S&P Global Ratings
Sustainability Report
Operating Techniques

Recommended Disclosures
b) Describe the impacts of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning

Response
Construction phase
Impact is limited given scope, advanced stage of construction and because breaching DCO requirements is subject to reasonable compliance with the Development Consent Order, in particular maintaining these diesel-fuelled vessels.

References
Annual Report
Energy and Carbon Footprint Report
DCO document
S&P Global Ratings
Sustainability Report
Operating Techniques

Recommended Disclosures
c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C and/or lower scenario

Response
At the time of the overall route selection and design decisions, the best available climate projections for the UK were the UKCP09 projections, based upon the Met Office Hadley Centre climate models. UKCP09 provides an estimate of the range of model-based scenarios for the future projections, along with high, medium and/or emissions scenarios. Thames Water have used the 10, 50 and 90 percentiles to explore the implications of these uncertainties for the 2020s (2024 to 2049) and 2090 (2070 to 2099) time horizons.

Modelling of the future scenario suggests that in a typical year climate and population growth will mean that by the 2080s summers, wetter winters and an increase in the population of London resulting in exceeding the capacity of the tunnel or the treatment centre. This tunnel is designed to accommodate climate and population scenarios until at least 2080 as per the DCO Energy and Carbon Footprint report refers to this. Opportunities to reduce carbon footprint during the operational stage are limited. In any case, Thames Water is only responsible for maintaining the tunnel while Thames Water will be the operator, and further reduces the opportunity to reduce scope 3 carbon as it may be reliant on decentralisation of the grid.
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Annual Report
Energy and Carbon Footprint Report
DCO document
S&P Global Ratings
Sustainability Report
Operating Techniques

Recommended Disclosures
<table>
<thead>
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<th>Disclosure</th>
<th>Response</th>
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<tr>
<td>Conceptual stage</td>
<td>The actual and potential impacts of climate-related risks and opportunities on our businesses, strategy, and financial planning</td>
</tr>
<tr>
<td>Construction phase</td>
<td>Impact is limited given scope, advanced stage of construction and because breaching DCO requirements is subject to reasonable compliance with the Development Consent Order, in particular maintaining these diesel-fuelled vessels.</td>
</tr>
<tr>
<td>Operational phase</td>
<td>Should the parameters used in the DCO scenarios be exceeded, there would be potentially more frequent discharge events in the Thames with reduced water quality, biodiversity and public health as CSO discharges would see a more intense event (see 2.1 below). Thames Water is responsible for the operation of the tunnel under the London Tideway Tunnels operating techniques agreed with the Environment Agency.</td>
</tr>
</tbody>
</table>

References
Annual Report
Energy and Carbon Footprint Report
DCO document
S&P Global Ratings
Sustainability Report
Operating Techniques

Prospectus
London Tideway Tunnels operating techniques

Advisory Group Chair, A. Hux, AIP (Hugo) Huxham presented at 2022BizSEC2022 conference
3. RISK MANAGEMENT

How we identify, assess and manage climate-related risks

Recommended Disclosure

a) Describe the organisation’s processes for identifying and assessing climate-related risks

b) Describe the organisation’s processes for managing climate-related risks

c) Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management

Response

The Tideway Risk Management process aligns with the process the Association of Project Management (APM) has stipulated as to be considered good practice. See flow chart below.

On a monthly basis risk reviews are held, and risks identified and assessed in (1) site level with project deliver teams (Project Manager and Main Works Contractor), Asset Management/Design Authority and Engineering, (2) Area wide and Programme wide level (3) Corporate and Executive risk reviews (Operations, Regulatory, Legal, Finance, External Affairs, IS).

Within Tideway, Risk Management is an active and iterative process that involves identifying and implementing response strategies for either threats or opportunities. The intent is to reduce or eliminate threats or enhance opportunities.

Within the Tideway Risk Management process all risks, including climate-related risks, are managed and reviewed in a hierarchy with risks escalated for management review and response as required.

The Environment Agency, another of our regulators, has placed climate risk at the centre of its operation and regulation. Our equity and debt investors have an increased focus on integrating ESG factors into the investment processes and expect reporting on climate and other matters following recognisable international standards.

The Compliance and Assurance Review Group (CARG) is a CEO-led group focused on reviewing the Company’s activities as both the client or through the PM and MWCs. It applies the three lines of defence model to review the appropriateness and compliance with our controls and assurance activities.

References

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4. METRICS AND TARGETS

The metrics and targets used to assess and manage relevant climate-related risks and opportunities

a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes

The origins of our legacy were set out in the Sustainability Statement, which was submitted as part of our Development Consent Order (DCO) application. The Statement contains 15 objectives under 11 thematic areas used to appraise the sustainability performance of the project. Some of these objectives have been addressed through the planning stage, such as land use, while others will be realised as outcomes of the project during operation, e.g. enhanced river water quality.

Our commitments have evolved into 54 metrics within our Legacy Plan under five themes that capture the range of opportunities created by the project—Environment; Health, Safety and Wellbeing; Economy; People; and Place. We are maintaining a high standard of overall performance against the Legacy commitments, with 31 commitments live across the programme.

Out of the legacy commitments, four are climate related. Our Legacy dashboard (in the Data section of this report) details the Measure, Target and our Performance against these commitments.

Appendix B includes the metrics and performance against our environmental and climate commitments, including emissions, water, construction waste and beneficial reuse of excavated material. It also disclosure our assurance process.

We have aligned ourselves to the World Resources Institute and the World Business Council for Sustainable Development definitions of Scope 2 and 3 emissions.

We have recently appointed a carbon consultant to provide third party verification of our carbon data, which we expect to publish next year. This process may review the current reach of scope 3 reporting (e.g. consider servers) and review operational carbon from 2025.

b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 Greenhouse Gas emissions and related risks

Annual Report Sustainability Report

The forecast carbon footprint of the project is ≤768,756 tCO2e of which 97.5% is construction carbon as explained in the introduction.

Construction phase targets

The carbon related Key Performance Indicators (KPIs) are included in the Works Information that are part of the contracts between Tideway and the Main Works Contractors. Appendix B details the KPIs that our MWCs provide and our carbon related legacy commitments targets.

Operation phase targets

In a typical year, for mid-2020s conditions, the Thames Tideway tunnel will further reduce polluting discharges by circa 16 million cubic metres (avoided and captured for treatment). The tunnel is expected to eliminate almost all of the CSOs that currently discharge to the river in a typical year. The residual CSO discharge would be approximately 2.4 million m3 per year.

Scope 1 emissions — Operational (OPEX) FY 2021/22 tCO2e N/A until operation

The carbon related Key Performance Indicators (KPIs) are included in the Works Information that are part of the contracts between Tideway and the Main Works Contractors. Appendix B details the KPIs that our MWCs provide and our carbon related legacy commitments targets.

At the end of the financial year we have consumed 64 per cent of the predicted Scope 3 carbon, which is in line with our original carbon footprint target.

Scope 2 and 3 carbon disclosure is reported quarterly to our investors and regulators.

References

Sustainability Statement
Legacy Plan
Sustainable Finance Framework
Sustainability Report

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Resilience to Change
DCO document
Sustainable Finance Framework
Sustainability Report
Works Information

11b) Climate Scope 1, Scope 2 and, if appropriate, Scope 3 Greenhouse Gas emissions and related risks

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<tr>
<td>Total Scope 2 emissions</td>
<td>49.4</td>
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<tr>
<th>Scope 3 emissions — Construction materials</th>
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<td>Total Scope 3 emissions</td>
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At the end of the financial year we have consumed 64 per cent of the predicted Scope 3 carbon, which is in line with our original carbon footprint target.

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References

Recommended Disclosure
Response

b) Disclose the metrics used by the organisation to manage climate-related risks and performance against targets

The forecast carbon footprint of the project is ≤768,756 tCO2e of which 97.5% is construction carbon as explained in the introduction.

Construction phase targets

The carbon related Key Performance Indicators (KPIs) are included in the Works Information that are part of the contracts between Tideway and the Main Works Contractors. Appendix B details the KPIs that our MWCs provide and our carbon related legacy commitments targets.

Operation phase targets

In a typical year, for mid-2020s conditions, the Thames Tideway tunnel will further reduce polluting discharges by circa 16 million cubic metres (avoided and captured for treatment). The tunnel is expected to eliminate almost all of the CSOs that currently discharge to the river in a typical year. The residual CSO discharge would be approximately 2.4 million m3 per year.

Resilience to Change
DCO document
Sustainable Finance Framework
Sustainability Report
Works Information

At the end of the financial year we have consumed 64 per cent of the predicted Scope 3 carbon, which is in line with our original carbon footprint target.

Scope 2 and 3 carbon disclosure is reported quarterly to our investors and regulators.
Opportunities to reduce construction carbon

Our approach to reducing the carbon impact of construction has come through realising the opportunities and innovations to make intelligent design decisions based on the principles of lean design along with the use of low carbon materials and efficient processes and technology. Some decisions, such as route selection, were made during the conceptual and design phases before BTL was awarded the licence to build the tunnel.

Key decisions made to reduce our construction phase carbon footprint include:

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Carbon reduction tCO2e to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>The initial route selection led to 19% reduction in material use through the selection of a shorter route</td>
<td>199,000</td>
</tr>
<tr>
<td>The implementation of the ‘More By River’ initiative to increase the amount of material being transported by river in addition to those agreed under the Development Consent Order continues to deliver the intended results, with over 23 million HGV kms avoided to date. To date, over 4.5 million tonnes of material has been moved by river, avoiding 275,000 HGV loads (550,000 two-way HGV movements).</td>
<td>14,500</td>
</tr>
<tr>
<td>And also an estimated 240 tonnes of NOx (Nitrogen Oxides)</td>
<td></td>
</tr>
<tr>
<td>The reduction of the thickness in the secondary lining within the central area which resulted in 16,000m less concrete, saved 7,300 tCO2e and had significant cost savings.</td>
<td>7,300</td>
</tr>
<tr>
<td>The reduction in the embodied carbon of the concrete in both the tunnel segments and the baseplugs of the shafts. Within the Environmental Statement it was originally predicted that the concrete mix would contain a maximum of 25% cement replacement – such as Pulverised Fuel Ash (PFA) or Ground Granulated Blast furnace Slag (GGBS), however through consultation with the designers it has been possible to achieve up to 75% PFA in the baseplugs and between 25% and 45% GGBS in the tunnel segments whilst still meeting the performance specification. The design of the baseplugs was also amended to adopt a concave design which further reduced the amount of concrete and steel required.</td>
<td></td>
</tr>
<tr>
<td>The increase carbon impact has been captured in our overall carbon footprint.</td>
<td></td>
</tr>
<tr>
<td>Other initiatives focused on resource efficiency by monitoring water consumption and office consumables and recycling; energy sources with the use of Renewable Energy Guarantee of Origin (REGO) tariff for Tideway’s main offices and also our Central and East contractors, FLO and CVC; use of hydroelectric vegetable oil (HVO) instead of diesel and use of telematics; and raising over 63% of our long term financing as green and sustainable debt, tied to the long term benefits of the tunnel.</td>
<td></td>
</tr>
</tbody>
</table>

As part of the process of mapping our Legacy commitments against the UN SDGs, we have mapped our commitment to reduce our carbon footprint against 3 targets that fall under SDG 8 Decent Work and Economic Growth, SDG 9 Industry, Innovation and Infrastructure and SDG 13 Climate Care.

Increases in carbon

Due to the nature of large construction projects, there are occasions when either the design or the construction methodology has to be amended to reduce a particular risk. On Tideway we experienced at least two situations where we needed to use more materials than expected, which led to an increase in carbon consumption. These include:

- Additional stabilisation or grouting being required due to unforeseen ground conditions. This was experienced at both King Edwards Memorial Park Foreshore where additional grout was required and at Blackfriars Foreshore; and
- The increased use of concrete for hardstanding at drive sites such as Kittling Street which was used to reduce the amount of dust and/ or silt being produced by plant operating on an unmade surface. In this instance, it was determined that additional concrete should be used to reduce a more localised environmental impact affecting the neighbouring properties and personnel working on site.

The increase carbon impact has been captured in our overall carbon footprint.

To uncover the impact of our decisions on carbon, during 2021-22 we commenced a project with our supply chain – main works contractors and programme manager – to better understand the carbon implications of how we procured, designed and constructed the tunnel. This project will complete in 2022 – 23 and should provide key lessons learnt for Tideway and future infrastructure projects about how to design, build and measure the carbon impacts associated with major infrastructure assets.
## APPENDIX B

### Metrics and targets

<table>
<thead>
<tr>
<th>Metric</th>
<th>DCO Target</th>
<th>WI Target</th>
<th>2017-18 (Q2 – Q4)</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
<th>2021-22</th>
<th>Project Total To Date (Ptd)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tonnes of actual CO2e (LC 5)</td>
<td></td>
<td></td>
<td>47,877.79 tCO2e</td>
<td>97,786.85 tCO2e</td>
<td>114,138.80 tCO2e</td>
<td>94,439.16 tCO2e</td>
<td>145,000 tCO2e</td>
<td>494,599 tCO2e*</td>
</tr>
<tr>
<td>Scope 3 carbon emissions*</td>
<td>Minimize carbon footprint</td>
<td></td>
<td>47,887.79 tC02e</td>
<td>97,798.85 tC02e</td>
<td>114,139.61 tC02e</td>
<td>94,439.16 tC02e</td>
<td>144,900 tC02e</td>
<td>494,152 tC02e</td>
</tr>
<tr>
<td>Scope 2 carbon emissions</td>
<td></td>
<td></td>
<td>153.05 tC02e</td>
<td>153.42 tC02e</td>
<td>45.68 tC02e</td>
<td>45.4 tC02e</td>
<td></td>
<td>447 tC02e</td>
</tr>
<tr>
<td>Scope 1 carbon emissions</td>
<td></td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Construction works diverted from landfill (% and tonnes)</td>
<td>50%</td>
<td>50%</td>
<td>(Airing 66,286.20 t)</td>
<td>(Airing 34,674.05 t)</td>
<td>(Airing 64,573.71 t)</td>
<td>(Airing 64,573.71 t)</td>
<td>(Airing 64,573.71 t)</td>
<td>(Airing 64,573.71 t)</td>
</tr>
<tr>
<td>Benefit of reused construction material (% and tonnes)</td>
<td>90%</td>
<td>90%</td>
<td>(Arising: 66,286.20 t)</td>
<td>(Arising: 34,674.05 t)</td>
<td>(Arising: 64,573.71 t)</td>
<td>(Airing 64,573.71 t)</td>
<td>(Airing 64,573.71 t)</td>
<td>(Airing 64,573.71 t)</td>
</tr>
<tr>
<td>Total metered water consumption on site</td>
<td></td>
<td></td>
<td>45,164.67 m3</td>
<td>101,708.02 m3</td>
<td>393,601.03 m3</td>
<td>345,519 m3</td>
<td>456,912 m3</td>
<td>1,342,905 m3</td>
</tr>
<tr>
<td>Number of two-way lorry movements (LC 6)</td>
<td>&lt;478,240**</td>
<td></td>
<td>83,354</td>
<td>73,676</td>
<td>57,980</td>
<td>80,934</td>
<td>375,362</td>
<td>2,563,030</td>
</tr>
<tr>
<td>Tonnes of main tunnel excavated material transported by river (LC 19)**</td>
<td>90%</td>
<td>90%</td>
<td>N/A</td>
<td>196,423t</td>
<td>1,173,990t</td>
<td>794,174t</td>
<td>573,703t</td>
<td>1,456,197t</td>
</tr>
<tr>
<td>Number of trees planted (LC 46)</td>
<td>0 for 1****</td>
<td></td>
<td>2 for 1****</td>
<td>102</td>
<td>11</td>
<td>73</td>
<td>77</td>
<td>120</td>
</tr>
</tbody>
</table>

*At the end of Q4 2021-22, we had consumed 64% of the construction carbon budget for scope 3 emissions. ** The DCO commitment on HGV movements is 239,120 vehicles equating to 478,240 two lorry movements. Our Legacy commitment is to endeavor to perform under the DCO target. *** Internal assurance process identified some anomalies with historic data that have been corrected. In addition, 100% of tunnel arisings have been transported by river. **** BMB committed to 3 for 1 within their tender documents, which was subsequently included in their contract. Total planted to date inclusive of 147 planted by Tideway through Trees for Cities. Updated planting figures have led to an increase in trees estimated to be planted.
## SUSTAINABILITY REPORT 2022

### Economy

1. **Support ethical sourcing practices in the supply chain**
   - Completed

2. **Publish a procurement handbook**
   - Completed

3. **Complete**

4. **Design a procurement approach that will encourage innovation**
   - Completed

5. **The bid process for the MWCs include innovation aspect**
   - Completed

6. **Share our innovations with the industry so they can benefit future projects**
   - Completed

7. **Establishment of I3P Platform / champions**
   - Completed

8. **Continue to support the Tunnelling and Underground Construction Academy (TUCA)**
   - Completed

9. **Level of engagement from Tideway to TUCA**
   - Completed

10. **Support the development of river transport related skills through Thames Skills Academy**
    - Completed

11. **TSA established**
    - Completed

12. **Sign up**

13. **Use river transport to remove the majority (90 per cent) of material excavated to create new sewerage systems in the River Thames**
    - Completed

14. **Create more than 4,000 direct, sustainable jobs (at peak construction)**
    - Completed

15. **Number of sustainable jobs (26 weeks) >4000**

16. **Provide London’s essential Infrastructure through an enhanced sewerage system that will support sustainable growth**
    - Completed

17. **Improved Health & Safety on the river for Tideway River Transport Workers**
    - Completed

18. **% boat Masters who have passed the simulator validation**
    - Completed

19. **Introduce a health & safety communication standard across the Project**
    - Completed

20. **Communication standard implemented**
    - Completed

21. **Introduce industry leading lorry and vulnerable road users initiatives**
    - Completed

22. **4 Initiatives published**
    - Completed

23. **All supervisors to be trained in health and safety to a level above industry norms**
    - Completed

24. **Number of identified supervisors trained to ILM level**
    - Completed

25. **Reduction in lorry movements on the project further than the reductions agreed in the Environmental Statement**
    - Completed

26. **Tonnes of actual CO2 (with % consumption against baseline)**
    - Completed

27. **Undertake and support research to aid understanding of habitats and aquatic ecology**
    - Completed

28. **Provide infrastructure that supports more resilient biodiversity**
    - Completed

29. **No. of bird & bat boxes**
    - Completed

30. **Fair payment charter through transition from and to other major projects**
    - Completed

31. **Enhanced river walls**
    - Completed

32. **No. of supported assets**
    - Completed

33. **2022**

34. **Legacy performance data FY 21-22**

### Current Measure - Project Total

<table>
<thead>
<tr>
<th>Legacy Commitment</th>
<th>Current Measure</th>
<th>Target</th>
<th>In Period To Date</th>
<th>Project To Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legacy performance data FY 21-22</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Fair payment charter

- **Signed throughout supply chain**
  - Completed

- **100%**
  - Completed

### ESG DATA

- **Legacy performance data FY 21-22**
  - Completed

- **Exemplary performance (>20% over target)**
  - Completed

### At or above target

- **Performance below target, mitigation agreed**
  - Completed

### At or above target

- **Exemplary performance (<20% over target)**
  - Completed
ABBREVIATIONS AND GLOSSARY

ABB | Abbreviation
---|---
BAM Nuttall, Balfour Beatty and Morgan Sindall Joint Venture (Tideway West) | BAM
Carbon footprint | is a measure of the impact activities of a particular individual, organization, or community have on the amount of carbon dioxide (CO2) emissions produced through the burning of fossil fuels and is expressed as a weight of CO2 emissions produced in tonnes.
Construction carbon | is the total carbon from the construction phase, including embodied carbon of the materials and those associated with the operation of the plant and equipment.
CVB | Costain, Vinci, Bachy Soplaèche Joint Venture (Tideway East)
CSO | combined sewer overflow
Decarbonisation | the process by which countries, individuals or other entities aim to achieve zero fossil carbon existence. Typically refers to a reduction of the carbon emissions associated with electricity, industry and transport.
EA | Environment Agency
Embodied carbon | greenhouse gas emissions associated with materials and construction processes throughout the whole lifecycle of a building or infrastructure. Put simply, embodied carbon is the carbon footprint of a building or infrastructure project before it becomes operational.
Emissions | the release of GHGs into the atmosphere. Gases that are naturally occurring and manmade gases that trap infrared radiation as it is reflected from the earth’s surface, trapping heat and keeping the earth warm. The Kyoto Protocol covers a basket of six greenhouse gases produced by human activities: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride, all measured as carbon dioxide equivalents on the basis of the earth’s warming potential.
ESG | Environmental, Social, and Governance. Investors are increasingly applying these non-financial factors as part of their analysis process to identify material risks and growth opportunities.
Flooding | naturally occurring and manmade gases that trap infrared radiation as it is reflected from the earth’s surface, trapping heat and keeping the earth warm. The Kyoto Protocol covers a basket of six greenhouse gases produced by human activities: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride, all measured as carbon dioxide equivalents on the basis of the gases’ global warming potential.
IP | Established in 2016, the Infrastructure Industry Innovation Partnership (IP) is a community of client and supply chain organisations that have made a commitment to delivering collaborative innovation through projects supported by a large network of experts and innovators and world leading industry knowledge that will drive the future transformation of the infrastructure and construction industry.
LTI | London Tideway Improvement
Morgan Sindall, Balfour Beatty and Costain, Vinci, Bachy Soplaèche Joint Venture (Tideway East) | Morgan Sindall
Net Zero | a target of completely negating the amount of greenhouse gases produced by human activity, to be achieved by reducing emissions and implementing methods of absorbing carbon dioxide from the atmosphere.
Ofwat | the Water Services Regulation Authority, or Ofwat, is the body responsible for economic regulation of the privatized water and sewage industry in England and Wales.
Scope 1 emissions | defines the operational boundaries in relation to direct (scope 1) and indirect (scope 2 and 3) GHG emissions.
Scope 2 and 3 emissions | the reporting company’s indirect emissions from purchased electricity, heat, and steam. Scope 3 emissions is the reporting company’s indirect emissions other than those covered in scope 2.
SuDS | Sustainable drainage systems are drainage solutions that provide an alternative to the direct channeling of surface water through networks of pipes and sewers to nearby watercourses.
UNEP | UK climate projections 2009 produced by the Met Office Hadley Centre. Provides an estimate of the range of model-related uncertainties of pipes and sewers to nearby watercourses.
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