

Independent Practitioner’s Limited Assurance Report to United Utilities Group PLC

Report on United Utilities Group PLC’s allocation of proceeds from the Specified Sustainable Financing Instruments as at 31 March 2025

Conclusion

We have performed a limited assurance engagement on whether selected information in United Utilities Group PLC’s (“United Utilities” or the “Company”) Sustainable Finance Framework Allocation and Impact Report 2025 (the “Report”) for the year ended 31 March 2025 has been properly prepared in accordance with United Utilities’ Sustainable Finance Framework 2020 as set out at https://www.unitedutilities.com/globalassets/z_corporate-site/investor-pdfs/sustainable-finance-framework-2020-final.pdf (the “Reporting Criteria”). The information within the Report that was subject to assurance is indicated with the symbol “ø” (the “Selected Information”) and is also listed in Appendix A.

United Utilities’ Sustainable Finance Framework 2020 requires United Utilities to prepare an annual allocation and impact report which sets out the allocation of the net proceeds from the following sustainable and green bonds to Eligible Green or Social Projects (“EGPs”), as defined in the Reporting Criteria:

- the two sustainable bonds: of £300m that matures on 6 October 2038 (“SF3”); and of £400m that matures on 26 June 2036 (“SF4”);
- the four green bonds: of €650m that matures on 23 May 2034 (“SF5a”); of €175m that matures on 23 May 2034 (“SF5b”); of £350m that matures on 29 May 2051 (“SF6”); and of €650m that matures on 28 February 2033 (“SF7”).

SF3, SF4, SF5a, SF5b, SF6 and SF7 are together referred to as the “Specified Sustainable Financing Instruments”. The Report has been prepared to meet these requirements. The Reporting Criteria set out the basis by which United Utilities has determined whether projects meet the criteria to qualify as EGPs, including specifying the types of eligible spend and the period during which it can be incurred.

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria.

Our conclusion is to be read in the context of the remainder of this report, in particular the “Inherent limitations in preparing the Selected Information” and “Intended use and distribution of our report” sections below.

Our conclusion on the Selected Information does not extend to other information that accompanies or contains the Selected Information and our assurance report (hereafter referred to as “Other Information”). We have not performed any procedures with respect to the Other Information.

Basis for conclusion

We conducted our engagement in accordance with International Standard on Assurance Engagements (UK) 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* (“ISAE (UK) 3000”) issued by the Financial Reporting Council (“FRC”). Our responsibilities under that standard are further described in the “Our responsibilities” section of our report.

We have complied with the Institute of Chartered Accountants in England and Wales (“ICAEW”) Code of Ethics, which includes independence and other ethical requirements founded on fundamental principles of integrity, objectivity, professional competence and due

care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the International Ethics Standards Board for Accountants (“IESBA”) International Code of Ethics for Professional Accountants (including International Independence Standards).

Our firm applies International Standard on Quality Management (UK) 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (“ISQM (UK) 1”), issued by the FRC, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Inherent limitations in preparing the Selected Information

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable, evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time.

The Reporting Criteria has been developed to assist United Utilities in determining the allocation of the net proceeds from the Specified Sustainable Financing Instruments. As a result, the Selected Information may not be suitable for another purpose.

The projects that meet United Utilities’ definition of EGPs, as set out on pages 12 to 15 of the Reporting Criteria, are determined by United Utilities. Our work is limited to assessing whether the net proceeds of the Specified Sustainable Financing Instruments have been allocated to projects that meet United Utilities’ definition of EGPs, as set out in the Reporting Criteria. We have not performed procedures to assess, and so our work provides no assurance over:

- the appropriateness of the eligibility criteria set by United Utilities which lead to the projects being classified as EGPs, nor whether the EGPs continue to meet that eligibility criteria on an ongoing basis.
- whether there is a correlation between the classification as EGPs and any actual environmental and social impact of undertaking the EGPs;
- whether the EGPs were only undertaken as a consequence of obtaining the Specified Sustainable Financing Instruments; nor
- whether United Utilities did not also use other cash flows to invest in other projects that would not qualify as EGPs.

Directors’ responsibilities

The Directors of United Utilities are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement;
- selecting and developing suitable Reporting Criteria for preparing the Selected Information;
- properly preparing the Selected Information in accordance with the Reporting Criteria; and
- the contents and statements contained within the Report and the Reporting Criteria.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent limited assurance conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to United Utilities.

Summary of the work we performed as the basis for our conclusion

We exercised professional judgment and maintained professional scepticism throughout the engagement. We planned and performed our procedures to obtain evidence that is sufficient and appropriate to obtain a meaningful level of assurance over the Selected Information to provide a basis for our limited assurance conclusion. Planning the engagement involves assessing whether United Utilities' Reporting Criteria are suitable for the purposes of our limited assurance engagement. Our procedures selected depended on our judgement, on our understanding of the Selected Information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

In carrying out our engagement, we performed procedures which included:

- obtaining an understanding of the key processes, systems and controls in place relevant to the allocation of net proceeds of the Sustainable Financing Instruments and the preparation of the Selected Information by conducting interviews with management and key staff responsible for the use of the net proceeds of the Sustainable Financing Instruments, and those responsible for the preparation of the Selected Information, and inspecting documentation for a selection of transactions. We did not evaluate the design of controls, obtain evidence about their implementation or testing their operating effectiveness.
- inspecting documentation to confirm whether the EGPs have been assessed by management with reference to the eligibility criteria (as set out in the Reporting Criteria) and approved by United Utilities' Sustainable Finance Committee as meeting those eligibility criteria; but did not include independently assessing whether the EGPs met those eligibility criteria;
- performing limited substantive testing, including:
 - agreeing the total funds received by United Utilities as per the financing agreements, with those allocated to the EGPs (as defined in the Reporting Criteria);
 - understanding the information sources used by United Utilities to determine the amount of net proceeds allocated, in GBP, to the EGPs;
 - agreeing a selection of amounts allocated to EGPs to source documentation (e.g. invoices, payment applications, underlying calculations, meeting minutes, emails from external parties) to support the categorisation of funds spent on the EGPs;
 - assessing whether the funds were allocated within the period specified in the Reporting Criteria;
 - assessing whether the amount financed by other loans and bonds, if any, has been excluded from the Selected Information; and
 - reading the Report with regard to the Reporting Criteria and for consistency with our findings over the Selected Information.

- checking the mathematical accuracy of reported cumulative amounts allocated as at 31 March 2025 by comparing to the sum of the prior year reported allocated amounts and the amounts allocated during this financial year.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Intended use of our report

Our report has been prepared for United Utilities solely in accordance with the terms of our engagement. We have consented to the publication of our report on United Utilities' website https://www.unitedutilities.com/globalassets/z_corporate-site/investor-pdfs/kpmg-isa-3000-assurance-report-2025.pdf for the purpose of United Utilities showing that it has obtained an independent assurance report in connection with the Selected Information.

Our report was designed to meet the agreed requirements of United Utilities determined by United Utilities' needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than United Utilities for any purpose or in any context. Any party other than United Utilities who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.



Gunjan Narang
for and on behalf of KPMG LLP

Chartered Accountants

15 Canada Square

London

E14 5GL

16 July 2025

The maintenance and integrity of United Utilities' website is the responsibility of the Directors of United Utilities; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information, Reporting Criteria or Report presented on United Utilities' website since the date of our report.

Appendix A – Selected Information

The underlying selected information as at 31 March 2025 that constitutes the Selected Information is listed below. The information in this Appendix needs to be read together with the attached limited assurance report and the Reporting Criteria.

SF3: £297m bond due October 2038 (issued 6 April 2023)	Total (£m)
Access to Essential Services	0.2
Aquatic and Terrestrial Biodiversity Conservation	121.0
Pollution Prevention and Control	10.6
Sustainable Water and Wastewater Management	165.7
Total	297.5

SF4: (a) £347m bond due June 2036 (issued 26 June 2023) (b) £52m tap of bond due October 2038 (issued 7 February 2024)	Total (£m)
Access to Essential Services	0.3
Aquatic and Terrestrial Biodiversity Conservation	76.7
Pollution Prevention and Control	10.5
Sustainable Water and Wastewater Management	311.7
Total	399.3

SF5a: EUR650m bond due May 2034 (issued 23 February 2024)	Total (£m)
Aquatic and Terrestrial Biodiversity Conservation	357.7
Sustainable Water and Wastewater Management	198.6
Total	556.3

SF6: £350m bond due May 2051 (issued 28 May 2024)	Total (£m)
Aquatic and Terrestrial Biodiversity Conservation	128.4
Environmentally Sustainable Management of Living Natural Resources	9.1
Pollution Prevention and Control	0.5
Sustainable Water and Wastewater Management	86.8
Total	224.7

SF5b: EUR175m bond due May 2034 (issued 5 August 2024)	Total (£m)
Aquatic and Terrestrial Biodiversity Conservation	48.3
Sustainable Water and Wastewater Management	36.1
Total	84.4

SF7: EUR650m bond due February 2033 (issued 27 February 2025)	Total (£m)
Aquatic and Terrestrial Biodiversity Conservation	116.1
Sustainable Water and Wastewater Management	178.6
Total	294.6