

Shareholders

Our shareholders have made a long-term commitment to our organisation and have a shared interest in and responsibility for its success. It's vital, therefore, that we engage them in strategic planning and share our progress and results with them.



How we engage

Our investors own shares in the Group's ultimate parent company Anglian Water Group Limited (AWG) (details of our shareholders can be found on pages 25–26). Representatives from our shareholders engage in a number of ways including:

- By attending meetings of the company's Board in their capacity as Non-Executive Directors and, as such, participating in discussions and decisions about Anglian Water.
- By attending meetings of the Board of AWG (which chiefly comprises representatives of our shareholders), which regularly considers and has input into matters of importance to Anglian Water.

- Through conversations with senior management, including the Chief Executive and the Chief Financial Officer.
- Via written reports, including full-year and half-year reports, the Annual Integrated Report and the annual Sustainable Finance Impact Report, and by publishing interim and preliminary company results at half year and year end.

What they tell us

Our shareholders value the opportunity to engage with the Board and management to further understand the value of their investment.

“**What really stood out to me was a clear focus on delivering against the company's purpose, and in particular, a deeply-held commitment to doing the best we can for our customers. Innovation was front and centre of all the topics we discussed and there was clear excitement and passion around how that will provide opportunities for continued enhancement of our performance in the future.**”

John Barry, Non-Executive Director, Anglian Water Services speaking after the event at Thorpe Wood House in November 2021

Our shareholders

Our shareholders have made a significant financial investment in the Group and a number of them represent millions of individual pension investors both in the UK and overseas. Representatives from our shareholders are Non-Executive Directors on the Boards of both Anglian Water and our ultimate parent company, AWG. They bring with them a broad range of skills and experience which is extremely valuable during Board discussions. Further information on the AWS Directors can be found in the biographies on pages 109–111.

During the financial year, Anglian Water concluded a financial restructure which included an injection by shareholders of more than £1 billion of capital. The implementation of the financial structure enabled a reduction in the company's gearing. This was the final stage in a process which began in 2018 to simplify our financial structures to improve transparency, trust and customer confidence and solidify our commitment to put wider public purpose at the heart of our business. Part of the process saw us make fundamental changes to our Articles of Association to lock public interest into the way we run our business, both now and for future generations. This means that environmental and social priorities now sit alongside the need to deliver fair returns for our shareholders. Our external shareholders did not receive a dividend from 2017 until 2022 for the long-term benefit of the company and its customers, in line with our purpose, and we acknowledge their continued support during this period.

Sharing strategy

In November 2021 we held our first face-to-face event for Directors of Anglian Water and AWG (including shareholder representatives) since the beginning of the pandemic. Members of the AWS and AWG Boards visited our Thorpe Wood House office in Peterborough and spent a morning talking to people from right across the business to get a deeper understanding of what we're doing, day in and day out to deliver our stretching targets. Particular focus areas centred around smart water networks; water recycling, environmental excellence and pollution performance; driving a step change in customer experience; productivity and efficiency; driving value from our investment programmes; driving a digital advantage, and innovation.

Feedback from the morning was effusive, with our investors commenting on the passion and dedication of the people they spoke to and on the shared strategic direction and sense of purpose which came through in everything they heard and saw.



Shareholders had the opportunity to discuss strategy with teams from around the business in November 2021