



Active is: Investing with sustainable methods

The Thames Tideway Tunnel project

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Infrastructure equity investments are highly illiquid and designed for professional investors pursuing a long-term investment strategy only.

The challenge ... for London and its population

While still in good condition, **London's Victorian sewers no longer have the capacity to meet the demands of London today.** Designed and engineered by Sir Joseph Bazalgette in the 1850s and built between 1859 and 1865 for 4 million people, the conditions under which London's sewage system operates have changed vastly: rising water consumption per capita, diminished green space to soak up rainfall and a growing population that today numbers nearly nine million inhabitants. As a result, overflows are regular, resulting in tens of millions of tons of untreated sewage flowing into the River Thames.

The solution ...

To solve this environmental problem, a major new sewer is being built – the Thames Tideway Tunnel. Aimed at improving London's environment, appearance and public health, the Thames Tideway Tunnel is a 'super sewer' with a diameter of 7.2 m that will run for 25 km, mainly beneath the river Thames at a depth of 30–65 m, intercepting sewage overflows and cleaning up the river. In fact, when the Thames Tideway Tunnel and associated sewerage network upgrades are in operation, it is estimated that the [pollution of the Thames will be reduced by 94%](#).

This expansion of London's sewer network is **due for completion in 2024**, with work taking place across 24 construction sites in London. These go from Acton in West London to Beckton in the East, with many located at the river's edge, right in the centre of the city. Such is the status of the project, that one of the construction sites even received a [visit from a member of the Royal Family](#).



But more than status, the Tideway project will bring thousands of jobs, aiming towards a rejuvenated river economy and completely new public spaces with the creation of new parks along the Thames.

Sustainable and innovative methods

The Thames Tideway Tunnel is being built by world-class contractors, using **sustainable, innovative and cost-effective methods of construction.**



The project is split into three distinct sections with three main 'drive sites' (locations) from which four tunnel boring machines (TBMs) will burrow under London to construct the main tunnel.

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These giant, state-of-the-art machines, each custom designed to be as safe as possible, tunnel through the ground using a rotating cutter head, simultaneously creating the tunnel walls with prefabricated segments of concrete. In addition to the physical challenges involved, their task is made harder by London's rich archaeological history: in December 2018, during excavations for the tunnel, the discovery of a 500-year-old corpse became an [archaeological sensation](#).

Project finance

The tunnel will cost £3.8bn to complete, and an additional £1.1bn has already been spent by Thames Water for preparatory works and is being funded directly by **Thames Water, the UK's largest company for water and wastewater services.** The balance is being privately financed.

To help meet the project's financing needs, the newly established company, Bazalgette Tunnel Limited – officially trading as Tideway – initiated a £200 million private bond placement in addition to the issuance of the company's first UK public Green Bond. Combined, the two transactions have a value of £450 million.

Allianz is invested in the project through Tideway as part of a [consortium](#) with other infrastructure investors and has a stake of 34%.

The company

Tideway is the largest issuer of green bonds in sterling and holds the joint-highest [Green Evaluation score](#) awarded to date by S&P globally.

Tideway is considered to be **one of the best companies to work for** in the UK. It has recently been recognised as one of [The Times Top 50 Employers for Women](#) and as a [Health and Disability Confident Committed Employer](#).

Tideway workers are given five days a year to participate in volunteering activities. Additionally, the company also works with a range of charities, partners, schools and community groups on everything from mentoring to foreshore clean-ups.

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Sources: <https://www.tideway.london> ; https://www.tideway.london/media/1541/tideway_press-pack_vis3.pdf ; <https://www.linkedin.com/company/tideway-london/life>

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