

UNITED UTILITIES' SUSTAINABLE FINANCE FRAMEWORK 2026



Document title: Second Party Opinion on United Utilities' Sustainable Finance Framework 2026

Prepared by: DNV Business Assurance Services UK Limited

Location: London, U.K.

Date: 26th March 2026

Project Number: 10610404

Identification: DNV-2026-ASR-C855526

Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures are provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not be detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements.

UNITED UTILITIES' SUSTAINABLE FINANCE FRAMEWORK ASSESSMENT 2026

DNV ELIGIBILITY ASSESSMENT

Scope and objectives

United Utilities Group PLC and its subsidiaries (henceforth referred to as "United Utilities" or the "Company"), are a UK-based water and wastewater service provider. As one of three listed water companies across England and Wales, the Company supplies 1.8 billion litres of drinking water to customers daily to a population of approximately eight million people across the Northwest of England, whilst also treating and returning wastewater via their 79,000 kilometres of wastewater pipes and 583 wastewater treatment works. Additionally, United Utilities' activities include generating renewable energy (e.g. biogas and biosolids from more than 200,000¹ dry tonnes of sewage sludge a year) and the provision of household services, e.g. meter reading, billing and account management services to customers.

In addition to the scaling of water efficiency plans via AMP8 (Asset Management Period 8), i.e. the UK water industry's eighth five-year regulatory cycle from 2025 - 2030 set by Ofwat², United Utilities is also committed to advancing its goals of achieving net zero emissions across Scopes 1, 2 and 3 by 2050, guided by the SBTi Net Zero Standard, GFANZ and the Transition Plan Taskforce framework. To date, the Company's sustainability efforts have been recognised by ESG scoring and index providers, such as CDP (achieving an 'A' score for the Climate theme and 'A-' for Water security in 2024), MSCI (scoring a MSCI ESG rating of A in 2024) and GRESB (attaining an A in October 2024)³ for example.

United Utilities also prioritises its social commitments through the provision of its own Hardship Hub which offers support via debt advisers for customers in vulnerable circumstances, a range of employee initiatives including training for 420 apprentices at the Company's Technical Training Centre, as well as active engagement and direct investment in community projects across the Northwest of England, including sharing £80,000⁴ of funding with grassroots organisations as part of its Better Rivers community fund. As part of AMP8, United Utilities aims to continue its social endeavours evidenced by ambitious targets, including the future provision of £525m in customer affordability support, i.e. aiming to help one in six customers in the Northwest.

Through its Sustainable Finance Framework, United Utilities looks to further align its financing strategy with its sustainability approach and targets. The Framework is designed in alignment with best practice principles such as the International Capital Market Association's (ICMA) Green Bond Principles 2025 (GBP), Social Bond Principles 2025 (SBP), the Asia Pacific Loan Market Association (APLMA), Loan Syndications and Trading Association (LSTA) and Loan Market Association's (LMA) Green Loan Principles 2025 (GLP) and Social Loan Principles 2025 (SLP), alongside the International Finance Corporation ("IFC") Guidelines for Blue Finance 2.0 2025 (GBF). The methodology to achieve this is described under 'Work Undertaken' below.

DNV was not commissioned to provide independent assurance or other audit activities. No assurance is provided regarding the financial performance of bonds or loans issued under the Company's Framework, the value of any investments, or the long-term environmental and/or societal benefits of the associated transactions. DNV's objective has

¹ All figures provided are as per the Annual Report as at 31 March 2025 ([link](#))

² UK water regulator

³ Source: United Utilities ESG performance webpage ([link](#))

⁴ Source: United Utilities Sustainability Report 2025 ([link](#)).

been to provide an assessment that the Framework has met the criteria established on the basis set out below.

Responsibilities of the Management of United Utilities and DNV

The management of United Utilities has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform United Utilities' management and other interested stakeholders in the Framework, as to whether the established criteria have been met based on the information provided to us. In our work, we have relied on the information and the facts presented to us by United Utilities. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by United Utilities' management that was used as a basis for this assessment, were not correct or complete.

Basis of DNV's opinion

We have adapted our eligibility assessment protocol which incorporates the requirements of the GBP, SBP, GLP, SLP and GBF to create a United Utilities-specific Sustainable Finance Eligibility Assessment Protocol (henceforth referred to as "Protocol"). Our Protocol includes a set of suitable criteria that can be used to underpin DNV's opinion.

As per our Protocol, the criteria against which the Framework has been reviewed are grouped under the four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that the Sustainable Finance Instruments must use the funds raised to finance eligible activities, which should produce clear environmental or social benefits.
- **Principle Two: Process for Project Evaluation and Selection.** The Project Evaluation and Selection criteria are guided by the requirements that an Issuer of a Sustainable Finance Instrument should outline the process it follows when determining the eligibility of an investment using the proceeds and outline any impact objectives it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that the Sustainable Finance Instruments should be tracked within the issuing organisation, that separate portfolios should be created when necessary and that a declaration of how unallocated funds will be handled, should be made.
- **Principle Four: Reporting.** The Reporting criteria are guided by the recommendation that at least annual reporting should be provided on the use of proceeds until all have been allocated, and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work undertaken

Our work constituted a high-level review of the available information based on the understanding that this information was provided to us by United Utilities in good faith. We have not conducted an audit or any other tests to check the veracity of the information provided to us.

The work undertaken to form our opinion included:

- Creation of a United Utilities-specific Protocol, adapted to the purpose of the Framework, as described above, and in [Schedules 1](#) and [2](#) of this Assessment.
- Assessment of documentary evidence provided by United Utilities on the Framework and supplemented by high-level desktop research. These checks refer to current assessment best practices and standards methodology.
- Discussions with United Utilities' management, as well as a review of relevant documentation and evidence related to the criteria of the Protocol; and
- Documentation of findings against each element of the criteria, as detailed in [Schedule 2](#) of this document.

Our opinion as detailed below is a summary of these findings.

Findings and DNV's opinion

DNV's summary findings are listed below, with further detail found in [Schedule 2](#):

1. Principle One: Use of Proceeds.

United Utilities and its associated entities and subsidiaries, intend to use the Framework to issue Sustainable Financing Instruments, such as "Green", "Blue", "Social" and "Sustainability" bonds, loans, private placements or other forms of debt instruments, to finance or re-finance, in whole or in part, new or existing Eligible Green, Blue and Social Projects ("Eligible Projects").

Eligible Projects fall under the following Green and Social Eligible categories⁵:

Eligible Green/Blue Categories:

- Sustainable Water Management*;
- Sustainable Wastewater Management / Pollution Prevention and Control*;
- Renewable Energy;
- Environmentally Sustainable Management of Living Natural Resources and Land Use / Terrestrial and Aquatic Biodiversity Conservation*;
- Climate Change Adaptation*;
- Clean Transportation.

Eligible Social Categories:

- Access to Essential Services /-Affordable Basic Infrastructure.

** Some projects within this category may qualify for Green and Blue financing*

DNV can confirm that the target population, e.g. vulnerable customers that are eligible for one of the Company's support schemes or the priority services register, is adequate and aligned with the SBP and SLP.

United Utilities also confirms that an amount equivalent to the net proceeds of the Sustainable Financing Instruments will be used exclusively towards Eligible Projects. Eligible expenditures may comprise of capital expenditures (Capex), selected operational expenditures (Opex) as well as physical assets. Where proceeds

⁵ Eligible Activities will explicitly exclude the (re-)financing any activities related to any fossil-fuel, nuclear, or large hydropower generation projects as well as any activities involving tobacco, alcohol, gambling or defence.

are used for refinancing existing projects, a maximum lookback period of 36 months will apply for all Capex and Opex, while no lookback period will apply for physical assets due to their long-term nature, as long as they meet the Eligibility Criteria set out in the Framework and achieve meaningful impact.

To demonstrate alignment with global sustainability ambitions, the Framework also maps its impact areas to the UN Sustainable Development Goals (UN SDGs), specifically: Goal #3 (Good Health & Wellbeing), Goal #6 (Clean Water & Sanitation), Goal #7 (Affordable & Clean Energy), Goal #11 (Sustainable Cities & Communities), Goal #13 (Climate Action), Goal #14 (Life Below Water), Goal #15 (Life on Land).

To make the Projects' benefits quantifiable, United Utilities' Framework also outlines a series of potential metrics that could be monitored to track impact for the Eligible Project Category. For more information, please see [Schedule 2](#).

DNV concludes that the Eligible Projects described within the Framework fall into the defined categories of the GBP, SBP, GLP, SLP and GBF and will deliver clear environmental benefits.

2. Process for Project Evaluation and Selection:

DNV can confirm that United Utilities has in place a process to appropriately determine the eligibility of projects for inclusion under the Framework. United Utilities has established a Sustainable Finance Committee ("the Committee") to determine project eligibility in line with the requirements set out in the Framework. The Committee is composed of representatives from Treasury, Asset Management and Sustainability and Finance, with other functions joining on an ad-hoc basis as needed. Under the current governance structure, the CFO chairs the Committee, which meets at least semi-annually and is responsible for overseeing alignment with the Framework.

The process for project evaluation and selection overall involves a number of additional, internal teams. For example, new potential capital expenditure projects are first identified and categorised through a 'Programme Approval Committee' process. In parallel, the Sustainable Finance Working Group (SFWG) identifies additional potential eligible projects where operating expenditure may apply. The suggestions are then ratified by the Sustainable Finance Working Group, who undertake detailed assessments to determine whether each project meets the Eligibility Criteria, whilst also preparing recommendations for the allocation of confirmed Eligible Projects.

Finally, the Sustainable Finance Committee is responsible for reviewing proposed allocations to Eligible Projects, monitoring their continued eligibility over the life of the Sustainable Financing Instruments, and approving changes to the Eligible Projects register in circumstances such as divestment, liquidation or technology changes. It also reviews and approves Allocation and Impact Reports and oversees updates to the Sustainable Finance Framework in line with market developments. Additionally, the Treasury function holds overall responsibility and oversight for allocation decisions.

DNV concludes that activities financed under future issuances will be appropriately evaluated, selected, managed and reported in accordance with the GBP, SBP, GLP, SLP and GBF.

3. Management of Proceeds:

DNV can confirm that United Utilities has established a process to ensure that an amount equal to the net proceeds of each Sustainable Financing Instrument is appropriately tracked and allocated to the portfolio of Eligible Projects. United Utilities' Treasury Function manages allocation on an instrument-by-instrument basis, with proceeds earmarked for Eligible Projects and tracked through internal systems.

On a best-efforts basis, the Treasury function aims to ensure that the value of the Eligible Project portfolio equals or exceeds the net proceeds of all Sustainable Financing Instruments issued under the Framework within 2 years of each issuance. Should any project become ineligible or be disposed of during the funding period, United Utilities will seek to reallocate the associated proceeds to another Eligible Project also within 2 years and on a best-efforts basis.

Until full allocation is achieved, unallocated proceeds will be managed in accordance with internal policies and may be temporarily invested in cash, cash equivalents or other comparable liquid instruments.

DNV concludes that United Utilities has a clear and transparent process for the management of proceeds, and that this process meets the requirements of the GBP, SBP, GLP, SLP and GBF.

4. Reporting:

DNV can confirm that United Utilities intends to report annually on the allocation of proceeds and the associated environmental and social impacts of the Eligible Projects. A Sustainable Finance report will be published within 1 year of the issuance of each Sustainable Financing Instrument and annually thereafter until full allocation is achieved, with any material developments captured in renewed versions of the report published on a timely basis thereafter. The report will be made publicly available on the Company's website and will comprise both an Allocation Report and an Impact Report where data availability permits.

United Utilities' allocation reporting is expected to include an overview of the amount outstanding in Sustainable Financing Instruments, summary details of the projects to which proceeds have been allocated, as well as a brief description of these, the total proceeds allocated per category, the share of financing versus refinancing, and the balance of any unallocated proceeds.

Impact reporting will be provided alongside allocation reporting, subject to data availability, and will describe the expected or actual environmental and/or social outcomes associated with the Eligible Projects.

United Utilities plans to report quantitative indicators for each Eligible Category, whereby it has outlined a comprehensive set of potential KPIs for each Eligible Category as detailed in [Schedule 2](#). As part of this, United Utilities aims to report on at least one quantitative impact metric per project category where proceeds have been allocated. These will be supplemented by qualitative information, case studies and explanations of methodologies, data reporting processes, where relevant.

DNV concludes that United Utilities has committed to transparent and appropriate allocation and impact reporting, in line with the requirements of the GBP, SBP, GLP, SLP and GBF.

Based on the assessment procedures conducted, no matters have come to the attention of DNV that causes us to believe that the Framework is not, in all material respects, in accordance with the Pre-Issuance requirements of the GBP, SBP, GLP, SLP and GBF.

for DNV Business Assurance Services UK Limited

London, 26th March 2026

A handwritten signature in black ink, appearing to read "Zohrah Yaqub".

Zohrah Yaqub
Lead Verifier
DNV – Business Assurance Services

A handwritten signature in black ink, appearing to read "George Oakman".

George Oakman
Quality Reviewer
DNV – Business Assurance Services

About DNV



Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight.

With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 15,000 professionals are dedicated to helping customers make the world safer, smarter and greener.





SCHEDULE 1: DESCRIPTION OF ACTIVITIES TO BE FINANCED UNDER THE FRAMEWORK



United Utilities has listed its Eligible Green Blue and Social Project Categories, with descriptions of the activities to be (re)-financed and eligibility criteria. For reference, United Utilities has also mapped out the alignment to the relevant UN SDGs.

Eligible Green & Blue Project Categories:

ICMA Eligible Green & Blue Project Category	Project Description and Eligibility Criteria	Example Green Projects	Indicative EU Taxonomy Objectives and Activities ⁶	UN SDG Alignment
<p>Sustainable Water Management</p> <p><i>Some projects within this category may qualify for Green and Blue financing</i></p>	<p>Planning, construction, extension, operation, and renewal of water collection, treatment and supply systems intended for human consumption based on the abstraction of natural resources of water from surface or ground water sources. This may also include:</p> <ul style="list-style-type: none"> ▪ Projects which improve water quality; ▪ Projects which reduce water losses from the system; ▪ Installation of customer water meters; ▪ Projects which improve the energy efficiency of the water supply system. <p><u>To qualify as Blue, projects must also meet one of the following criteria:</u></p> <ul style="list-style-type: none"> ▪ Water extraction activities that are conducted based on a comprehensive assessment of freshwater availability and that ensure a balance between discharge and recharge, thereby preventing overextraction of water ▪ Water efficiency technologies, equipment, and water management activities that reduce water footprint resulting in at least 	<ul style="list-style-type: none"> ▪ Refurbishment of the water supply network to reduce water losses ▪ Installation of customer water meters ▪ Water treatment works enhancements ▪ Water treatment improvement projects (e.g. UV LED) ▪ Lead pipe replacement ▪ Water Quality First programme. 	<p>Climate Change Mitigation</p> <ul style="list-style-type: none"> ▪ 5.1 – Construction, extension and operation of water collection, treatment and supply systems ▪ 5.2 – Renewal of water collection, treatment and supply systems <p>Sustainable Use and Protection of Water and Marine Resources</p> <ul style="list-style-type: none"> ▪ 2.1 – Water supply. 	 

⁶ An assessment by DNV has not been undertaken.




	<p>10% reductions per unit of service from a documented baseline</p> <ul style="list-style-type: none"> ▪ New, expansion, rehabilitation, or retrofitting of sustainable water supply infrastructure that would allow at least a 10% increase in the efficiency of the water supply system, thereby significantly reducing the volume of water abstracted to satisfy a defined demand; or ▪ Development, replacement, and/or rehabilitation of water conveyance and distribution systems that document at least a 10% reduction in physical losses compared to a documented baseline. 			
<p>Sustainable Wastewater Management / Pollution Prevention and Control</p> <p><i>Some projects within this category may qualify for Green and Blue financing</i></p>	<p>Planning, construction, extension, upgrade, operation and renewal of urban and rural wastewater infrastructure including treatment plants, sewer networks, storm water management structures, water storage, connections to the wastewater infrastructure, decentralised wastewater treatment facilities, including individual and other appropriate systems, and discharge structures for treated effluent.</p> <p>Planning, construction, extension, operation, and renewal of sustainable urban drainage systems (SUDS) facilities that mitigate pollution and flood hazards due to discharges of urban and rural runoff and improve the urban and rural water quality and quantity, by harnessing natural processes, such as infiltration and retention. This may include SUDS promoting:</p> <ul style="list-style-type: none"> ▪ Infiltration; ▪ Evaporation; 	<ul style="list-style-type: none"> ▪ Wastewater treatment works enhancements ▪ Sewer Flooding improvement program ▪ Projects to reduce storm overflow spills ▪ Rainwater management – capturing, removing, slowing or reusing rainwater before it enters sewers. 	<p>Sustainable Use and Protection of Water and Marine Resources</p> <ul style="list-style-type: none"> ▪ 2.2 – Urban waste water treatment ▪ 2.3 – Sustainable urban drainage systems (SUDS) <p>Climate Change Mitigation</p> <ul style="list-style-type: none"> ▪ 5.3 – Construction, extension and operation of waste water collection and treatment ▪ 5.4 – : Renewal of waste water collection and treatment. 	   




	<ul style="list-style-type: none"> Or other stormwater treatments or innovative systems. <p><u>To qualify as Blue, projects must also meet one of the following criteria:</u></p> <ul style="list-style-type: none"> Wastewater treatment plants and wastewater collection systems, including municipal, industrial, agri-business, commercial, and/or residential Wastewater reuse projects that demonstrate reduction of water abstraction or contamination of water bodies; or Drainage systems, flood management systems, and other adaptation and resilience infrastructure that prevent plastics, chemicals, or pollutants from reaching water runoff in areas close to a water body. 			
<p>Renewable Energy</p>	<p>Acquisition, installation, maintenance and repair of renewable energy equipment such as:</p> <ul style="list-style-type: none"> Solar Photovoltaic (PV); Wind power; Bioenergy⁷; or Cogeneration of heat/cool and power from bio-energy⁸. <p>Planning, construction, extension, upgrade, operation and renewal of facilities for the treatment of sewage sludge by anaerobic</p>	<ul style="list-style-type: none"> Renewable energy generation from solar power on land or water Renewable energy generation from wind power Renewable energy generation from Biogas-powered combined heat and power plants Bioresources programme⁹ covering the treatment 	<p>Climate Change Mitigation</p> <ul style="list-style-type: none"> 4.1 – Electricity generation using solar photovoltaic technology 4.3 – Electricity generation from wind power 4.8 – Electricity generation from bioenergy 4.20 – Cogeneration of heat/cool and power from bioenergy 	 



⁷ Emissions of biomass or biofuel used must be 80% lower than fossil fuel baseline or ≤100g CO₂e/kWh

⁸ Emissions of biomass or biofuel used must be 80% lower than fossil fuel baseline or ≤100g CO₂e/kWh..


⁹ There is no introduction of green or municipal waste that would require segregation for recycling prior to anaerobic digestion.

	<p>digestion with the resulting production and utilisation of biogas or chemicals, where:</p> <ul style="list-style-type: none"> A monitoring and contingency plan is in place in order to minimise methane leakage at the facility; and The produced biogas is used directly for the generation of electricity or heat or upgraded to bio-methane for injection in the natural gas grid or used as vehicle fuel or as feedstock in chemical industry. 	<p>and recycling of sewage sludge</p> <ul style="list-style-type: none"> Refurbishment of anaerobic digestion facilities. 	<ul style="list-style-type: none"> 5.6 – Anaerobic digestion of sewage sludge. 	
<p>Environmentally Sustainable Management of Living Natural Resources and Land Use / Terrestrial and Aquatic Biodiversity Conservation</p> <p><i>Some projects within this category may qualify for Green and Blue financing</i></p>	<p>Planning, construction, extension, and operation of nature-based flood or drought management and coastal, transitional or inland aquatic ecosystem restoration measures contributing to preventing and protecting against flooding or droughts, and enhancing natural water retention, biodiversity and water quality.</p> <p>Conservation, including restoration, of habitats, ecosystems and species, including freshwater, marine and coastal systems, where:</p> <ul style="list-style-type: none"> The activity maintains or re-establishes or restores ecosystems, species, or habitats. <p><u>To qualify as Blue, projects must also meet one of the following criteria:</u></p> <ul style="list-style-type: none"> Conservation, improvement, and restoration of freshwater, marine, and coastal ecosystems, preferably using an ecosystem management approach, including supporting innovative governance structures suitable for private and public investments; or 	<ul style="list-style-type: none"> Wetland creation (including reedbeds) – designed and using processes typical of natural wetlands Sustainable drainage systems that mimic nature to manage water flows Catchment management e.g. Natural flood management, farm infrastructure improvements - interventions within catchments to reduce nutrient and soil loss, improve water quality and improve flow management. Moorland restoration – protecting and enhancing upland peat habitats. Projects which deliver an increase in natural capital value 	<p>Sustainable Use and Protection of Water and Marine Resources</p> <ul style="list-style-type: none"> 3.1 – Nature-based solutions for flood and drought risk prevention <p>Protection and Restoration of Biodiversity and Ecosystems</p> <ul style="list-style-type: none"> 1.1 – Conservation, including restoration, of habitats, ecosystems and species contribution to biodiversity. 	  

	<ul style="list-style-type: none"> Conservation, improvement, and restoration of natural hydrological and sediment flows. 	<ul style="list-style-type: none"> Fish passage solutions Site of Special Scientific Interest (SSSI) protection schemes. Projects making ecological improvements at abstraction sites. 		
<p>Climate Change Adaptation</p> <p><i>Some projects within this category may qualify for Green and Blue financing</i></p>	<p>Construction, extension, renewal and operation of climate adapted centralised wastewater systems including collection (sewer network) and treatment, and water collection, treatment and supply systems where the activity has implemented physical and/or non-physical adaptation solutions, and/or individual adapting measures, that substantially reduce the most important physical climate risks that are material to that activity.</p> <p>This may include:</p> <ul style="list-style-type: none"> Projects which improve our assets' resilience to droughts and floods by mitigating associated risks Projects which protect our sites from risks associated with extreme weather events. <p><u>To qualify as Blue, projects must also meet the following criteria:</u></p> <ul style="list-style-type: none"> Drainage systems, flood management systems, and other adaptation and resilience infrastructure that prevent plastics, chemicals, or pollutants from reaching water runoff in areas close to a water body; Water extraction activities that are conducted based on a comprehensive 	<ul style="list-style-type: none"> Refurbishment of the water supply treatment assets and network to reduce water losses and improve resilience Refurbishment and/or enhancement of the wastewater treatment assets and network to reduce outages and improve resilience Projects to address climate resilience, river and coastal erosion and flood resilience. 	<p>Climate Change Adaptation</p> <ul style="list-style-type: none"> 5.1 – Construction, extension and operation of water collection, treatment and supply systems 5.2 – Renewal of water collection, treatment and supply systems 5.3 – Construction, extension and operation of wastewater collection and treatment 5.4 – Renewal of wastewater collection and treatment. 	  

	<p>assessment of freshwater availability and that ensure a balance between discharge and recharge, thereby preventing overextraction of water; or</p> <ul style="list-style-type: none"> Development, replacement, and/or rehabilitation of water conveyance and distribution systems that document at least a 10% reduction in physical losses compared to a documented baseline. 			
<p>Clean Transportation</p>	<p>Purchase, financing, leasing, rental and operation of vehicles with zero tailpipe emissions.</p> <p>Construction, installation, modernisation, maintenance, repair and operation of infrastructure that is required for zero tailpipe CO2 operation of zero-emissions road transport, where:</p> <ul style="list-style-type: none"> The infrastructure is dedicated to the operation of vehicles with zero tailpipe CO2 emissions, including: electric charging points, electricity grid connection upgrades, and hydrogen fuelling stations. 	<ul style="list-style-type: none"> Battery electric vehicle investment program Electric vehicle charging infrastructure Zero tailpipe emission alternatives for HGVs and tankers. 	<p>Climate Change Mitigation</p> <ul style="list-style-type: none"> 6.15 – Infrastructure enabling low-carbon road transport and public transport 6.5 – Transport by motorbikes, passenger cars and light commercial vehicles 7.4 – Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings. 	 

Eligible Social Project Categories:

ICMA Eligible Social Bond Principles Category	Project Description and Eligibility Criteria	Target Population and Social Objective	Example Social Projects	UN SDG Alignment
<p>Access to Essential Services / Affordable Basic Infrastructure</p>	<p>Investments and/or expenditures relating to programs which enable vulnerable customers to maintain access to water and other supplies.</p>	<p><u>Target population:</u> UU residential customers that are eligible for one of UU's support schemes¹⁰ or the priority services register.</p> <p><u>Social objective:</u> Reduced inequalities.</p>	<ul style="list-style-type: none"> ▪ Affordability schemes, such as WaterSure, Low Income Water Discount and Low Income Pensioner Discount, providing financial support to economically disadvantaged customers ▪ Priority Services Program¹¹ ▪ Hardship Hub¹². 	

¹⁰ UU's support schemes include Back on Track, WaterSure, WaterSure Plus, Low Income Pensioner Discount, Low Income Water Discount, Payment Matching or Financial Hardship Trust Fund. More details on eligibility for each support scheme can be found at <https://www.unitedutilities.com/my-account/your-bill/difficulty-paying-your-bill/how-we-can-help/>. Each application is assessed based upon the customer's personal circumstances, and typically customers who apply to the UUTF fall within at least one and often several of the target population categories defined in the Social Bond Principles. In particular, a high proportion of applications are made by customers who are unemployed or on low incomes (possibly zero hours contracts), and often these customers have experienced a change in circumstances, or family event – such as disability, bereavement and/or being unpaid carers which has put a strain on their financial circumstances.

¹¹ The Priority Services Program is designed to provide tailored support to vulnerable members of society in order to maintain their access to the water supply. Eligible groups include those suffering from chronic/serious illness (including mental health conditions), restricted movement, the elderly (pensionable age), blind or partially sighted, hearing impaired, language or speech difficulties, financially vulnerable, and young adult householders in temporary accommodation. Further information is available at <https://www.unitedutilities.com/help-and-support/priority-services/>.

¹² The Hardship Hub gives the region's money advice community the tools to help pinpoint the right support for the people who come to them for help. The hub has been specifically created to support those organisations throughout the North West who provide expert advice to individuals struggling with debt. Access to the information held on the hub is only available to registered advisors working on a not-for-profit basis. Further information is available at: <https://www.hardshiphub.co.uk/>

SCHEDULE 2: UNITED UTILITIES’ SUSTAINABLE FINANCE FRAMEWORK ELIGIBILITY ASSESSMENT PROTOCOL

1. Use of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Types of Financing Framework	The Sustainable Finance Framework should make clear what financial instruments are to be defined as eligible for green financing.	<p>In addition to reviewing the evidence below, we have had several discussions with United Utilities.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> United Utilities’ Sustainable Finance Framework 2026 	<p>United Utilities intends to use the Framework to issue Green financing instruments, Blue financing instruments, Social financing instruments and Sustainability financing instruments, i.e. bonds, loans and private placements or other forms of debt instruments, (together “Sustainable Financing Instruments”), to (re)-finance in whole or part, new or existing Eligible Projects (which fall under Green, Blue and Social categories).</p> <p>Any of the Company’s associated subsidiaries and entities, including but not limited to the following, may issue these Sustainable Finance Instruments in accordance with the criteria set out in the Framework:</p> <ul style="list-style-type: none"> United Utilities PLC United Utilities Water Limited United Utilities Water Finance PLC (UUV’s 100%-owned financing subsidiary). <p>The Eligible Projects may comprise of capital expenditures, selected operational expenditures as well as physical assets. From the time of issuance, a look-back period of up to 36 months will apply to such capital and operational expenditures, whereas assets will have no lookback period due to their long-term nature, given they are in use, make a meaningful impact and adhere to the Eligible Project criteria at the time of issuance, as outlined in Schedule 1.</p> <p>DNV can confirm that the instruments to be issued under this Framework will support the advancement of the UN SDGs as indicated in Schedule 1, and that these align with the GBP, SBP, GLP, SLP and GBF.</p>
1b	Green / Social Project Categories	The cornerstone of a Green/Social/Sustainable Bond/ Loan is the utilisation of the proceeds which should be appropriately	In addition to reviewing the evidence below, we have had several discussions with United Utilities.	United Utilities confirms that an amount equivalent to the net proceeds of the Sustainable Financing Instruments will be used to (re)-finance in full or in part Eligible Projects that meet the eligibility criteria defined in Schedule 1 of this Opinion.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		described in the legal documentation for the security.	Evidence reviewed: <ul style="list-style-type: none"> ▪ United Utilities' Sustainable Finance Framework 2026. 	Additionally, this will explicitly exclude the (re-)financing any activities related to any fossil-fuel, nuclear, or large hydropower generation projects ¹³ as well as any activities involving tobacco, alcohol, gambling or defence. DNV can confirm that the Eligible Categories as per the criteria set out in the Framework, are consistent with the GBP, SBP, GLP, SLP and GBF.
1c	Sustainability benefits	All designated Eligible Project categories should provide clear environmental or social benefits which, where feasible, will be quantified or assessed by the Issuer.	In addition to reviewing the evidence below, we have had several discussions with United Utilities. Evidence reviewed: <ul style="list-style-type: none"> ▪ United Utilities' Sustainable Finance Framework 2026 	The Company intends to deliver environmental benefits through the Eligible Projects financed under the Framework, in line with its broader sustainability ambitions. To demonstrate this, the Company has aligned the Eligible Green Category with indicative EU Taxonomy objectives and activities ¹⁴ , as well as specific UN Sustainable Development Goals (SDGs) which it aims to contribute towards, i.e. <ul style="list-style-type: none"> • Goal #3 (Good Health & Wellbeing) • Goal #6 (Clean Water & Sanitation) • Goal #7 (Affordable & Clean Energy) • Goal #11 (Sustainable Cities & Communities) • Goal #13 (Climate Action) • Goal #14 (Life Below Water) • Goal #15 (Life on Land). To make the benefits quantifiable, United Utilities' Framework outlines the potential impact metrics that could be monitored to track the environmental benefits in this category. These metrics are outlined in section 4 of this Schedule . The evidence reviewed gives DNV the opinion that future issuances under the Framework will deliver clear environmental benefits, in line with the GBP, SBP, GLP, SLP and GBF.

¹³ Defined as hydropower projects with a capacity of 25 MW or above, and involving a water impoundment dam.

¹⁴ An assessment by DNV has not been undertaken.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1d	Refinancing Share	In the event that a proportion of the proceeds may be used for refinancing, it is recommended that issuers provide an estimate of the share of financing vs. re-financing, and where appropriate, also clarify which investments or project portfolios may be refinanced and the expected look-back period.	<p>In addition to reviewing the evidence below, we have had several discussions with United Utilities.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> United Utilities' Sustainable Finance Framework 2026. 	<p>United Utilities expect that a portion of proceeds will be used for refinancing existing projects.</p> <p>Refinancing of capital and operational expenditures will be limited to a 36-month lookback period, whilst no lookback period will apply to asset expenditures as long as they meet the Eligibility Project criteria, remain impactful and are in use.</p> <p>United Utilities confirms that upon the reporting of its allocation of funds, it shall report the split of allocations dedicated to financing and to re-financing Eligible Projects respectively.</p> <p>DNV confirms that this is in line with the requirements set out in the GBP, SBP, GLP, SLP and GBF.</p>
1e	Target Population	All designated social projects should provide the social benefits outlined in 1c to specific target populations.	<p>In addition to reviewing the evidence below, we have had several discussions with United Utilities.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> United Utilities' Sustainable Finance Framework 2026. 	<p>United Utilities has confirmed that all expenditures from any issuance under this Framework, which are dedicated to Eligible Social Projects, target eligible beneficiaries. This specifically vulnerable customers eligible for one of the Company's support schemes or the priority services register.</p> <p>DNV confirms that the target population is consistent with the those outlined in the SBP and SLP.</p>

2. Process for Project Evaluation and Selection

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	The Issuer of a Sustainable Finance Framework should outline the decision-making process it follows to determine the eligibility of projects using Bond / Loan proceeds.	<p>In addition to reviewing the evidence below, we have had several discussions with United Utilities.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> United Utilities' Sustainable Finance Framework 2026. 	<p>DNV confirms that United Utilities has reported a clear process in place to select and evaluate the Eligible Projects it will (re-)finance.</p> <p>Under the current governance structure, Eligible Projects will be selected by the Sustainable Finance Committee which will meet on at least a semi-annual basis and is chaired by CFO.</p>

				<p>The Committee is formed by senior-level representatives from corporate functions including Treasury, Asset Management and Sustainability and Finance, alongside other functions on an ad-hoc basis and when required.</p> <p>Responsibilities of the Sustainable Finance Committee include:</p> <ul style="list-style-type: none"> ▪ Reviewing and ensuring proposed allocations to Eligible Projects are made in alignment with the Sustainable Finance Framework; ▪ Overseeing and monitoring the continued eligibility of the Projects over the lifetime of the Sustainable Financing Instruments; ▪ Reviewing and approving proposed changes to the Eligible Projects register should these no longer adhere to the eligibility criteria (i.e. in the event of divestment, liquidation, technology switch etc.) and reviewing replacements as soon as reasonably practicable; ▪ Reviewing and approving Allocation and Impact Reports; ▪ Overseeing the Sustainable Finance Framework, including any changes proposed or made to the Framework. <p>The process for project evaluation and selection overall involves a number of additional, internal teams. For example, new potential capital expenditure projects are first identified and categorised through a 'Programme Approval Committee' process.</p> <p>In parallel, the Sustainable Finance Working Group (SFWG) identifies additional potential eligible projects where operating expenditure may apply. The suggestions are then ratified by the Sustainable Finance Working Group, who undertake detailed assessments to determine whether each project meets the Eligibility Criteria, whilst also preparing recommendations for the allocation of confirmed Eligible Projects.</p> <p>Finally, the Sustainable Finance Committee is responsible for reviewing proposed allocations to Eligible Projects, monitoring their continued eligibility over the life of the Sustainable Financing Instruments, and approving changes to the Eligible Projects register in circumstances such as divestment, liquidation or technology changes. It also reviews and approves Allocation and Impact Reports and oversees updates to the Sustainable Finance Framework in line with market developments.</p>
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2b	<p>Issuer's environmental, social and governance framework</p>	<p>In addition to the information disclosed by an Issuer on its Green Bond / Loan process, criteria and assurances, investors may also take into consideration the quality of the Issuer's overall framework and performance regarding environmental and social governance.</p>	<p>In addition to reviewing the evidence below, we have had several discussions with United Utilities.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> ▪ United Utilities' Sustainable Finance Framework 2026. 	<p>DNV can confirm that United Utilities' Sustainable Finance Framework is aligned with Company's wider environmental and social ambitions, including the Company's management of sustainability related risk and opportunities.</p> <p>The Company has a risk assessment process for Eligible Projects which is aligned to Group-wide policies. This process takes into consideration risk standards, such as the aligns to the International Risk Management Standard (ISO 31000).</p> <p>More broadly, United Utilities' sustainability approach is driven by its ambition to advancing its environmental goals of achieving net zero emissions across Scopes 1, 2 and 3 by 2050, guided by the SBTi Net Zero Standard, GFANZ and the Transition Plan Taskforce framework.</p> <p>Additionally, the Company also prioritises its social commitments through the provision of support via debt advisers for customers in vulnerable financial circumstances, inclusive employee initiatives, alongside direct investment in community projects with grassroots across the Northwest of England.</p> <p>DNV concludes that the Framework is in line with the Company's broader sustainability ambitions.</p>

3. Management of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of Green Financing Instrument issuances should be credited to a sub-account, moved to a sub-portfolio, or otherwise tracked by the Issuer in an appropriate manner and attested to by a formal internal process, that will be linked to the Issuer's lending and investment operations for Eligible Green Projects.	<p>In addition to reviewing the evidence below, we have had several discussions with United Utilities.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> United Utilities' Sustainable Finance Framework 2026. 	<p>United Utilities' Treasury Function will manage the allocation of net proceeds on an instrument-by-instrument basis, whereby an amount equal to the net proceeds of each Sustainable Financing Instrument will be used for allocation to the Eligible Projects portfolio.</p> <p>The allocation of proceeds for each Sustainable Financing Instrument will be tracked via internal systems.</p> <p>DNV concludes that United Utilities has made the appropriate plans to track the use of proceeds and can confirm that this is attested to by a robust and formal internal process.</p>
3b	Tracking procedure	So long as the Green Bonds / Loans are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching the Eligible Green investments or loan disbursements made during that period.	<p>In addition to reviewing the evidence below, we have had several discussions with United Utilities.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> United Utilities' Sustainable Finance Framework 2026. 	<p>On a best-efforts basis, United Utilities' Treasury team will provide oversight and seek to ensure that the value of the portfolio of Eligible Projects equals or exceeds the net proceeds of all Sustainable Financing Instruments issued under the Frameworks within 2 years of each issuance.</p> <p>In addition, Treasury will ensure that if a project becomes ineligible or is disposed of during the funding period, its allocated proceeds are reallocated to another Eligible Project within two years on a best-efforts basis.</p> <p>DNV concludes that there is a clear process in place for the tracking of the balance of the proceeds which accounts for disbursements.</p>
3c	Temporary holdings	Pending such investments or disbursements to Eligible Green Projects, the Issuer should make known to investors the intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>In addition to reviewing the evidence below, we have had several discussions with United Utilities.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> United Utilities' Sustainable Finance Framework 2026. 	<p>Until full allocation is achieved, any unallocated net proceeds raised from the Sustainable Finance Instruments will be managed in line with applicable internal policies and temporarily invested in cash, cash equivalents, or other comparable, short-term and liquid instruments.</p> <p>DNV concludes that the United Utilities has appropriately disclosed how it will manage any unallocated proceeds.</p>

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	<p>In addition to reporting on the use of proceeds and the temporary investment of unallocated proceeds, Issuers should provide, at least annually, a list of projects to which Bond, and where appropriate Loan proceeds, have been allocated including - when possible, with regards to confidentiality and/or competitive considerations - a brief description of the projects and the amounts disbursed, as well as the expected environmentally sustainable impact.</p>	<p>In addition to reviewing the evidence below, we have had several discussions with United Utilities.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> United Utilities' Sustainable Finance Framework 2026. 	<p>United Utilities intends to issue a Sustainable Finance report within 1 year of the date of issuance of the Sustainable Financing Instruments, until full allocation is achieved. In the event that proceeds are fully allocated, the report will be renewed on a timely basis to capture material developments.</p> <p>The Sustainable Finance report will be made available publicly on the website (link) and will include an Allocation Report and an Impact Report, the latter subject to data availability.</p> <p>Allocation Reporting</p> <p>The Allocation Report is anticipated to include:</p> <ul style="list-style-type: none"> The amount of outstanding Sustainable Financing Instruments pending allocation; A list of the projects to which proceeds have been allocated, as well as a brief description of these; The total amount of proceeds allocated to Eligible Projects, per category; The proportion of the proceeds allocated to refinancing versus financing; The balance of unallocated proceeds, if any. <p>Impact Reporting</p> <p>As part of the Impact Report, United Utilities plans to disclose the expected or actual environmental and/or social impacts associated with the Eligible Projects financed under the Framework, drawing on the indicative quantitative metrics identified for each Eligible Category listed below. As part of this, United Utilities aim to report on at least one quantitative impact metric per project category where proceeds have been allocated.</p> <p>Impact disclosures may be complemented by qualitative information and case studies that illustrate project outcomes. Where relevant,</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>United Utilities also intends to provide information on data reporting processes, and impact-assessment methodologies.</p> <p><u>Eligible Green Categories:</u></p> <p>Sustainable Water Management</p> <ul style="list-style-type: none"> ▪ Water savings from leakage reduction, 3-year average MI/d and % leakage reduction ▪ Reduction in operational emissions per megalitre of treated water, kg CO₂e/MI ▪ Drinking water quality compliance (compliance risk index score) ▪ Water supply interruptions per property per year (hours:minutes:seconds) ▪ Number of meters installed ▪ Customer contacts about water quality per 10,000 population ▪ % reduction in water abstractions. <p>Sustainable Wastewater Management / Pollution Prevention and Control</p> <ul style="list-style-type: none"> ▪ Reduction in operational emissions per megalitre of treated wastewater, kg CO₂e/MI ▪ Total and/or serious pollution incidents per 10,000km of wastewater network ▪ Discharge permit compliance – % of treatment works in compliance with their discharge permits on a calendar year basis ▪ Average number of spills per storm overflow ▪ Internal and/or external sewer flooding per 10,000 connected properties ▪ % Bioresource recycled to land (or % of Bioresource classed as enhanced product) ▪ River water quality (phosphorus) - % reduction in phosphorus ▪ Bathing water quality - quality % score. <p>Renewable Energy</p> <ul style="list-style-type: none"> ▪ Annual avoided emissions from renewable electricity generated, tCO₂e

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> ▪ Annual renewable energy generation in MWh/GWh ▪ Net GHG emission reduction from sewage sludge treatment through the capture and utilisation of the generated biogas ▪ Methane leakage reduction, kg CO₂e, and % reduction ▪ Total energy generated from biomethane, GWh, % increase y-o-y energy generated through CHP. <p>Environmentally Sustainable Management of Living Natural Resources and Land Use / Terrestrial and Aquatic Biodiversity Conservation</p> <ul style="list-style-type: none"> ▪ Percentage of SSSI¹⁵-designated land classed as having favourable or recovering status ▪ Number of nature-based solutions implemented (number of individual schemes/projects) ▪ Increase in Natural Capital¹⁶ value ▪ Hectares of peatland restored and certified to the Peatland Carbon Code (or equivalent) ▪ Hectares of woodland created and certified to the Woodland Carbon Code (or equivalent) ▪ Number of trees planted ▪ Increased area managed under nature-based solutions (ha) ▪ Biodiversity per 100km² of land. <p>Climate Change Adaptation</p> <ul style="list-style-type: none"> ▪ Reduction in flood damage costs ▪ Reduction in number of operating days lost to floods ▪ Reduced/avoided water loss (in reservoirs/waterways/natural habitats etc.) in m³ for supporting water resilience ▪ Reduction in land-loss from inundation and/or coastal erosion in km ▪ Additional water availability and/or increased water catchment in m³/year

¹⁵ SSSI – Site of Special Scientific Interest - a conservation designation denoting a protected area.

¹⁶ United Utilities define the added Natural Capital value of schemes as the sum of the multiple benefits delivered by a scheme, beyond those associated with a conventional engineering-led approach. United Utilities calculate the added value of these benefits using an independently assured Natural Capital Accounting methodology. The method assesses six Ecosystem Services (ESS) valued by customers; water quality, climate mitigation, flooding, biodiversity, amenity & recreation and health & wellbeing. Natural Capital enhancement measures may include afforestation and/or reforestation projects. As a major owner of woodland, United Utilities manage trees in sustainable way to protect water quality, conservation, access, recreation value and timber value, and have been Forest Stewardship Council® (FSC®) certified since 2003. The FSC-UK forest management standard endorses the UK Woodland Assurance Standard (UKWAS) and this certification covers all 4336 hectares of their woodland estate. United Utilities' certificate number is SGS-FM/COC-001381 and their License code is FSC-C005555.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<ul style="list-style-type: none"> ▪ Reduction in household demand for clean water – per capita consumption. <p>Clean Transportation</p> <ul style="list-style-type: none"> ▪ Annual GHG emissions reduced/avoided in tCO₂e p.a. ▪ Number of electric vehicles deployed in the Company's fleet. <p><u>Eligible Social Categories:</u></p> <p>Access to Essential Services – Affordable Infrastructure</p> <ul style="list-style-type: none"> ▪ Number of customers listed on United Utilities' priority services register ▪ Number of customers supported by United Utilities through affordability schemes ▪ Number of customers lifted out of water poverty. <p>DNV can confirm that United Utilities has committed to allocation and impact reporting on an annual basis, and that this is aligned with the guidance within the GBP, SBP, GLP, SLP and GBF.</p>