

YORKSHIRE WATER SUSTAINABLE BOND 2024

DNV ELIGIBILITY ASSESSMENT

Scope and objectives

Yorkshire Water Services Financing Plc (hereafter referred to as “Yorkshire Water” or the “Company”) is a water and sewerage company operating in the Yorkshire and Humber Region of England. The company collects, treats, and distributes clean water, in addition to collecting, treating, and disposing of 2.2 billion litres of wastewater and rainwater every day. The Company serves approximately 5.5 million customers in the region.

Yorkshire Water, together with its financing subsidiaries, Yorkshire Water Services Finance Limited and Yorkshire Water Finance Plc, developed a **Sustainable Finance Framework** (the “Framework”) in 2023 to raise debt to support the (re-)financing of assets and expenditures of a sustainable nature, across its activities.

The Company intends to issue a Sustainable Bond **with a value of GBP 400 million sterling** (hereafter referred to as the “Bonds”) for the purpose of financing and refinancing its business activities including capital expenditure, that helps meet the Company’s longer-term sustainability objectives. The Bonds will finance in whole, or in part, projects related to the **Eligible Green Category** of “**Sustainable Water and Wastewater Management**”, as confirmed by Yorkshire Water (see [Schedule 1](#) for further detail), whilst also aligning with the **Eligible Social Category** of “**Affordable basic infrastructure and services**”.

DNV Business Assurance Services UK Limited (henceforth referred to as “DNV”) has been commissioned by Yorkshire Water to provide an assessment of the eligibility of the Bonds. Our methodology to achieve this is described under the ‘Work Undertaken’ section, as detailed below.

We were not commissioned to provide independent assurance or undertake any other audit activities. No assurance is provided regarding the financial performance of the Bonds, the value of any investments in the Bonds, the alignment of the Bonds with Regulatory requirements, or the long-term environmental benefits of the transactions. Our objective has been to provide an assessment that the Bonds have met the criteria established, on the basis as set out below.

Responsibilities of the Management of Yorkshire Water and DNV

The management of Yorkshire Water has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion that is intended to inform Yorkshire Water’s management and other interested stakeholders, as to whether the Sustainable Bond are aligned with Yorkshire Water’s Sustainable Finance Framework, as issued in 2023. To assess the eligibility of the Sustainable Bond, our assessment reviews the Bond’s eligibility against the Framework, supplemented with a review against international guidelines and standards, and DNV’s own technical expertise.

In our work, we have relied solely on the information and the facts presented to us by Yorkshire Water. DNV is not responsible for any aspect of the nominated assets referred to in this opinion, and we cannot be held liable if the estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or

data provided by Yorkshire Water's management, and that used as a basis for the assessment, were not correct or complete.

Basis of DNV's opinion

We have adapted our Sustainability Bond eligibility assessment methodology to create a **Yorkshire Water-specific Sustainability Bond Eligibility Assessment Protocol** (henceforth referred to as "Protocol") - see [Schedule 2](#). 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 Bonds have been reviewed, are grouped under the following four Principles:

- **Principle One: Use of Proceeds.** The Use of Proceeds criteria are guided by the requirement that an Issuer of a Sustainability Bond must use the funds raised to finance eligible activities. The eligible activities should produce clear environmental 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 Sustainability Bond should outline the process it follows when determining the eligibility of an investment using the Sustainability Bond proceeds and outline any green impact objectives that it will consider.
- **Principle Three: Management of Proceeds.** The Management of Proceeds criteria are guided by the requirements that a Sustainability Bond should be tracked within the issuing organisation, that a separate portfolio 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 of the use of the Sustainability Bond proceeds, to the bond investors, should be made; and that quantitative and/or qualitative performance indicators should be used, where feasible.

Work undertaken

Our work constituted a high-level review of the information provided to us by Yorkshire Water, based on the understanding this was provided to us in good faith. We have not performed an audit, or other tests, to check the veracity of the information provided to us.

The work that was undertaken to form our opinion included:

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

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 provided in [Schedule 2](#).

1. Principle One: Use of Proceeds

Under its Sustainability Finance Framework 2023, Yorkshire Water intends to use the proceeds of the Sustainability Bond to invest in projects that fall under the Eligible Green Category of "Sustainable Water and Wastewater Management" whilst also aligning with the **Eligible Social Category** of "**Affordable basic infrastructure and services**".

Yorkshire Water has a Sustainable Project Portfolio within which two sub-categories of, monitoring "Raw Water" and "Waste Water", are applicable to this Bond.

DNV has reviewed a sub-portfolio (see [Schedule 1](#)) and the supporting evidence provided by Yorkshire Water, and can confirm that the projects under the sub-categories for "Raw Water" and "Waste Water", are appropriately labelled under the Sustainable Water and Wastewater Management Eligible Green Category, as outlined within the Framework. We can also confirm that these projects will provide clear environmental benefits, as per the definitions provided in the Framework.

DNV concludes that the proceeds of the Bond are in accordance with the criteria as set out in the Framework, and subsequently comply with the requirements as set out by the relevant ICMA principles, at the time the Framework was issued.

2. Principle Two: Process for Project Evaluation and Selection

DNV confirms that Yorkshire Water has a clear governance process in place for making sustainable investments which applies to any project under proposal for funding by the capital expenditure of the Bond. We can also confirm that the Company has a clear process in place for the evaluation and selection of Eligible Projects, which forms part of its governance process, as outlined in its Annual Performance Report.

Yorkshire Water has confirmed that before any project is classified as eligible, it is subject to review by the **Sustainable Finance Framework Committee** (hereafter referred to as "The Committee"). As laid out in the Framework, this Committee follows a documented process to review any proposed asset and/or expenditure, determining if they satisfy the applicable categories and the Company's aim to maintain and improve sustainability. The Committee is composed of representatives from the Group's Finance and Sustainability functions. The duties of this Committee are detailed in [Schedule 2](#).

DNV has reviewed the evidence provided and has held discussions with the representatives of Yorkshire Water and can confirm that the process for project evaluation and selection has been followed for this Bond, it is in line with the process as described within the Framework, and finally, is in accordance with the criteria as set out by the relevant ICMA principles.

3. Principle Three: Management of Proceeds

Yorkshire Water stated in its Framework that the Treasury Team is responsible for the management of any transaction and the net proceeds are to be allocated on an Eligible Category basis. To ensure the accuracy of the information reported and to avoid double counting, the proceeds of the Bond are to be monitored by Yorkshire Water's internal tracking system. As the proceeds of the Bond are allocated, this system is updated. We can confirm that in the case of this Bond, the process for the management of the proceeds has been appropriately described, and is in line with the requirements as set out in the Framework.

Yorkshire Water has committed to over-collateralising and maintaining a healthy buffer of investments and expenditures throughout the lifetime of the Bond.

Should the net proceeds of the Bond be unallocated or pending allocation, Yorkshire Water has stated an amount equal to the balance of the net proceeds will be temporarily invested in instruments, which align with the relevant section of the Company's Internal Treasury Policy. Where possible and practical, unallocated net proceeds will be invested in the form of Sustainable Liquid Investments, (i.e. Government Bonds and Green Bank Deposits).

DNV has reviewed the evidence supplied by Yorkshire Water and we can confirm that the Company has appropriately described how proceeds of the Bond will be managed, which is in accordance with the criteria as outlined within the Framework, and the relevant ICMA principles.

4. Principle Four: Reporting

An Allocation and Impact report on the net proceeds of the Bond will be made available to its investors within one year of the date of the Bond's issuance. In accordance with the Framework, Yorkshire Water has committed to detailing a list of the eligible projects financed, an aggregated amount of the allocation of the net proceeds, the balance of unallocated proceeds, and the share of financing and refinancing for the eligible category, for this Bond.

With regards to impact reporting, in its Framework Yorkshire Water has confirmed that it will measure, wherever feasible, the benefits of the investments and expenditures deriving from the transactions. This will be across the Project subcategories outlined in [Schedule 1](#).

DNV concludes that Yorkshire Water has made the appropriate plans to produce reporting on the allocation and environmental impacts of all investments under the Bonds. We can also confirm that this is in line with the Framework and the relevant ICMA principles.

Based on the information provided by Yorkshire Water and the work undertaken, it is DNV's opinion that the Sustainability Bond meets the criteria established in the Protocol, and that it is aligned with the Yorkshire Water Services Sustainability Finance Framework 2023, which is in line with the relevant ICMA principles.

for DNV Business Assurance Services UK Limited

London, 16th September 2024

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

Zohrah Yaqub
Senior Consultant and Project Manager
DNV – Business Assurance

A handwritten signature in black ink, appearing to read "Niki Hutson".

Niki Hutson
Head of Sustainable Finance and Reviewer
DNV – Business Assurance

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 13,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF PROJECTS TO BE FINANCED THROUGH THE SUSTAINABILITY BOND

Yorkshire Water has listed its Eligible Green and Social Project Categories, with descriptions of the respective activities to be (re)-financed.

Eligible Green Categories:

Eligible Green Category	Eligible Portfolio Categories to be Financed
<p>Sustainable Water and Wastewater management</p>	<p>Raw Water:</p> <ul style="list-style-type: none"> • Water Resources • Raw Water Distribution • Water Treatment • Treated Water Distribution
	<p>Wastewater:</p> <ul style="list-style-type: none"> • Sewage Collection • Network Plus Sewage Treatment • Sludge Transport • Sludge Treatment • Sludge Disposal

Eligible Social Project Categories:

Eligible Social Category	Description of Projects to be Financed	Target Population
<p>Affordable basic infrastructure and services</p>	<ul style="list-style-type: none"> Enhance residents access to essential water services through initiatives implemented by Yorkshire Water, i.e. Raw Water and Waste Water Projects. 	<p>Population of Yorkshire and Humber Region of England, including low-income households</p>

SCHEDULE 2: YORKSHIRE WATER SUSTAINABILITY BOND ELIGIBILITY ASSESSMENT PROTOCOL

1. Use of Proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1a	Type of Bond	<p>The Sustainability Bond must fall within one of the following categories, as defined by the Green & Social Bond Principles:</p> <ul style="list-style-type: none"> • Use of Proceeds Bond • Use of Proceeds Revenue Bond • Project Bond • Securitised Bond 	<p>In addition to reviewing the evidence below, we interviewed senior managers within Yorkshire Water.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Yorkshire Water Sustainable Finance Framework 2023. • Yorkshire Water Prospectus 2024. • Sustainable Portfolio - Project Bison.xls. • Project Bison – Draft Bond Term Sheet. 	<p>Yorkshire Water has confirmed that the Bond can be classified as a “Sustainable Use of Proceeds Bond”.</p> <p>Yorkshire Water confirmed that it intends to apply a 24-month lookback period when allocating the proceeds to Capex expenditures that were incurred against Eligible Projects, before the issuance of the Sustainability Bonds.</p>
1b	Green / Social Project Categories	<p>The cornerstone of a Sustainability Bond is the utilisation of the proceeds of the Sustainability Bond which should be appropriately described in the legal documentation for security.</p>	<p>In addition to reviewing the evidence below, we interviewed senior managers within Yorkshire Water.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Yorkshire Water Sustainable Finance Framework 2023. • Yorkshire Water Prospectus 2024. • Sustainable Portfolio - Project Bison.xls. • Project Bison – Draft Bond Term Sheet. 	<p>DNV has reviewed the evidence provided and we can confirm that the projects to be financed fall under the Eligible Green category of, “Sustainable Water and Wastewater Management”, and aligns with the Eligible Social Category of “Affordable basic infrastructure and services”.</p> <p>Yorkshire Water has divided the ICMA Green category into subcategories, namely: “Raw Water” and “Wastewater”, to best report their allocation of the proceeds.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>DNV also concludes that the projects align with the ICMA Social category ‘Affordable basic infrastructure and services’.</p> <p>We can conclude the utilisation of proceeds is appropriately described in the legal documentation for the Sustainability Bond Project Portfolio.</p>
1c	Environmental & Social benefits	All designated Green Project categories should provide clear environmental benefits, which, where feasible, will be quantified or assessed by the Issuer.	<p>In addition to reviewing the evidence below, we interviewed senior managers within Yorkshire Water.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Yorkshire Water Sustainable Finance Framework 2023. • Yorkshire Water Prospectus 2024. • Sustainable Portfolio - Project Bison.xls. • Project Bison – Draft Bond Term Sheet. 	<p>DNV has reviewed Yorkshire Sustainable Finance Framework 2023, and its Sustainable Project Portfolio, and we can confirm that based on the evidence reviewed, the projects which are to be financed through the Framework form a key part of Yorkshire Water’s Sustainable Finance Strategy.</p> <p>Yorkshire Water has also outlined the environmental and social benefits of the plan and has confirmed that it is committed to reporting on the impact of the Sustainability Bond.</p> <p>DNV concludes that the Eligible Projects will provide clear environmental and social benefits across a range of relevant areas – which include the improvement of water efficiency, the management of sludge, and the cleanliness of water for consumption and use.</p> <p>In addition, we can confirm that Yorkshire Water has outlined the metrics that it intends to use within the Framework.</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
1d	Target Population	All designated social projects should provide the social benefits outlined in 1d to specific target populations.	<p>In addition to reviewing the evidence below, we interviewed senior managers within Yorkshire Water.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> Yorkshire Water Sustainable Finance Framework 2023. Yorkshire Water Prospectus 2024. Sustainable Portfolio - Project Bison.xls. Project Bison – Draft Bond Term Sheet. 	<p>The proceeds will be targeting the population of Yorkshire and Humber Region of England, including low-income households.</p> <p>DNV confirms that the target population is consistent with the target populations as outlined in the SBPs.</p>

2. Process for Project Evaluation and Selection

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
2a	Investment-decision process	<p>The issuer of a Sustainability Bond should outline the decision-making process it follows to determine the eligibility of projects using Sustainability Bond proceeds.</p> <p>This includes, without limitation:</p> <ul style="list-style-type: none"> A process to determine how the projects fit within the 	<p>In addition to reviewing the evidence below, we interviewed senior managers within Yorkshire Water.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> Yorkshire Water Sustainable Finance Framework 2023. Yorkshire Water Annual Performance Report 2023-24 (link). 	<p>Yorkshire Water has a clear process in place for the evaluation and selection of Eligible Projects. This forms part of its governance process which is outlined in the Annual Performance Report and is aligned with the Ofwat Governance Principles.</p> <p>The Framework explains that all assets, including expenditures, follow the company's risk and management framework and procurement policies. This includes a six-step process as detailed below:</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>Eligible Green & Social Project categories identified in the principles.</p> <ul style="list-style-type: none"> The criteria making the projects eligible for using the proceeds; and The environmental and social objectives. 	<ul style="list-style-type: none"> Ofwat Board Leadership, Transparency and Governance – Principles (link). 	<ol style="list-style-type: none"> Setting objectives Identifying risks Measuring the risks Managing the risk Monitoring the effectiveness of controls Reporting to the Risk Committee and Board, monthly. <p>Yorkshire Water has confirmed that before any project appears in the Eligible Sustainable Portfolio, it will be reviewed by the Sustainable Finance Framework Committee (“The Committee”).</p> <p>The Committee is composed of representatives from the Group’s Finance and Sustainability functions who meet at least annually.</p> <p>DNV can conclude that based on the evidence provided, Yorkshire Water has clearly outlined the decision-making process it undergoes to determine the eligibility of the Projects.,</p> <p>DNV can also conclude the Eligible Projects to be financed by the Sustainability Bond will meet the environmental and social objectives, as set out by Yorkshire Water.</p>
2b	Issuer’s environmental and social and governance framework	In addition to the information disclosed by an Issuer on its Sustainability Bond process, criteria and assurances -	In addition to reviewing the evidence below, we interviewed senior managers within Yorkshire Water.	On the basis of the evidence reviewed, DNV confirms that Yorkshire Water has made a commitment to improving its sustainability performance across its operations.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		Sustainability Bond investors may also take into consideration the quality of the issuer's overall framework and performance regarding environmental sustainability.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> Yorkshire Water Sustainable Finance Framework 2023. Yorkshire Water Annual Performance Report 2023-24 (link). 	<p>Additionally, Yorkshire Water is prioritising pollution prevention, reducing water consumption and leakage and achieving Net Zero emissions.</p> <p>This, alongside discussions with Yorkshire Water management, enables DNV to conclude that Yorkshire Water is committed to addressing the environmental impacts of its operations, and that sustainability is core to the Company's long-term strategy.</p> <p>DNV confirms, based on the information provided, the objective of the Sustainability Bond aligns with the Group's approach to managing sustainability, and the operations within the region covered by Yorkshire Water.</p>

3. Management of proceeds

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
3a	Tracking procedure	The net proceeds of Sustainability Bond 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	<p>In addition to reviewing the evidence below, we interviewed senior managers within Yorkshire Water.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> Yorkshire Water Sustainable Finance Framework 2023. 	Yorkshire Water has confirmed that its Treasury Team will manage the proceeds from the sustainable finance transactions. The Treasury Team is responsible for cash management procedures daily.

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		process that will be linked to the Issuer’s lending and investment operations for Eligible Projects.	<ul style="list-style-type: none"> Yorkshire Water Annual Performance Report 2023-24 (link). Yorkshire Water Internal Treasury Policy. 	<p>DNV concludes that there is a formal and appropriate process for the proceeds of the Sustainability Bond as outlined in the Framework, i.e. and allocation log, to ensure debt is not allocated to the same expenditure more than once, hence guarding against double counting.</p> <p>Yorkshire Water will hold or invest, at its discretion, any unallocated net proceeds as per its internal Treasury Policy.</p> <p>DNV concludes that the Sustainability Bond will be tracked in an appropriate manner and is attested to by a formal internal process.</p>
3b	Tracking procedure	So long as the Sustainability Bonds are outstanding, the balance of the tracked proceeds should be periodically reduced by amounts matching eligible Sustainability Bond disbursements made during that period.	<p>In addition to reviewing the evidence below, we interviewed senior managers within Yorkshire Water.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> Yorkshire Water Sustainable Finance Framework 2023. Yorkshire Water Prospectus 2024. Sustainable Portfolio - Project Bison.xls. Project Bison – Draft Bond Term Sheet. 	<p>DNV notes that the net proceeds of the Bond are to be allocated to the Eligible Categories, disbursed periodically and will be tracked in Yorkshire Water’s accounting records and monitored accordingly thereafter.</p> <p>DNV concludes there is a clear process in place for the tracking of the balance of the Bond’s net proceeds which accounts for any disbursements.</p>
3c	Temporary holdings	Pending such investments or disbursements to Eligible Projects, the Issuer should make known to investors the	In addition to reviewing the evidence below, we interviewed senior managers within Yorkshire Water.	Where possible and practical, unallocated net proceeds will be invested by Yorkshire Water in the following ways:

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		intended types of temporary investment instruments for the balance of unallocated proceeds.	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> Yorkshire Water Sustainable Finance Framework 2023. Sustainable Portfolio - Project Bison.xls. Project Bison – Draft Bond Term Sheet. Yorkshire Water Internal Treasury Policy – Section 7: Investment Management. 	<ul style="list-style-type: none"> Green, Social or Sustainability Bonds issued by Governments, and/or Government-related entities, with a minimum credit rating of AA, Aa2, and AA by each of S&P, Moody's and Fitch respectively, and; Bank Green deposits with the counterparty, size, and tenor of deposits governed by the Company's internal Treasury Policy. <p>DNV can conclude that Yorkshire Water has appropriately described how it intends to hold the balance of unallocated proceeds.</p>
3d	Over-collateralisation	The Issuer shall demonstrate that the value of the Sustainability Bonds is smaller than, or equal to, the financing needs of the eligible nominated projects.	<p>In addition to reviewing the evidence below, we interviewed senior managers within Yorkshire Water.</p> <p>Evidence reviewed:</p> <ul style="list-style-type: none"> Sustainable Portfolio - Project Bison.xls. Project Bison – Draft Bond Term Sheet. 	Yorkshire Water has committed to over-collateralisation and to maintaining a healthy buffer of investments and expenditures, at all stages of the Bond.

4. Reporting

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
4a	Periodical reporting	In addition to reporting on the use of proceeds and the temporary investment of	In addition to reviewing the evidence below, we interviewed senior managers within Yorkshire Water.	DNV can confirm that Yorkshire Water has committed to providing both Allocation and Impact Reporting, regarding the assets and

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
		<p>unallocated proceeds, Issuers should provide at least annually a list of projects to which the Sustainability Bond proceeds have been allocated, including where 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 impacts.</p>	<p>Evidence reviewed:</p> <ul style="list-style-type: none"> • Yorkshire Water Sustainable Finance Framework 2023. • Sustainable Portfolio - Project Bison.xls. • Yorkshire Water Annual Performance Report 2023-24 (link). • “Capitals” – Yorkshire Water website [Date Accessed: 05/09/2024] (link). 	<p>expenditures to be financed and/or refinanced by the Bond, and that this in line with the Framework.</p> <p><u>Allocation Reporting:</u></p> <p>An Allocation Report will be made available to investors of the Bond following completion of the financial year, which will detail all the following:</p> <ul style="list-style-type: none"> • List of Eligible Projects financed; • Aggregated amount of allocation of the net proceeds in the Eligible Category; • Balance of unallocated proceeds; and • Share of new financing and refinancing for the Eligible Category. <p><u>Impact Reporting:</u></p> <p>Yorkshire Water has stated it will measure, wherever feasible, the environmental benefits of the investments and expenditures deriving from the transaction. Yorkshire Water has produced a process named the “Six Capitals”, as follows:</p> <ol style="list-style-type: none"> 1. Financial capital 2. Manufactured capital 3. Natural capital 4. Human capital 5. Intellectual capital 6. Social capital. <p>Yorkshire Water has stated that the Bond falls under the Eligible Green Category of “Sustainable Water and Wastewater”</p>

Ref.	Criteria	Requirements	Work Undertaken	DNV Findings
				<p>Management". Some of the key metrics Yorkshire Water will report on, for instance, water abstraction, average water consumption per head and water leakage.</p> <p>Yorkshire Water has also stated that the Bond aligns with the Eligible Social Category of "Affordable basic infrastructure and services". Key metrics which the Company will report on include data on the number of customers on Yorkshire Water's Priority Services Register and the number of customers that are financially supported.</p> <p>We can confirm that Yorkshire Water has committed to reporting on the Sustainability Bond and its impact, which is in line with the requirements as set out under the relevant ICMA principles.</p>