



Our ref: SRJL/JF/VJH
Your ref:

Tel: 01480 323526

Jessica Fries
The Prince's Accounting for Sustainability Project
Clarence House
London
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9 July 2018

Dear Jessica,

In response to your letter dated 31 May 2018, I welcome the opportunity to highlight some of the benefits we have realised through our involvement with A4S. I have used the questions you set out as a framework for our response.

What first motivated us to support A4S's mission and take action?

In the region we serve, East Anglia, we have numerous challenges facing us, and many of these are linked really closely to the objectives of A4S. Our region has features that put us firmly on the front line in terms of the impact of climate change. We have a long coastline with 35% of land below sea level, rapid housing and population growth (twice the national average), the lowest rainfall in the UK and high levels of agriculture.

The A4S mission was a great way of engaging and inspiring the whole finance team so that they fully understood the intrinsic link between a successful sustainability strategy and a successful business, and how finance individuals could play a key role in supporting and delivering that strategy. We understand that we can only be successful if our region is thriving in the six capitals (Financial, Manufactured, Intellectual, Human, Social, and Natural).

Anglian Water Group Limited

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What actions has the work of A4S inspired you to take?

With a team motivated, engaged and inspired by the A4S mission, we have fully engaged in numerous activities across the business, leading some and supporting others. We have substantially contributed to our Carbon reduction challenge, embedded the six Capitals into our 5 year regulatory review submission, placed sustainability at the centre of our long term Strategic Planning, Budgeting and Forecasting processes, and raised the first utility Green Bond in the UK. We typically spend at least as much time discussing and engaging on our non-financial performance as we do the financials.

What outcomes and impacts have these actions led to or contributed to?

We quickly identified that lower carbon solutions were also lower whole life cost solutions so this gave strong financial validation of this approach. We have been able to bring greater clarity to the framework of our planning processes, and how they link with delivering a sustainable business. Our monthly performance reporting includes all the relevant metrics for our Annual Integrated Report and collectively we have greater corporate awareness of the capitals and how we impact upon them.

Looking to the future

We are considering a source and application of resources statement for the non-financial capitals to match the source and application of funds in the financial statements and take our integrated reporting a step further and understand the impact we have, and could have, both positive and negative on our region. This will also help us to recognise internally and externally the part we and others play in the overall health of our region's Capitals.

We feel we have benefitted immensely from being involved with A4S and have a stronger Finance team as a result, more engaged with the business and inspired to help drive us forward as a successful and sustainable business in the long term.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Scott Longhurst', with a long, sweeping underline that extends across the width of the signature area.

Scott Longhurst
MD Finance & Non-Regulated Business