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# Tideway: Engaging investors on green financing

Finalist: Communicating integrated thinking award

## What

Tideway is a private company regulated by Ofwat. It was founded in 2015 to build and maintain a major new sewer in London that will intercept millions of tonnes of raw sewage that pollute the river every year. This makes sustainability core to Tideway's existence, purpose and mission.

To align the company's financing with its commitment to sustainability, Tideway developed a green bond framework and launched six green bonds totalling £775 million. The treasury team spearheaded a green finance communication strategy to attract and retain investors.

The key documents the company has used to communicate its green financing approach to investors include a brochure documenting its legacy strategy, the green bond framework and reporting and an investor presentation. Each document reflects the integrated thinking that underpins Tideway's strategy and business model. Tideway has also engaged investors in other ways, including short videos, river tours and site visits (pre-COVID) to showcase the company's work.

Treasury led this work, closely supported by the Sustainability team, so the team was well-placed to engage investors on green financing. Debt investors have responded positively and have gone on to use Tideway's materials in their own investor communications.

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**'We seek to demonstrate to our equity and debt investors our vision – not only to clean up the Thames but to enhance the relationship between Londoners and their river – and how the financing of such a large project can support that vision.'**

**Ines Faden da Silva,**  
Infrastructure and Energy Finance, Sustainable Finance, Tideway

## Why

Tideway's vision is to reconnect London with the River Thames. As well as building the tunnel, Tideway aims for the project to deliver a wider legacy for London, as documented in its legacy strategy. This strategy includes 54 commitments across five key themes: environment; health, safety and wellbeing; economy; people; and place. The company designed its green bond framework to support its legacy strategy.

Communicating its green financing approach and integrated strategy helped Tideway to appeal to its investors and widen its investor pool. Many investors were increasingly interested in integrating environmental, social and governance (ESG) factors into their investment processes. Tideway's engagement on green financing offered those investors transparency into how the company's green bonds have been used, how they support Tideway's strategy and what their impact has been.

Through talking about its vision and strategy and how it creates long-term value, Tideway has also been better able to justify short-term costs to investors. Investors better understand the company's business model, which increases trust. There are also reputational benefits, and Tideway has been invited to participate in consultations, research projects and conferences. Investors are also able to share relevant best practice from Tideway amongst other assets within their portfolio.



**'The Tideway team presented a really significant sustainability project with true legacy impact. Tideway's comprehensive communications support their green bond commitments and their infectious enthusiasm is reflected throughout.'**

Finance for the Future Awards judges

## How

Tideway has engaged investors on its green financing and how it supports the company's strategy and activities:

- > The legacy strategy makes 54 commitments about the positive impact Tideway aims to leave behind when it has finished constructing the tunnel. These commitments have driven Tideway's work on green financing and are reflected throughout Tideway's communications to investors.
- > After getting board approval for its green finance strategy, the treasury team developed the green bond framework and reporting. Treasury worked with the Sustainability team to align the framework and reporting with the UN Sustainable Development Goals (SDGs).
- > Tideway's green bond framework includes its green bond principles. To increase the credibility of the framework, treasury developed it in line with the guidance on green bond principles provided by the International Capital Market Association. Treasury also got a second party opinion from S&P Global Ratings.
- > An annual green bond report updates investors on Tideway's performance against its legacy commitments and the SDGs. The report shows how the company has allocated the green bonds and includes impact reporting.
- > Through an investor presentation, Tideway presented its green bond framework and green bond issues. The company put its green financing work in context by explaining its sustainability mission, legacy strategy and the overall business case for ESG.
- > The company communicates through investor events and social media. These show investors the impact of Tideway's integrated thinking and helps Tideway to keep investors engaged. In 2019, an investor event was a boat trip so that investors could see the work in action. Tideway also uses its Vimeo, Twitter, LinkedIn and Instagram accounts to communicate key updates, projects and progress. Its videos have highlighted conservation projects, community investment and a fish rescue project.
- > Tideway talks about its work on communicating green financing at external events and groups. It is also one of the 16 founding members of the Corporate Forum on Sustainable Finance, which provides a space for members to share ideas about sustainable finance. All members have committed to promoting sustainable finance in their work.

[www.tideway.london](http://www.tideway.london)



### DISCLAIMER

This case study presents **Tideway** entry for the Finance for the Future Awards 2019. The case study only includes information that was part of the organisation's 2019 entry. Some of this information may now be out of date. For a current view of the organisation's work, please visit their website at the link given above.



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