Sustainable Finance Allocation and Impact Report

December 2025

Wessex Water
YTL GROUP

Contents

This is our second Impact Report and allocates spend from the period to March 2024. We have therefore aligned this report with our performance from 23/24, as shown within our 2024 Annual Report.

Allocation is in line with our Sustainable Finance Framework published in April 2024. We note that sustainable guidelines and principles continue to evolve, so we will continue to reflect best practice and transparency within our reporting.

Our next Impact Report (third) will be issued in early 2026 and will report spend and performance up to March 2025, as included within our 2025 Annual Report.

Glossary

DWI	The Drinking Water Inspectorate (DWI) provides independent reassurance that water supplies in England and Wales are safe and drinking water quality is acceptable to consumers
CRI	The Compliance Risk Index (CRI) is a measure designed to illustrate the risk arising from treated water compliance failures
D-Mex	Developer services measure of experience (D-Mex) is a mechanism designed to incentivise water companies to provide developer services to customers with excellent levels of service
$KtCO_2e$	Kilotonnes carbon dioxide equivalent
AMP	Asset management plan for a defined time period
BAP	Biodiversity Action Plan
SSSI	Sites of Special Scientific Interest
C-Mex	The customer measure of experience (C-MeX) is designed to incentivise water companies to provide an excellent customer experience for residential customers, across both the retail and wholesale parts of the value chain.
OFWAT	The Water Services Regulation Authority (Ofwat) is a non-ministerial government department that is the economic regulator for the water and sewerage sectors in England and Wales
WRC	Water recycling centre
ESG	Environmental, social, and governance
ICMA	International Capital Market Association
WTC	Water treatment centre
WINEP	Water Industry National Environmental Programme
BOD	Biochemical (or biological) Oxygen Demand. The amount of dissolved oxygen consumed by micro-biological action when a sample of sewage is incubated, usually for five days at 20°C (in the UK expressed as BOD5)
FFT	Flow to full treatment
DNO	Distribution network operator – An operator who works on water supply network distribution
BC	Bioresources centre
YWF	YTL Wessex Foundation

Foreword

I am pleased to introduce Wessex Water's latest Sustainable Finance Allocation and Impact Report, building on the success of our inaugural 2024 report, which received positive feedback from stakeholders.

This report reflects our ongoing commitment to creating value for the region and demonstrates how our actions are guided by our purpose: through water, we support our customers' health and wellbeing while enhancing the environment and the diverse communities we serve.

The water industry continues to face significant challenges – rising expectations from customers, government, and the media, alongside the growing impacts of climate change. Meeting these challenges requires detailed planning and decisive action. Our 2025-30 business plan sets out how we will respond, with a clear focus on delivery and transparency around how these actions will be funded.

Our plan includes a substantial increase in investment to improve river health, deliver further environmental enhancements, reduce our carbon footprint, and strengthen resilience against the effects of climate change – all while continuing to meet our customers' priorities.

Climate change is no longer a distant threat. Its effects are evident in the UK through drier summers, wetter winters, and more extreme weather events. Ensuring resilient water and wastewater services in this context is critical. This report highlights the steps we have already taken and those we plan to take to improve our environmental and social impact across the region.

We remain committed to ensuring water is affordable for everyone. No one should have their water use limited by their ability to pay, and we are targeting zero water poverty by 2030, based on the government's definition of no household spending more than 5% of disposable income on water services.

We also recognise the ongoing cost-of-living pressures faced by our customers. To help minimise the impact of rising investment on bills, our owners, YTL, are reinvesting dividends to fund part of this increase. Over the past 22 years, YTL has provided stable, long-term ownership, underpinned by a strong track record in infrastructure investment.

As we continue into AMP8, we understand the scale of expectations and the level of investment required. We will continue to engage openly with stakeholders, demonstrating the positive impact of our work on the environment and society, and maintaining the transparency needed to remain a trusted and financially resilient company.

Thank you for taking the time to read this report. We welcome your feedback to help us shape future reports and continue improving the way we deliver for our customers, communities, and the environment.

Andy Pymer
Director of Finance

Andy Pymer – Director of Finance

About Wessex Water

Wessex Water is the regional water and sewage treatment business serving a 10,000 square kilometre area of the southwest of England, including Dorset, Somerset, Bristol, most of Wiltshire and parts of Gloucestershire and Hampshire. The company is a wholly owned subsidiary of YTL Power International of Malaysia, YTL are a family run business founded in 1955.

Through our service we support our customers' health and wellbeing and enhance the environment and the diverse communities we serve. We aim to:

- **provide reliable, affordable services for all customers and communities**
- **deliver a better environment for nature and people**
- **be a great place to work**
- **be a trusted, financially strong company.**

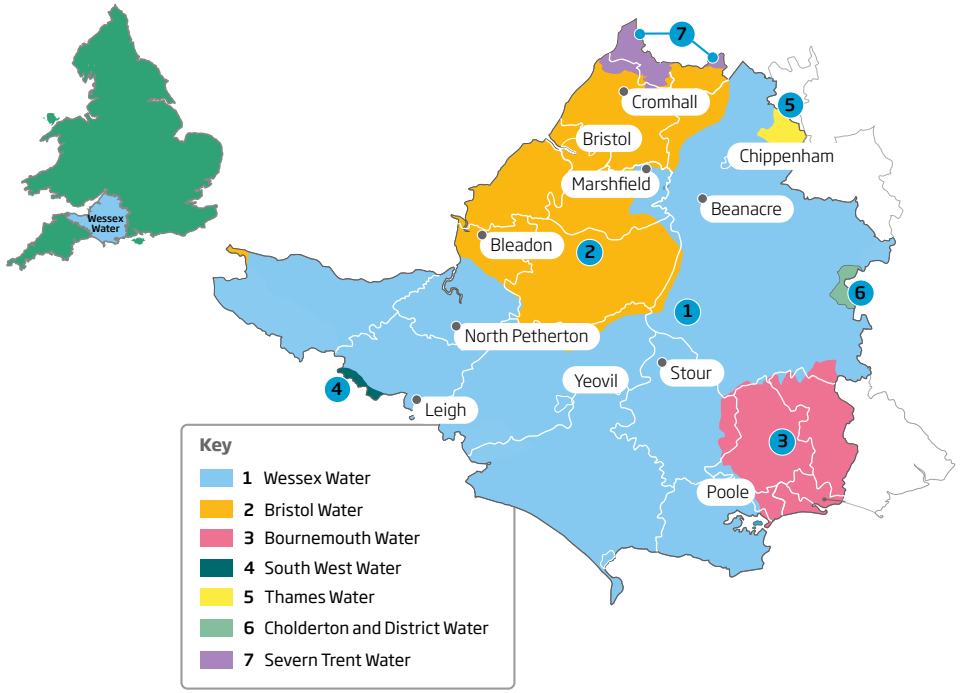
Wessex Water is one of the leading water and sewerage companies for customer service and satisfaction, as judged by standards set by our regulators. We are committed to delivering the highest levels of customer service and environmental performance at a price that customers can afford.

We treat and supply	We take away and treat
More than 273m litres of water per day to 1.4m people and over 47,000 businesses	472m litres of wastewater/day from 2.9m people and more than 62,000 businesses
We have	**We have**
• 231 water sources and treatment centres • 74% groundwater sources, 26% reservoirs or river sources • 310 service reservoirs and water towers • 12,149 km of water mains	• 35,138km of sewers • 2,172 pumping stations • 398 water recycling centres

We continually seek innovative ways of working, delivering a high-quality service and experience for our customers. We provide training, development and opportunities for our staff and work collaboratively with our stakeholders.

We are a long-term business committed to reducing our environmental impact. This includes our support for the government's net zero by 2050 target; and our own commitment to achieve net zero operational emissions by 2030 and net zero total emissions by 2040.

Alongside mitigation, we recognise the importance of preparing for climate change and having a business that is resilient to potential impacts. Adapting to a changing climate is integral both to our long-term vision and our business plan, and to subject-specific exercises such as our water resources planning process.



Our purpose

Through water we support our customers' health and wellbeing and enhance the environment and the diverse communities we serve.

We are proud that our aims have remained the same since 1988 and that, over the last 30 years, we have evolved what they mean and how we deliver them.

Colin Skellett

Group Chief Executive

Our mission

Customers: To provide reliable, affordable services for all customers and communities.

Environment: To deliver a better environment for nature and people.

Employees: To be a great place to work for all.

Investors: To be a trusted, financially strong company with fair investor returns.

Our values

Ethical: We are honest and ethical in the way we conduct our business.

Respect: We treat our customers, the wider community, the environment, and one another with respect.

Value: We value everybody's contribution and ensure the health, safety and welfare of all our colleagues.

Long-term: We are a long-term business, we plan, innovate, and invest for future resilience.

Outcome	Aim
Safe and reliable water supply	100% quality compliance always Zero interruptions of longer than three hours
An effective sewerage system Affordable bills	Halve the impact of sewer flooding Zero water poverty
Excellent customer experience	Be a top 10 customer service provider in the UK
Sustainable abstraction	Never harm the health of the water environment through our abstraction
Excellent river and coastal water quality	To restore the quality of our rivers and coastal waters
Net zero carbon[1]	Be a net zero carbon[1] business by 2040
Increased biodiversity	Double our contribution to the region's biodiversity

Empowering our people:

- **Culture, inclusion and diversity:** we will have an inclusive workforce that reflects the cultures and diversity of the region we serve.
- **Individual safety, wellbeing and engagement:** our colleagues will be safe at work,
  proud to work for us and fully engaged in their roles.
- **Skills, knowledge and opportunity:** our colleagues will have all the skills and knowledge they need to confidently carry out their roles.

Financing the future:

- **Market-led outcomes:** we will harness the power of markets to drive the most efficient solutions.
- **Resilient financial stewardship:** we will demonstrate long-term financial stability.
- **Well managed, open, ethical and transparent:** we will prove that we are honest and ethical in the way we conduct our business.

1 Net zero carbon will include the embodied carbon associated with construction materials, treatment chemicals and other products that we consume (scope 3)

Performance in 2023-2024

Access to essential services and affordable basic infrastructure	Socioeconomic advancement and empowerment	Environmentally sustainable management of living natural resources and land use
D-MeX score 90.21 - the highest level we have achieved since the measure was first introduced.	2,522 people were trained during the 23-24 year	42 natural areas were improved through working with catchment partners in 2023-24.
2nd overall C-Mex, measure of customer experience	Number of hours of volunteering 4,052 in 2023-24	82% of the SSSI actions completed across our region in 2023-24

Sustainable water and wastewater management	Climate change adaptation	Eco-efficient and/or circular economy adapted products, production techniques and processes
2,219 lead communication service pipes were replaced in 2023-24	No hosepipe ban / maintaining our 48-year unbroken record of no restrictions	51.3 ttds sludge recycled to land for 2023-2024 (thousand tonnes dry solids)
We reduced our annual average level of leakage by 1.4 Ml/d (2.0%) from 71.2Ml/d to 69.8Ml/d	0% risk of severe restrictions in a drought	12.91 tonnes of nitrogen were removed from the river and coastal waters per day in 2023-24.

Pollution prevention and control	Terrestrial and aquatic biodiversity conservation
7.98% risk of sewers flooding in a storm well below the target of 8.91% for 2023-24	In 2023-24 we worked with communities to improve the experience at 44 bathing water sites
4th year in a row we met our target on reducing sewer collapses.	170.7km of river were improved through WINEP delivery

Renewable energy	Energy efficiency	Clean transportation
Increased our existing rooftop solar PV portfolio with 250 kWp	Exported biomethane (exc. proportion of propane) 8,803,374 m^3	Company car fleet has now 143 hybrid / plug in vehicles

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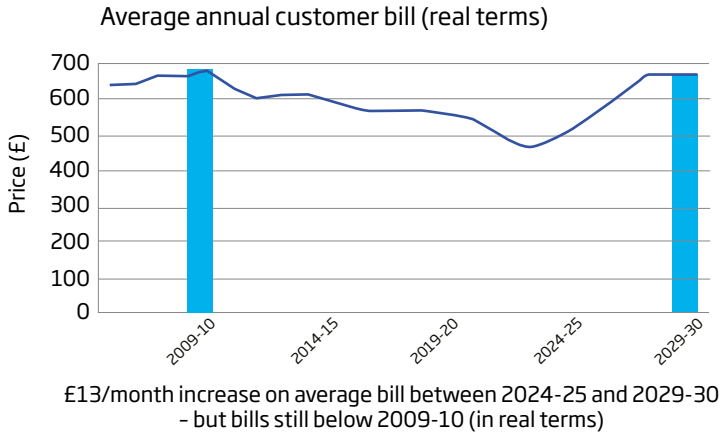
Recent progress

The Wessex Water team has made promising progress in championing a new approach to environmental regulation with the Sustainable Solutions for Water and Nature (SSWAN) partnership. The partnership proposes a different model that can deliver better outcomes for customers, the environment and water users across whole catchments.

In our 2023-24 Annual Review summary, our CEO Colin Skellett explained more about this, and the use of catchment and nature-based solutions to deliver more efficiently Annual review | Wessex Water see page 5 with a case study on page 7. In view of the multiplicity of challenges ahead for water, we need this kind of collaborative, creative approach and urge all interested parties to get involved with SSWAN's ongoing programme.

Alongside business-as-usual, in October 2023 we submitted our business plan to Ofwat for 2025-30. This was the product of many months of dedicated focus to strike the right balance within the current regulatory framework and in light of so many competing pressures. In the immediate term, we need the plan to be approved so we can progress the transformation of water and wastewater services to meet modern expectations – particularly removing sewage, nutrients, and other pollution from rivers. However, this will be a long journey in which there are no quick fixes, despite the urgency of the call for change.



£13/month increase on average bill between 2024-25 and 2029-30 – but bills still below 2009-10 (in real terms)

The graph above shows the historic pattern of our customer bills going up and down and the future impact of our business plan for 2025-30. In the future, bills will increase to reflect the significant £3.5bn investment over the next five-year period (2025-30), this is an increase of £2.0bn on the investment in the current five-year period of £1.5bn.

Our investors will pay a large chunk of the investment, in the region of £600m - £800m. Even by 2030 with an increase of £13 per month on average, bills will be slightly lower than they were 15 years ago because of the way bills have been protected.

To help to support customers we will extend our assistance programme to 140,000 households. We have more than 300 partnerships working with debt advice specialists and others to identify people who need help with their bills. We are determined that everyone will be able to afford this key service.

"It will be challenging for us all – shareholders will have to provide more investment and, regretfully, customers will have to pay higher bills. But we will always protect our hardest hit customers – we will make sure bills are affordable for all".

Tan Sri (Sir) Francis Yeoh KBE
Chairman

Challenges

These are challenging times for the water sector. The need for environmental performance and resilience is increasing as cost-of living pressures continue to squeeze household budgets. Meanwhile, global warming is associated with more extreme weather and, in the UK, will lead to drier summers and wetter winters. It is essential that we provide resilient water and wastewater services throughout these changes. We are proud to play our part in taking on these challenges.

We understand that the demands of the public, media and politicians for healthier water courses have rightly grown stronger. Within this context we are painfully aware that our storm overflows spilled for longer than they did in the previous year. This was driven by exceptional rainfall, with 2023 being one of the wettest on record in our region. Despite this, we are encouraged by the reduction in our serious pollution numbers reported in the year (2023) and were recognised with a four-star rating on environmental performance the highest rating possible.

We are now working with government and regulators to explore the significant opportunity to deliver nature-based solutions to reduce spill frequency and duration in future as part of the overall solution.

Our total number of pollutions rose again, from 110 in 2022 to 126. There was an increase in events at monitored assets: water recycling centres and strategic pumping stations. Most of these pollution events were very minor or had a short-lived impact.
The wet weather was one causal factor for the higher number of pollutions; another was increased monitoring. Most notably, we completed the roll-out of Event Duration Monitors (EDM) across all our 1,300 storm overflows, so 100% are now monitored, up from 91% in 2022.

We remain committed to reducing pollution incidents, following our Pollution Incident Reduction Plan (PIRP) and have bolstered our focus on monitored assets considering increased incident numbers. However, we do not expect numbers to return to historical performance levels without further investment.

AMP8 objectives

Our journey
In our Strategic Direction Statement, which sets out our aims for 2050, we are targeting:

- never harming the health of the water environment through our abstraction
- restoring the quality of our rivers and coastal waters,
- being a net zero carbon business
- doubling our contribution to the region's biodiversity.

We submitted our 2025-30 business plan to our regulator, Ofwat, on 2 October 2023, alongside our Asset Management Plan 8 (AMP8). It is based on what customers tell us is most important to them, what regulators require us to do, and our views on how to deliver these two sets of requirements in the best value way possible. (For more information on how we engage and listen to our customers Customer insight | Wessex

The plan proposes levels of investment to maintain and enhance services to both customers and the environment.

The objectives for AMP8 are as follows.

Safe and reliable water supply
The provision of a high quality, reliable supply of water to customers' taps.
Achieved by the end of AMP 8 –10 of our treatment centres will be upgraded, to increase resilience and safeguard water quality.

An effective sewerage system
The performance of our sewerage network (particularly regarding storm overflows) and how this affects customers and the environment.

To reduce the impact of these overflows on waterways, we will double our current level of investment to more than £6m a month, a total of £400m over the five-year period. And we will prioritise overflows that could affect bathing waters, shellfish waters, chalk streams and designated environmental sites – reducing spill frequency by 80%.

Affordable bills
Ensuring everyone can afford water and sewerage services.
Because we know this will be incredibly challenging, and for some impossible without help, we will increase the number of households who receive support from our Tailored Assistance Programme to 140,000.

Excellent customer experience
This outcome is about our customer service responsibilities, including how we communicate with, look after and satisfy our customers at every interaction.

Customer service is at the heart of everything we do and the quality of our service is recognised through our 4.7-star Trustpilot rating and leading position in the regulatory league tables for customer service, the lowest level of complaints and our position in the Institute of Customer Service league table for all UK companies.

Sustainable abstraction
Ensuring we have enough water to meet the needs of people and nature for the long term.
Our aim is to reduce the average 145 litres per day currently used by customers to 135 litres by 2030, which will save money on bills as well as protecting the water environment.
We will also cut leakage by another 3.5Ml/d by 2030.

Excellent river and coastal water quality
Reducing pollutions and ensuring rivers and seas are safe, healthy environments for everyone to enjoy.

We will use both traditional treatment solutions and, wherever possible, include catchment and nature-based solutions such as reed beds. This investment will prevent 1,400 tonnes of phosphorus and nitrogen per year from entering rivers and seas by 2030.

Net zero carbon
Decarbonising our business and our contribution to the wider net zero and circular economy agendas.

We are targeting net zero operational carbon emissions by 2030 – tackling all the emissions we generate in running Wessex Water.

Increased biodiversity
The contribution we can make to supporting the variety of plant and animal life in our region.

Between 2025 and 2030, we will improve the biodiversity of more than 716 hectares, prioritising land that contains or adjoins priority habitats for protected species. We will also create around 200 hectares of additional habitat and investigate options for peatland restoration.

All of this will help us meet our commitment to eradicate water poverty by 2030.

For more information see Business plan 2025-2030 summary | Wessex Water

Safe and reliable water supply

Despite the growing threat of climate change we have maintained our record of no restrictions on water supply to our customers for the 48th year.

A decade ago we made a strategic investment decision to create a water supply grid to improve resilience, and ensure that a reliable supply of water can be maintained after the output from some sources has been reduced to alleviate low river flows. The grid will greatly improve the flexibility of operation of the supply network, enabling alternative sources to supply demand. For more information see Water network | Wessex Water

Reliable supply

Restrictions on water use (hosepipe bans) (number)		
Target 23-24	Actual 23-24	Previous year
0	0	0

No supply restrictions were needed in 2023-24, continuing a decades-long pattern since the major drought of 1976.

Water supply interruptions (mm:ss per property per year)		
Target 23-24	Actual 23-24	Previous year
05:23	05:35	04:10

Having delivered industry-leading performance in the previous three years, a major incident in Chippenham in February this year regrettably resulted in a significant increase in minutes lost – from an average of 4 minutes 10 seconds in 2022 to an average of 5 minutes 35 seconds in 2023. A burst on a trunk main just downstream of the service reservoir in Chippenham left 3,000 customers out of supply until a repair was carried out. Where it was feasible to do so, we prevented the burst from affecting even more customers by re-routing water from other supply zones.

Safe supply

Compliance Risk Index (CRI) as per the text below the table		
Target 23-24	Actual 23-24	Previous year
0.0	0.93	1.04

High quality drinking water is a fundamental requirement for customers. We are pleased to report improvements across all relevant metrics in 2023 from an already high base and expect to be industry-leading among water and sewerage companies on the Compliance Risk Index (CRI), which is one of two measures used by the Drinking Water Inspectorate (DWI) to measure drinking water quality compliance.

The DWI measures drinking water quality compliance using two main metrics: the Compliance Risk Index (CRI) and the Event Risk Index (ERI). We will not receive our confirmed CRI score from the DWI until July but anticipate an industry-leading score of 0.93 – which is also an improvement on our 2022 score of 1.04.

Lead communication service pipes replaced (Wessex Water assets) (number)		
Target 23-24	Actual 23-24	Previous year
2,210	2,219	1,928

This year we just beat our annual target for lead pipe replacement – an improvement on last year when we were slightly below our annual target. We also continue to outperform our cumulative target, having exceeded our four-year goal by just over 100 replacements.

An effective sewerage system

Sewer flooding
In contrast to our drinking water quality performance, we are disappointed that we have not met our sewer flooding targets. We accept that this is a significant shortcoming, given the devastating impacts sewer flooding can have for customers. Whilst this is the result of extremely wet weather that characterised 2023, we will build more resilience into our system.

There were 202 sewer floods inside properties (internal) in the year, up from 168 in 2022. This is a rate of 1.56 incidents per 10,000 sewer connections, above our target of 1.44.

Internal sewer flooding (incidents per 10,000 sewer connections)		
Target 23-24	Actual 23-24	Previous year
1.44	1.56	1.31

The number of sewer floods outside of properties (external) rose from 2,295 in 2022 to 2,399 in 2023; this is a rate of 18.52 incidents per 10,000 sewer connections, above our target of 16.03. Any flooding incident is one too many and we are determined to reduce the number next year.

Customer property sewer flooding (external) (incidents per 10,000 connections)		
Target 23-24	Actual 23-24	Previous year
16.03	18.52	17.83

In last year's annual review summary, we welcomed news that the government intended to ban plastics in wet wipes, given 90% of external and 85% of internal sewer flooding incidents are a result of sewer blockages, with wipes the single largest cause of those blockages. In April 2024, the government confirmed legislation would be introduced to implement the ban by the end of the year. We hope the incoming government remains similarly committed. We believe this will significantly reduce the number of customers blighted by sewer flooding.

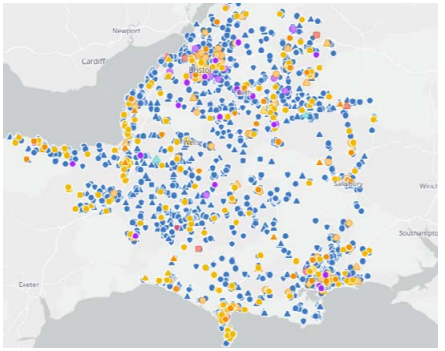
Storm Harvester – AI in sewer monitoring

Wessex Water has over 1,300 storm overflows plus emergency overflows and an increasing number of new sewer monitors in addition to existing asset level monitors for site control. To help make sense of this large volume of data, we have been using StormHarvester since a Marketplace trial in 2020. More sites are still being added to the system including water recycling centres (WRCs). The map below shows the location of the monitors across our region as in September 2024.

The aim is to detect equipment faults, blockages, and compliance failures earlier and to change from fixing faults to maintaining a healthy system. If the assets are always healthy and compliant then there should be no pollutions and when there are failures, if we detect them sooner, then we can reduce their impact. The overall aim is to protect the environment and improve our environmental performance.

StormHarvester takes the live level data and compares it to a predicted level. If the current level is within the predicted thresholds, then there is not a problem but if the current level goes outside the predicted thresholds, then an alert is raised. The Network Monitoring Team reviews these alerts and acts where required. The predicted thresholds are created by StormHarvester learning from historical data and rainfall data; the WRCs sites also use the flow data measured on site.

Typical faults that are detected are slow-building blockages (e.g. silt or grit), high levels after rainfall (partial blockages from storm debris) and equipment failures – if the equipment is faulty, we are blind to problems. This year, the Network Monitoring Team have raised jobs for various sites resulting in a lot of storm debris being removed from our sewers, which was causing partial blockages. This usually involved removing bags' worth of stone and grit, but one blockage was caused by builders' rubbish.



Affordable bills

Financial vulnerability

Our commitment to helping every customer to be able to afford their water bill is long established. We provide extensive financial and debt support through a range of schemes and low-rate tariffs under our tailored assistance programme (**tap**) and each year we build on past progress.

Our commitment remains, even as the context changes. Importantly, we remain resolved to achieve zero water poverty by 2030 (defined as no one spending more than 5% of their disposable income on water) despite average bills rising for the second consecutive year this year and customers continuing to battle with the wider cost of living crisis.

In 2023, we focused on making help easier and quicker to access and improving the customer journey.

We made the following changes in the year:

- auto-enrolled just under 5,000 customers to schemes via data shares with councils and the Department for Work and Pensions
- continued to fast-track customers to our Assist scheme (which provides bill discounts) at first point of contact
- introduced a new care leavers scheme pilot, enabling those leaving care to automatically access Assist up to the age of 21
- promoted our schemes using a variety of communication channels, using imagery and wording customers have said will best encourage them to get in touch. Our activities included: placing adverts in specialist publications (such as hospital magazines and with Kidney Care UK) as well as in more general publications and locations; distributing leaflets through schools and in new parent packs in Chippenham; and posting on social media, including during Stop Loan Shark Week
- committed to working with debt advice organisation Money Wellness to refer our customers directly to them through a web portal. With consent, we are also able to receive data to help customers access the right assistance for them
- provided training and awareness raising sessions with partners about what **tap** has to offer
- launched a new online eligibility calculator enabling customers to find the right affordability scheme for them.

Bill reduction to customers on social tariffs per 10,000 households		
Target 23-24	Actual 23-24	Previous year
80,858	76,567	72,723

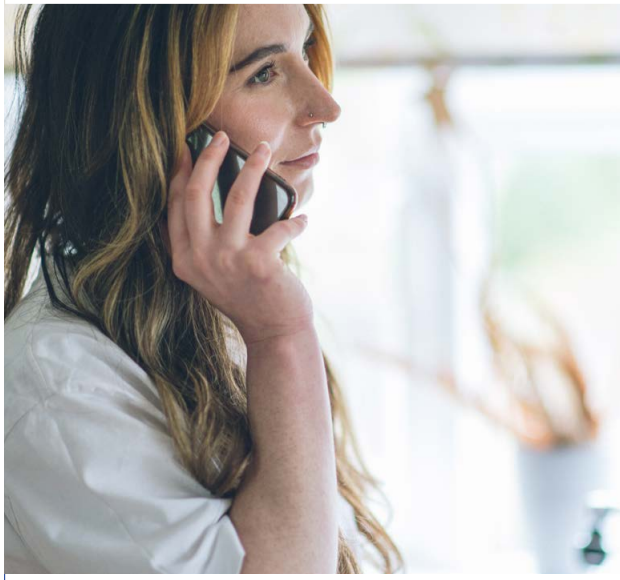
The total bill reduction to customers on social tariffs per 10,000 households rose this year from £72,723 to £76,567. However, we missed our target for the year of £80,858.

Successful applications for assistance received by the independent advice sector/third parties		
Target 23-24	Actual 23-24	Previous year
2,300	2,732	2,474

We also met our target for the number of applications to our financial support schemes from funded advice agencies. As the cost-of-living crisis persists, most agencies are close to capacity and are dealing with both more complex cases and a new type of client: customers in full-time work who now need affordability help.

We finished the year with a reconciled figure of 2,732 successful applications for assistance for financial support. This is an increase of 258 compared to 2022-23 and 432 above our regulatory target of 2,300.

Our campaign to raise awareness of the help available to customers struggling to pay their bills, and making it easier to access this help, resulted in even more of them receiving assistance from our tailored assistance programme (**tap**).



Excellent customer experience

Excellent customer service is one of the eight outcomes stated in our Strategic Direction Statement and we continue to maintain our strong customer experience record. it has been another successful year where we had the fewest customer complaints of all water companies and maintained our long-standing top performance on customer service and community engagement, reflected in our leading C-MeX score and excellent TrustPilot rating.

In October 2024 the Consumer Council for Water (CCW) revealed Wessex Water as the top-performing water and sewerage company (WaSC) in their latest household complaint handling report.

Each year, CCW compares the performance of water companies based on the number of complaints they receive per 10,000 connections and assesses how well complaints have been handled. In 2023-24 Wessex Water received the fewest complaints of any WaSC to CCW, which combined with our low stage 2 complaint score, gave the best complaint handling score, despite an industry-wide increase in complaints.

While Hafren Dyfrdwy received the fewest complaints per 10,000 connections directly from customers, Wessex Water came a close second.

Overall, Wessex Water is the only water and sewerage company to score well in both metrics, the best overall performance.

The report highlights that Wessex Water has been among the best performing companies for many years. CCW also notes our positive impact across the industry by sharing our insights and best practice with other companies to help them improve.

For more information on the CCW report Household complaint handling report 2024 - CCW

Below are two examples of the excellent service we provided to the customers.

Customer reported leaks fixed within a day (%)		
Target 23-24	Actual 23-24	Previous year
90%	91%	90%

We continue to enhance and improve our pressure management and leakage control activities, including installing more than 6,000 permanent acoustic loggers on our network to aid and inform leak detection.

We exceeded our target to fix customer reported leaks within a day. This was helped by a 27% reduction in customer reported leaks.

Volume of water saved by efficiency engagement (megalitres per day)		
Target 23-24	Actual 23-24	Previous year
4.0	4.9	3.6

We exceeded our performance commitment target for the volume of water saved through water efficiency activities, delivering savings of 4.9 Ml/d compared to an end of year target of 4.0 Ml/d.

This year we focused our demand management strategy on the delivery of household (known as Home Check) and non-household visits as they deliver high confidence savings. We visited 4,127 household customers offering advice and water efficient products, and plumbers returned to 794 of these to fix leaking toilets and taps. We also visited 121 non-household customers (primarily schools).

Alongside this we continued to run our summer campaign messages and distributed 3,000 free water saving packs and 5,500 water butts. Nearly 6,500 households signed up to use our online GetWaterFit water use calculator and we engaged with more than 9,000 school children on water efficiency. We also saw a slightly higher number of people opting to move on to a meter; customers remain motivated to save money and be in control of their utility bills.

Sustainable abstraction

Groundwater levels were above average from April 2023 to March 2024. Reservoir and groundwater recharge was rapid at the end of summer 2023 and by the end of October our reservoirs were full and soil moisture deficit reduced to zero. Groundwater levels peaked in the chalk aquifer during February 2024, which was the wettest for that month for more than 100 years. Groundwater levels in the Great Oolite aquifer continued to rise and in spring 2024 were well above the long-term average level for that time of year.

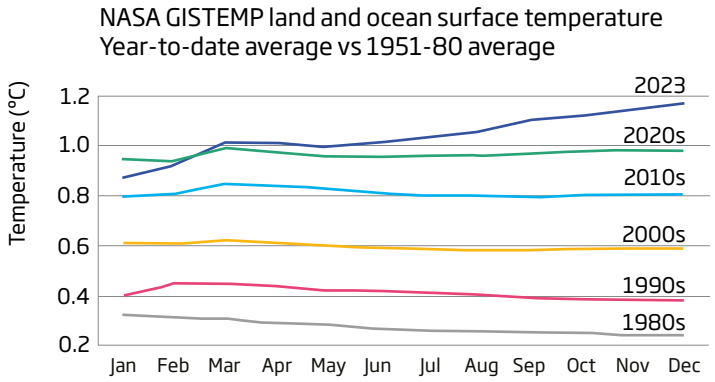
Abstraction Incentive Mechanism (Mere) (megalitres per year)		
Target 23-24	Actual 23-24	Previous year
-100	-142	-319

Abstraction Incentive Mechanism (Stubhampton) (megalitres per year)		
Target 23-24	Actual 23-24	Previous year
-45	-140	-169

We continued to meet our performance commitments for the Abstraction Incentive Mechanism at both Mere and Stubhampton. Under this mechanism, we are incentivised to voluntarily reduce our abstraction from environmentally sensitive water sources when river flows are low.

Temperature rising

The graph below illustrates the monthly average temperatures by decade using 1951-80 for the basis line. There is a clear trend of the temperature increasing through the decades.



Peak temperatures in 2023 occurred in the middle of June, with a corresponding spike in demand. However, the rest of the summer saw a return to wetter conditions and we comfortably maintained supplies to all customers, avoided any usage restrictions and provided flow support to several vulnerable streams and rivers.

Unplanned outage (%)		
Target 23-24	Actual 23-24	Previous year
2.34%	1.53%	0.76%

None of the population we serve was at risk of severe restrictions in a drought, consistent with our target.

Risk of severe restrictions in a drought (%)		
Target 23-24	Actual 23-24	Previous year
0%	0%	0%

Excellent river and coastal water quality

We met all our statutory obligations under the Water Industry National Environment Programme (WINEP).

Water quality

Length of river with improved water quality through WINEP delivery (km)		
Target 23-24	Actual 23-24	Previous year
167.4	170.7	157.8

We also exceeded (170.7km) our cumulative target (167.4km) for the length of river with improved water quality, after delivering a project early.

Km of river improved (non-WINEP) (km)		
Target 23-24	Actual 23-24	Previous year
0.0	40.6	32.4

This target relates to the removal of nitrogen and phosphorus.

Planning for the future

Risk of sewer flooding in a storm (%)		
Target 23-24	Actual 23-24	Previous year
8.91%	7.98%	7.98%

The risk of sewer flooding in a storm measure relates to our understanding of flood risk in our region. We can use this knowledge to develop strategies to reduce the risk of sewer flooding over the long term. As in 2022, the percentage of the population at risk in 2023 was lower than our target, reflecting improvements in our understanding of where the risk is greatest. This understanding helps us target action where it is most needed.

Sewer collapses (number per 1,000km sewer)		
Target 23-24	Actual 23-24	Previous year
6.33	5.55	5.22

We met our target on reducing sewer collapses for the fourth year in a row. The measure is designed to ensure that the overall asset health of below-ground wastewater assets is maintained and improved for the benefit of current and future generations.

Working with communities to improve bathing water experience (number of beaches)		
Target 23-24	Actual 23-24	Previous year
40	44	36

Under this measure, we are incentivised to work with local communities and stakeholders to deliver projects which will enhance the enjoyment of beaches and amenity waters. This includes designated bathing waters but also popular coastal and river sites which are not currently designated. To date, we have delivered projects at 44 locations, including three river/inland sites and 41 beaches, exceeding the target of 40.

Net zero carbon

Our ambition

By 2030, we aim to achieve net zero operational carbon emissions. This target includes our annual emissions linked to energy use and transport, plus other greenhouse gases that are emitted from sewage and sludge treatment processes. However, our goal does not end there.

We know we must also address embodied carbon, ie, the emissions associated with the materials, products, and services that we use. Therefore, we also aim to achieve net zero total carbon emissions by 2040 at the latest. This will be 10 years ahead of the UK's commitment to achieve net zero carbon emissions by 2050.

We published our route map to net zero carbon emissions in 2021, and recently set out proposals for 2025-30 in our 2024 business plan submission.

The scope of our commitments

Our 2030 net zero operation emissions commitment covers our regulated activities for water treatment and distribution, sewage and sludge treatment, and includes emissions categorised into three 'scopes', as per greenhouse gas reporting standards.
The commitment includes the following:

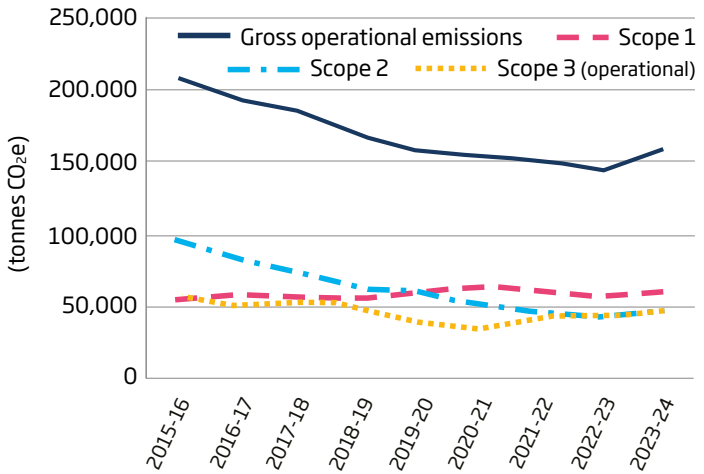
Scope 1	Emissions from on-site use of fossil fuels; transport; and wastewater and sludge treatment processes
Scope 2	Emissions from grid electricity, using market-based reporting
Scope 3	Selected emissions, ie, those associated with grid electricity transmission and distribution; contractors' work on our behalf; public transport and private vehicles used on company business.

Our 2040 commitment includes the above, plus a wider range of supply chain and downstream emissions, including:

a) well-to-tank emissions linked to energy use
b) emissions from the export and use of treated sewage sludge (bioresources)
c) emissions related to the manufacture and delivery of goods and consumables that we use including chemicals, vehicles, and IT equipment
d) emissions related to our capital programme (eg, materials, transport, construction).

As of 2022-23, our annual regulatory accounting incorporated items a and b plus emissions from chemical use in our scope 3 operational emissions report.

The graph below shows the emissions trend for the last eight years. In 2022-23 we also published our first assessment of annual capital carbon emissions; we estimated 48 kilotonnes CO2e associated with capital projects, and a further 15 kilotonnes CO2e associated with management and general schemes and other purchased goods and services.



Main challenges

While there are clear options for decarbonising energy and transport, two aspects of our emissions pose greater challenges.

Firstly, the emissions of methane and nitrous oxide from sewage and sludge treatment are likely to be more significant than previously estimated, and the science and technology for quantifying and managing these are in their infancy. Good progress has been made globally in recent years to address this issue, but it will be a risk area for the foreseeable future.

Secondly, our estimate of the capital carbon emissions linked to our forthcoming AMP8 investment programme is significant at 762 kilotonnes CO2e, including schemes starting before 2025 or continuing past 2030. While supply chain impacts should decrease as the wider economy decarbonises, this could be a relatively slow process in sectors providing a lot of the materials we use such as cement, steel, and plastics.

Consequently, we are developing a whole-life total carbon viewpoint and are working on building whole life carbon assessments into our decision-making processes.

By 2030 - we aim to achieve net zero operational emissions

By 2040 - we aim to achieve net zero total emissions

By 2050 - the government aims to be net zero

Our emissions

	23/24 emissions		22/23 emissions		21/22 emissions		20/21 emissions		Baseline emissions	
	$ktCO_2$	% of net emissions	$ktCO_2$	% of net emissions	$ktCO_2$	% of net emissions	$ktCO_2$	% of net emissions	$ktCO_2$	% of net emissions
Scope 1 - Direct emissions										
Burning fossil fuels on site	15.1	10.4%	13.1	9.0%	13.9	9.2%	16.6	10.8%	9.7	8.5%
Methane and nitrous oxide from sewage and sludge treatment	34.8	24.0%	33.6	23.2%	36.0	23.7%	37.6	23.7%	38.1	24.1%
Transport - company vehicles	11.6	8.0%	11.0	8.4%	11.2	8.8%	11.5	7.3%	11.6	7.3%
Total scope 1	**61.4**		**57.7**		**61.1**		**65.6**		**59.5**	
Scope 2 - Grid electricity generation emissions										
Grid electricity generation emissions	50.2	34.6%	44.1	33.6%	52.13	37.5%	52.1	34.0%	59.4	34.0%
Scope 3 - Other indirect emissions										
Public transport and private vehicles	1.1	0.7%	0.8	0.6%	0.6	0.4%	0.0	0.0%	1.3	0.8%
Outsourced activities	8.6	5.9%	7.4	5.1%	5.9	3.9%	2.4	1.6%	3.6	2.3%
Grid electricity extraction, production, transmission and distribution	12.1	8.3%	15.5	10.7%	17.3	11.4%	12.3	8.0%	14.0	8.9%
Fuels - WTT	5.6	3.9%	5.9	4.0%	5.7	3.8%	5.3	3.5%	8.4	5.3%
Chemicals	10.6	7.3%	5.1	3.5%	6.9	4.6%	7.5	4.9%	3.2	2.0%
Sludge to land	9.2	6.3%	8.4	5.8%	8.1	5.3%	7.9	5.2%	9.0	5.7%
Total scope 3	**47.1**		**43.2**		**44.6**		**35.4**		**39.6**	
Gross emissions	**158.7**		**144.9**		**152.1**		**153.2**		**158.53**	

Increased biodiversity

Our Biodiversity Action Plan (BAP) sets out how we will conserve and enhance wildlife across our region. Our latest (BAP) Biodiversity Action Plan | Wessex Water shows how we will deliver our biodiversity aims through the following six key workstreams.

1. Management of our land.
2. Operational activities and development.
3. Supporting external biodiversity partnerships and projects: see section top right on Dorset Wildlife Trust.
4. Enhancing biodiversity across our catchments.
5. Increasing use of nature-based solutions: see section bottom right on Cromhall wetlands.
6. Increasing tree planting.

Impact metrics

Working with catchment partners to improve natural capital (number of projects)		
Target 23-24	Actual 23-24	Previous year
37	42	43

Natural capital: improve Sites of Special Scientific Interest (SSSI sites) (%)		
Target 23-24	Actual 23-24	Previous year
80%	82%	67%

We delivered 82% of actions, against a target of 80%, to improve a number of Sites of Special Scientific Interest (SSSI) in our landholding, as agreed with Natural England. This was a significant increase on last year's 67% of actions. Of our SSSI landholding, 63% is in favourable condition and 26% is classified as unfavourable – recovering: a total of 89%. Actions agreed with Natural England to address the condition of this SSSI are programmed for 2024-25.

Dorset Wildlife Trust

Our partnership with Dorset Wildlife Trust on Dorset Wild Rivers has delivered more than 52 hectares of habitat improvement and 2.3km of watercourse improvements across key rivers and catchments in Dorset, for more information Biodiversity Action Plan | Wessex Water

The picture above is of River Stour in Dorset

Cromhall wetlands

Our investment at Cromhall has created a 111% increase in biodiversity value which will improve in the future as habitats mature. A Bioblitz (assessment of different biological features) at the site identified that numerous species of plants, birds, bats insects and amphibians have already colonised or are currently using the new wetland system.

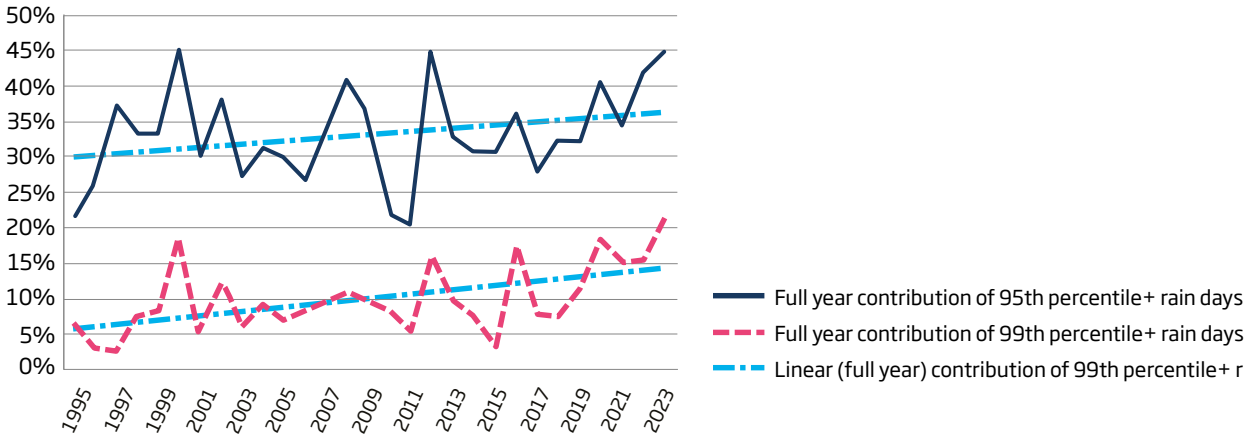
The picture above shows the wetland next to the Cromhall WRC. For more information Cromhall wetland | Wessex Water

Adapting to climate change

The warming trend since the end of the nineteenth century has been unequivocal and we are experiencing a trend of increasingly wet winters and increasing rainfall intensity. In the recent past, extreme wet conditions have led to raised nitrate levels in groundwater sources; some customers experiencing restricted wastewater service; and localised flooding of some sites. Dry extremes have occurred less often, and we have not imposed water use restrictions in our supply area since 1975-76. Notable temperature events have included the 2018 'Beast from the East' freeze thaw event and heatwaves in 2018 and 2022.

The UK Climate Projections show that across all scenarios and timescales, future summers will be drier and winters will be wetter. Meanwhile, UK Climate Change Risk Assessments and National Adaptation Programmes include specific findings and recommendations for the water sector. These inform our own climate risk assessments alongside other best available evidence.

Percentage of each year's total rain on days exceeding 11mm (95th percentile) and 19mm (99th percentile)



There are various ways to manage climate-related risks to an acceptable level, including building physical assets or improving systems; managing water supply and river catchments; improving co-operation with other organisations; and encouraging helpful behaviour among users of our services. Our climate change adaptation report sets out a range of actions, including established ways of working; additional or updated work during 2020-25; and planned actions and delivery for 2025-2035. Examples of our actions include:

- reducing leakage across our network to help ensure a sustainable water supply to meet future demand
- establishing the West Country Water Resources Group with neighbouring water companies to manage future supply and ensure resilience
- reducing the infiltration of groundwater into sewers and working with local councils on surface water management
- raising electrical equipment positions at low-lying sites to ensure we can continue delivering our services when flooding occurs
- collaborating with other agencies that are affected by extreme weather events.

See Climate Change Adaption Report | Wessex Water

Sustainable finance framework (SFF)

Our Sustainable Finance Instruments will be reported in line with our sustainable finance framework that aligns with the company's purpose, business plan commitments and financing ambitions through the use of targeted financing. For more information see Sustainable finance framework (wessexwater.co.uk).

Wessex Water Services Ltd has received low ESG (environmental, social and governance) ratings from Fitch. The low-risk rating supports our strong ESG credentials both within the UK utilities industry and globally and supports our commitment to highlight risks and increase transparency.

Sustainable performance

Benefiting from long-term stable ownership for the last 22 years, we operate under a simple and transparent financial structure. Our operational performance has resulted in Wessex Water being considered a leading company at a time when the industry is under scrutiny. We exceeding performance commitments, environmental standards and customer service expectations.

Our sustainable finance framework

Our sustainability finance framework, originally published in September 2022 and updated in March 2024, supports the financing of eligible projects that demonstrate our social and environmentally sustainable management of natural resources and land use, as well as adapting to climate change.

Our sustainable finance framework aligns with the ICMA Green Bond Principles (GBP) (June 2021, with June 2022 Appendix 1), ICMA Social Bond Principles (SBP) (June 2023), ICMA Sustainability Bond Guidelines (SBG) (June 2021) and LMA Social Loan Principles (SLP) (February 2023). It also aligns with the LMA Green Loan Principles (GLP) (February 2023). It allows for both social and green projects and recognises projects often benefit both categories.

Our framework was updated to reflect the changes and enhancements to align with current market standards which will ensure our framework remains current and is well positioned to evolve with future market developments. Our current framework can be found here Sustainable finance framework (wessexwater.co.uk)
Our totex (capital and opex) programme aligns well with the UN Sustainable Development Goals and International Capital Markets Association (ICMA) categories. Based on this we are able to select spend that fits within the eligible project for inclusion in our own environmental and social project categories.

During our bi annual Sustainable Finance Group meetings the definitions used in our SFF are reviewed against the definitions used in the ICMA principles. There are discussions that in the future our definitions will be aligned closely to those in the ICMA principles.

Use of proceeds debt

We manage the proceeds of our sustainable bonds with a robust governance structure. All spending is allocated to specific bonds for full transparency for investors, from the point of debt issuance to when proceeds are spent, and in reporting on the ultimate impact of those projects over time. Our approach focuses on a few main principles: transparency, consistency and credibility, with spend aligning to the principles laid out by the International Capital Markets Association (ICMA). Due to the size of our programme we look back one year so we can usually confirm spending has occurred before accessing funds. However, if there are funds held from the issuance of a sustainable bond which are not allocated to eligible projects, these funds are used to temporarily fund our general operating costs in line with our treasury policy, and not to fund dividends.

Our reporting structure

ICMA category	Wessex Water outcomes	Wessex Water's definitions
Sustainable water and waste water management	Safe and reliable water supply	Expenditure on the water supply network to improve the quality and resilience of drinking water supply and reduce leakage from our system
	An effective sewerage system	Expenditure on the wastewater network that increases the resilience for waste removal and accommodates future demand across the region
Terrestrial and aquatic biodiversity Conservation	Excellent river and coastal water quality	Expenditure at our water recycling centres (WRC) that meets WINEP requirements by removing more phosphorus and nitrogen from our final effluent
	Sustainable abstraction	Expenditure to improve biodiversity and strengthen ecosystems
Environmentally sustainable management of living natural resources and land use	Increased biodiversity	Catchment management programmes that promote farming practices that reduce fertiliser and pesticide use Preservation or restoration of wildlife habitats on our landholding or through work with other organisations
Pollution prevention and control	Excellent river and coastal water quality	Expenditure that upgrades the sewerage network and water recycling centres to reduce pollution incidents.
Energy efficiency, renewable energy, clean transportation and green buildings	Net zero carbon	Expenditure to change how we operate as a business to reduce our carbon output
Climate change adaptation	Serving people and places Enhancing the environment	Investment for enhancing the resilience of our water supply and wastewater services in the face of the growing impact of climate change
Eco-efficient and / or circular economy adapted products, production	Enhancing the environment	Expenditure at our bioresources centres that increases value from waste and reduces environmental impact from by-products
Access to essential services and affordable basic infrastructure	Affordable bills Safe and reliable water supply An effective sewerage system Excellent customer experience	Discount for customers so more people can afford our services Extending our social tariff Connecting new housing developments to our water supply and wastewater networks for the first time Ensuring all our customers receive a great experience and vulnerable customers are supported as much as possible
Socioeconomic advancement and empowerment	Serving people and places	Providing drinking water at popular high streets and mobile refill points at community events across our region Promoting and improving access to our recreational facilities across our region for all customers to enjoy Offering educational support to our customers via the YTL Wessex Foundation

Our ambitious plan for 2025–2030 (AMP 8) includes proposals for £3.5 billion investment in the south west of England to protect and enhance the environment, deliver resilience to climate change and support population growth. These projects will be funded by future sustainable finance issuances.

Sustainable financing instruments

In March 2023 we launched our first "Sustainability Bond" to raise £300m, the full proceeds are fully allocated and referenced in our previous report.

Then in March 2025, we successfully issued two sustainable bonds totaling £600m and the table below shows how proceeds have been partially allocated. When the next Impact Report is produced the proceeds will be fully allocated.

	Bond allocation					
ICMA category	2034 £350m	% of cost allocated	2040 £250m	% of cost allocated	Totex £m	% of cost allocated
Terrestrial and aquatic biodiversity conservation	78.1	39%	59.0	39%	137.0	39%
Sustainable water and wastewater management	73.5	36%	52.7	35%	126.1	36%
Access to essential services and affordable basic infrastructure	16.9	8%	13.2	9%	30.0	8%
Eco-efficient and/or circular economy adapted products, production techniques and processes	15.1	7%	11.3	8%	26.4	7%
Pollution Prevention and Control	10.6	5%	8.4	6%	18.9	5%
Environmentally sustainable management of living natural resources and land use	3.7	2%	2.6	2%	6.3	2%
Socioeconomic advancement and empowerment	3.3	2%	2.3	2%	5.7	2%
Climate change adaptation	1.4	1%	1.1	1%	2.6	1%
Renewable energy	0.2	<1%	0	<1%	0.2	<1%
Clean transportation	0.1	<1%	0	<1%	0.1	<1%
Total cost allocated to ICMA	**202.8**	**100%**	**150.5**	**100%**	**353.3**	**100%**

Sustainable Bond	2034 £350 million	2040 £250 million
Issuer	Wessex Water	Wessex Water
Currency	GBP	GBP
Amount	350 million	250 million
Unique identifier	XS3025173710	XS3025173983
Issue date	19-Mar-25	19-Mar-25
Maturity date	19-Sep-34	19-Sep-40
Coupon	6.125	6.5
Gross proceeds	350 million	250 million
Amount allocated	202.8 million	150.5 million
Allocation	57.9%	60.2%

DNV Business Assurance Services UK Limited was engaged to provide an independent third party limited assurance on the claims and assertions related to the allocation of proceeds as disclosed in the report. For more details, please refer to the Independent Limited Assurance Statement at the end of this document.

Terrestrial and aquatic biodiversity conservation

The highest spending ICMA category is terrestrial and aquatic biodiversity conservation at £137.0m. This expenditure includes investments focused on providing our waterways with great river and coastal water quality. The largest project for the financial year 2023-24, Yeovil (Pen Mill) WRC phosphorus removal and river quality improvement, falls under terrestrial and aquatic biodiversity conservation.

Yeovil (Pen Mill) WRC falls within the South Somerset Council area, serving the majority of Yeovil town, together with several surrounding villages, with population equivalent (PE) of 75,000. The works have been identified in the Water Industry National Environmental Programme (WINEP) as requiring treatment process improvements to meet regulatory obligations during AMP7 and beyond.

The scheme addresses the following drivers:

- Water Framework Directive (WFD) and Habitats Directive to improve the quality of final effluent into river.
  - reduce the amount of phosphorus with permit of 0.59 mg/l,
  - BOD (bio-chemical oxygen demand) permit of 30mg/l dropping to 12mg/l;
  - reduce the level of ammonia with permit dropping from 15mg/l to 4 mg/l,
  - reduce the volume of suspended solids with consent tightened from 55mg/l to 28mg/l.
- Increase the storm storage on site from 2,662m³ to 5,503m³.
- Install real time monitoring of overflow to/from storm tanks using event duration monitors (EDM).

To achieve the new regulatory phosphorus, BOD and ammonia parameters, the existing treatment process had to be upgraded with enhancement works beginning in October 2022 to facilitate construction work beginning in 2023.

The pictures (right) show the site before construction and during construction.

During the year 2023-24 the following activity occurred:

- two new 24m diameter primary settlement tanks were constructed replacing the existing square primary settlement tanks (PST). The tanks use modern technology so are more efficient and incur lower maintenance costs.
- the original (PST) were converted to become the additional storm storage.
- eight biological filter arms were upgraded to meet internal standards for treating effluent and the planned increase in capacity of the site. The new specification of the arms allows one of the eight filters to be taken offline for maintenance, while the remaining seven filters are able to still operated with full flow through the site.
- construction of a new tertiary treatment plant comprising of moving bed biofilm reactor (MBBR) plant reduced the ammonia level,
- 11 filter mixed media filter (MMF) plant plus associated pumping stations will reduce the phosphorus level,
- New motor control centres (MCC) control all the above-mentioned processes and
- Upsizing the main site power supply and new standby generator to manage the increasing power from improving the treatment process.

With works continuing during 2024-25 with the construction of a replacement biological high rate filter (HRF) and the conversion of the now redundant PSTs into storm tanks, and commissioning and optimisation of all the new treatment processes.

The anticipated completion date for the project is December 2024 with overall cost forecast to be £28.5m, with £15.8m spent in 23-24.

The environmental benefit of the scheme will be to remove an increasing amount of phosphorus from the discharge into the river. By the end of 2025 7.3 tonnes of phosphorus will be removed, that will increase annual to 8.0 tonnes by 2040.

Terrestrial and aquatic biodiversity conservation

North Petherton water recycling centre (WRC) is situated adjacent to the M5, near Bridgwater in Somerset and serves the town of North Petherton and the village of North Newton. The treated discharge flows into Petherton stream which then joins the river Parrett.

The recycling centre requires significant capital maintenance improvements to replace the ageing inlet works, this will ensure the recycling centre can continue to treat the incoming flows. The current Full flow to treatment (FFT) is 31 l/s and when the project is complete the capacity for treatment will increase by nearly a third to FFT to 40 l/s. Additional treatment capacity for future population growth within the catchment has been incorporated into the WRC.

The North Petherton WRC has also been identified as one of a number of Wessex Water WRCs where the volume of storm storage provided will be greatly increased.

Work began in August 2023. The first picture shows the level of construction at the WRC.

The picture above shows the circular, below ground 804m³ storm storage tank with flushing bell.

The picture below shows the reinforced concrete structure as part of the new inlet works, this is prior to the screen being installed. On the first picture the inlet works is just above the circular storm tank.

Besides this work, the WRC will benefit from upgrading the power supply to accommodate all new plant and equipment, new controls to existing and new plant and equipment, installation of event duration monitoring (EDM) on storm tank overflow and MCERTS flow to full treatment flow measurement.

Due to the lack of available land the size of the storm tank and new inlet works, an area of land had to be purchased. This new site extension was subject to planning approval by Somerset County Council.

The existing WRC access is under the M5 by means of an underpass this was unsuitable for much of the large construction vehicles and delivery of plant so a temporary access had to be negotiated for the duration of construction.

The construction and commissioning of the new inlet works and storm storage tank are due for completion in early 2025 ahead of the regulatory date of the 31 March 2025. The estimated cost of the project is £10.2 million and £4.4m spent in 2023-24.

The environmental benefit of the project will be to reduce the likelihood of spills to the river during storm conditions. The additional storage volume provided is based on reducing spills to the watercourse to 15 or less per year.

Sustainable water and wastewater Management

The second highest spending ICMA category with £126.1m is to provide our customers with a safe and reliable water supply and an effective sewerage system to remove their wastewater. This expenditure includes investments focused on providing our customers with safe and reliable water supply (£72.3m) and an effective sewerage system (£53.8m).

Marshfield WRC growth: Scheme value: £5.8m of which £3.0m spent in 2023-24

Marshfield water recycling centre (WRC) is located in the north of our region, eight miles north of Bath and serves the village of Marshfield. There are very tight permit limits on the site for ammonia (1.9mg/l, tightest in the region), biological oxygen demand (10mg/l, third lowest in the region) and suspended solids (20mg/l, sixth lowest in the region). The tight permit limits are due to low flows in the small receiving watercourse which provide limited dilution.

To comply with the tight limits at the WRC, reduce the risk and operating costs the following project elements delivered the following benefits:

- re-commission sludge tank with new sludge cage and access stairs providing space for the new plant
- abandon sludge beds and convert to foundations for new plant
- conversion of a redundant tank into a balance tank providing hydraulic improvements within the site
- upgrading the recirculation pump station with new pump and site hydraulic improvement to provide more consistent wetting to the filters and improve process performance
- removal of the life expired tertiary aerated sand filters installed in 2007
- two new moving bed biological reactors (MBBR) with refurbishment of an existing feed pump station to feed the new plant and give more robust ammonia removal across greater seasonal temperature ranges
- two new tertiary treatment pile cloth filters and associated backwash pump station for BOD related solids removal
- new larger generator with new delivery bund to serve all the plant.

Construction was undertaken in phases to reduce risk to the site. Phase 1 construction was undertaken in 2022 and included the conversion of the balance tank, recirculation pump station, hydraulic improvements. During phase 1 design and procurement was completed on the remaining works.

Phase 2 construction began in April 2023 with one MBBR delivered and run on temporary generators during phase 1 to further reduce the risk of failure. The following plant was installed in a sequenced way due to site and access restrictions:

- new larger generator with new delivery bund – delivered July 23
- new Mains incomer and DNO power upgrade – September 23
- the second new MBBR was fitted out in October 2023. These MBBRs provide better ammonia removal than the sand filters they replaced.
- two new tertiary treatment pile cloth filters (PCF) – plant installed from October 23 with panels in November and connecting pipework and access metalwork following on.

Construction and commissioning was completed in July 2024 with final optimisation completed end of September 2024.

New generator and mains MCC installed adjacent to inlet on top left

New MBBRs and PCFs

Pile cloth filter, that is a mechanical process for the separation of organic and inorganic solids from liquids.

Access to essential services and affordable basic infrastructure

The third highest spending ICMA category focuses on the social benefits from investing £30.0m in providing our customers with access to clean potable water and wastewater services while receiving great customer experience. £10.2m was spent on social tariffs and discount for customers, an annual commitment that supports our most vulnerable and financially challenged customers. Our previous issue of this report explained the detail behind this valuable work.

Beanacre first time sewerage

The village of Beanacre, situated about 1½ miles (2.4 km) north of Melksham. There had been a long-standing history of watercourse pollution from private septic tanks and common agreement amongst residents, councillors, the local MP, and the Environment Agency (EA) led to an application to connect to our sewer network. Applications come in three formats, a group of residents, parish councils and district councils. For more information on the process of connecting to our sewer network see First time sewerage (wessexwater.co.uk).

A viability study took place in 2019 following an application from a group of local residents to consider a first-time sewerage scheme. Design got underway in 2020 on the new sewerage system that would allow up to 35 domestic properties to connect to mains sewerage. Advance planning was incorporated into the design that provided for an additional 40 future connections. There will be a second phase of the project once the A350 bypass has been completed.

The designed required investment in:

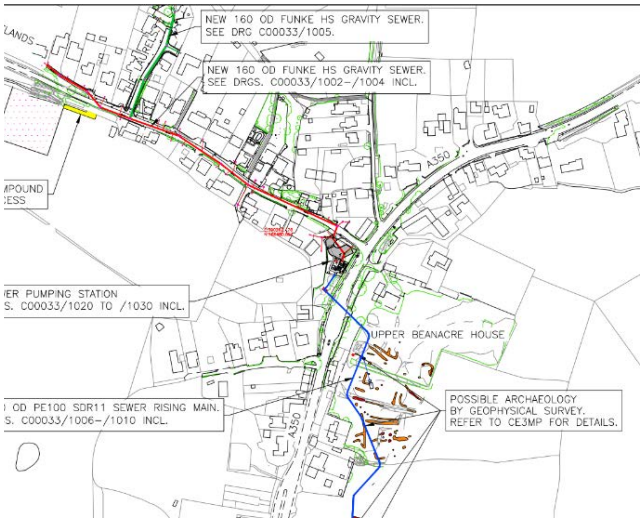
- constructing a new sewage pumping station with 3m diameter and 6m deep wet well (see picture below left)
- a duty standby pump arrangement.
- new power supply for the new standby pump
- land purchase for pumping station plot
- 460m of new gravity sewerage system
- 235m of lateral drains and demarcation chambers to connect the 35 domestic properties
- 1.3km of new sewage pumping main.

Construction started in April 2023 and overcame challenges including high groundwater table, multiple service diversions and archaeology. We knew the area would be archaeologically sensitive from historical records and earlier archaeological surveys. An archaeological watching brief was required along the sewage pumping main easement and excavation works uncovered several archaeological artefacts from a historic Roman settlement.

Above left, sewage pumping station construction and, right, the 20m working easement to install the sewage pumping main.

The picture below shows the archaeological site that was found to the left of the 20m working easement.

The project was completed in December 2023, with total investment of £2.7m over the life of the project.



The diagram above shows our investment: the red lines are the new sewers, manholes, lateral drains and demarcation chambers and the blue line the 1.3km of new sewage pumping main.

Eco-efficient and/or circular economy adapted products, production techniques and processes

Avonmouth Bioresources Centre £3m
Enhancing the environment and increasing value derived from by-products of sewage treatment.

One of the largest expenditures in this category was at Avonmouth Bioresources Centre (BC), which received £3m of the £26.4m spent on this theme.

Avonmouth BC is Wessex Water's largest bioresources centre, treating sewage sludge produced in the Bristol catchment area, as well as sewage sludge imported from other Wessex Water treatment sites in the northern part of our region. The sludge treatment process at Avonmouth BC comprises of an anaerobic digestion (AD) plant that treats up to 1,800m3 of sludge per day. The treated sludge (known as biosolids) is applied on agricultural land to provide nutrients for crop growth and organic matter to promote soil health. The AD process generates up to 17 million m3 of biomethane per year that that can used to generate renewable electricity or decarbonise the gas grid.

The total scheme value is in the region of £26.4m and is forecast to complete by March 2030. The scheme will refurbish and upgrade all the anaerobic digesters at Avonmouth BC to enhance the performance of the AD process and reduce the greenhouse gas emissions from the process. Specifically, the scheme will:

- Inspect, clean, and refurbish all six primary digesters (known as the MAD1 digester complex),
- Install additional instrumentation (such as online flow and pressure measurement) to enhance the monitoring and efficiency of the AD process,
- Install a new motor control centre (MCC) for the AD plant to improve its telemetry capabilities, and
- Upgrade the digester gas header pipework to improve the management of biogas generated from the AD process.

Work undertaken this year includes:

- Continued running of a temporary dewatering and lime treatment plant to enable the first digester to be taken out of service (Digester #5),
- Installation of temporary gas pipework and flare stack to divert the gas header away from Digester #5 to enable the digester to be taken out of service,
- Structural monitoring during decommissioning,
- Purging of the digester headspace,
- Drain down of the digester,
- Cleaning and scaffold installation inside the digester,
- Complete structural investigation, focussed on the digester roof,
- Removal of redundant equipment,
- Electrical, mechanical and instrumentation (EM&I) condition assessments, and
- Progress design for improvements to Digester #5 and the MAD1 digester complex.

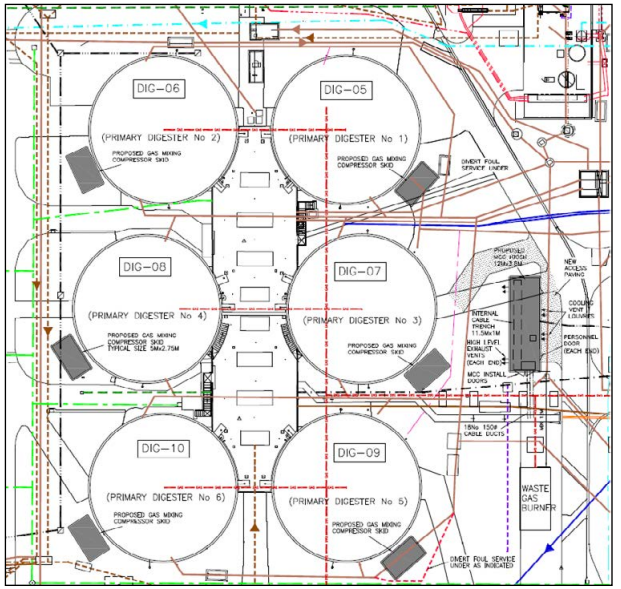
Concrete repairs are programmed to start in February 2025, while the mechanical and electrical (M&E) installation of improvements and the new gas header are programmed for the rest of 2025. The recommissioning of Digester #5 is expected in 2026.

When the investment scheme is completed, it will contribute to the following performance commitments and key performance indicators:

- Reduction in greenhouse gas emissions (E5), and
- Satisfactory sludge disposal (E8).

The photo on the right shows the scaffolding installed to facilitate the decommissioning of Digester #5, while the photo below shows the inside of Digester #5 after it has been drained out and cleaned, with scaffolding installed to facilitate internal inspection.

The drawing on the right shows the MAD1 digester complex which will be refurbished and upgraded in this investment scheme. DIG-05 denotes Digester #5, which was taken out of service and decommissioned this year.



Pollution prevention and control

Investment in this category is focused on protecting the environment, the expenditure upgrades the sewage network to reduce pollution incidents that leads to great river and coastal water quality. £18.9m was invested across half dozen of our WRC.

Pollution Prevention (FFT Increase)

Our Water Recycling Centres (WRCs) receive sewage and trade effluent from catchments where at least a proportion of the sewerage network is combined foul and surface water. This means that the sewerage network carries rainwater as well as sewage and trade effluent discharged by householders and traders. As a consequence, the volume of sewage arriving at a WRC can increase significantly after a period of rain.

Minimum flow rates are set by the Environment Agency for the amount of flow that needs to be passed forward to treatment before overflows are permitted to the storm tanks. For all flows being treated through the WRC, effluent quality limits need to be met. This rate is known as the Forward Passed Flow (FPF), previously known as Flow to Full Treatment (FFT). Increased permit FPF will ensure that storm tanks do not fill prematurely and are emptied effectively to prevent more frequent, higher strength and longer duration spills from storm tanks to receiving waters and allow receiving waters to respond to rainfall events to provide additional dilution.

In 2023/24 we completed three 'FFT increase' schemes at Lacock, Marnhull Common and Rode WRCs. Whilst relatively small-scale schemes, the receiving streams will benefit from each site seeing an increased hydraulic throughput being treated; in the case of Lacock WRC this involved doubling the site's FPF/FFT from 4.6 to 9.8l/s.

In 2023/24 work also began and continued on some of our larger FFT increase schemes, which are due to complete over the coming years. This included submitting planning applications and undertaking public consultations on our proposals.

Work progressed on a new access bridge across the River Avon to reach Saltford WRC, to facilitate access both for the construction works for the FFT increase scheme and also for staff and contractors attending the site in future years, which will reduce the strain on the narrow roads through Saltford village.

Ground preparation works also began at Avonmouth WRC, our largest WRC and where the site is seeing a near over 50% more throughput added to the site (from it's existing c.3.5m3/s to over 5m3/s).

More than 3,700 concrete piles have been driven into the ground as foundations for the new equipment - such as the treatment tanks and pipework - to be built. If laid end to end, these piles would stretch 74 kilometres – or from the Avonmouth site to the outskirts of Hereford in the north, Salisbury in the east, Port Talbot in the west or into Dorset in the south.

The terrestrial environmental benefits from Saltford WRC scheme, mainly associated with the new bridge/access road. There is a 50% biodiversity net gain – way above the statutory 10% required by planning legislation.

The construction of three ponds or scrapes to attract birds and invertebrates. This has been surrounded by a floodplain meadow specifically sown with appropriate seed mixes enabling flowers and grasses which benefit from being seasonally wet to flourish. We have also planted over 5,000 trees and shrubs in this area.

More details

Bristol's water recycling centre | Wessex Water
Saltford water recycling centre | Wessex Water

Socioeconomic advancement and empowerment

Our customers are the main beneficiaries of £5.6m of investment in 2023-24; the benefit ranges from access to community amenities and recreational facilities to access to employment and education and includes over £500k of funding to many local groups through the YTL Wessex Foundation. We aim to assist people who are vulnerable or disadvantaged through socioeconomic status as they may be reluctant to come forward for support and / or may not be aware of the support on offer.

YTL Wessex Foundation provides funding to projects that strengthen communities and benefit the environment. This is achieved in partnership with the Somerset, Wiltshire, Dorset and Quartet Community Foundations, who help to ensure our funding goes towards communities most in need of support. For more information see the Wessex Water Foundation Annual Report 2023-24, Funding | Wessex Water

Environment Fund

All-Aboard Watersports
This group received a £1,810 grant from the Wessex Water Environment Fund through the Quartet Community Foundation.

All-Aboard Watersports is a Bristol charity and the grant helped to purchase new equipment so they can hold litter picks using paddleboards, kayaks and canoes. Centre manager Dominic Betts said: "By using paddleboards, kayaks and canoes, the volunteers can collect litter they wouldn't usually be able to get to, which will help protect marine life in the area

"We will also be visible on the water, which will hopefully encourage more people to get involved and help the environment."

Community Fund

Home-Start Wessex
Dorset-based Home-Start Wessex was awarded £2,899 from the Wessex Water Community Fund to provide an outdoor community, weekly drop-in session offering support for isolated parents with children aged under five.

"The weekly Harmony nature outdoor community group has been open to all in the community and has enabled us to meet isolated parents and their children under five. Our group has provided a safe, confidential space where parents can talk without judgement. A programme of therapeutic sessions was planned to meet families' needs with group discussion on relevant topics and 1:1 confidential support." commented parents who took part

"Family felt very welcomed to the group. Mum has made friends and engaged with other mums. Daughter has interacted and played alongside other children. If the family hadn't received Home-Start support, they would still be isolated and at home, unable to attend other groups on events," commented a Home Start coordinator.

Environmentally sustainable management of living natural resources and land use

The £6.3m expenditure under this ICMA category is focused on increasing biodiversity on Wessex Water's landholding.

Bleadon Levels saltmarsh

Wessex Water's conservation team is helping to boost biodiversity along the Severn Estuary with a cattle-grazing project to help preserve and enhance rare saltmarsh habitat near Weston-super-Mare. Bleadon Levels saltmarsh lies to the east of the mouth of the river Axe, as it drains into the Severn Estuary.

The yellow box in the left photograph indicates the position of the saltmarsh area shown on the right, facing north.

Saltmarshes are vitally important habitats providing a range of environmental benefits including biodiversity, carbon storage and flood protection. They can only exist along sheltered coastlines and estuaries where fresh and saltwater meet and are home to an array of salt-tolerant plants and animals not found in other habitats. The Severn Estuary is a particularly special ecosystem, comprising a huge expanse of marshland and tidal mudflats. It supports an abundance of wildlife so rich that it is protected by international law.

Protected waders and waterfowl such as redshank, dunlin, curlew and wigeon

Over-wintering and migrating birds gather in the estuary near Bleadon Levels to feed on the abundant invertebrates found on the mudflats and marshes exposed at low tide. Many of these bird species, which are suffering a decline in numbers nationally, due to coastal squeeze and habitat loss, use the area as a re-fuelling stop-over on epic migrations that span thousands of miles.

When the tide comes in, the mudflats are covered by water and the birds move on to the saltmarshes where they can rest, grouped together in a roosting flock to sleep. Waders like to roost in areas with low growing vegetation where a lookout bird can see predators like buzzards and peregrine falcons approaching from far away. They must not be disturbed by people or dogs during this resting time, or they will expend too much energy and are unable to build up the reserves needed to support their spring migrations northwards.

Our project set out to address two issues at the site:

- to reduce the dominance and height of an overgrown saltmarsh grass known as sea couch. The sea couch has become too dense and tall to allow waders to see incoming predators when roosting. This is to be rectified through the introduction of conservation cattle grazing
- to manage public access to the site, preventing roosting birds being frightened away by dogs off the lead in particularly sensitive areas. This is to be managed using informative signage and cattle fencing that does not restrict the circular walking route and expansive views that make the site so popular with our customers.

The expenditure in 2023-24 has been used to facilitate essential introduction of conservation grazing to the saltmarsh. The expenditure covered detailed baseline survey of the habitat's current condition, and provision of expert management recommendations for the site.

These recommendations were devised following a literature review of similar saltmarsh restoration projects from northern Europe, as there was a notable lack of published studies from the UK. These studies helped us to develop a grazing management plan: an essential framework for directing and monitoring the site's progress. Without this vital tool, we would risk over or under-grazing the site, leading to negative outcomes for biodiversity.

The environmental benefit of the scheme is to restore 12.86ha saltmarsh hectares restored and create 93.02 biodiversity units.

Climate change adaptation

The expenditure of £2.5m under this category enables us to continue to provide clean and wastewater services in the face of growing risks from extreme weather events and gradual changes linked to climate change. The abstraction from our water sources is carried out in a sustainable way that avoids harming the environment.

Leigh Hill Springs raw water main replacement
Wessex Water's conservation team is helping to boost Leigh Hill Reservoir. A small reservoir in Somerset, it was built in 1893 to supply water to the town of Taunton which lies to the north eight miles away. The reservoir is near the southern boundary of the river Tone catchment basin.

The reservoir is supplied with raw water from Leigh Hill spring main, which in turn supplies Fulwood water treatment Centre (WTC) around four miles away. All our abstractions (whether from springs or boreholes) are licensed by the Environment Agency with a variety of conditions and restrictions on when abstraction can take place. Software is in and has the ability to prevent too much abstraction. Other sources into Fulwood WTC are also limited in their supply due to abstraction licences.

The reliance on the spring was further emphasised during the 2022 drought with the increasing threat from climate change of longer drier weather patterns leading to lower water levels. We decided to invest in a raw water mains supply pipe from the spring into the reservoir which improved our resilience for water resources.

Project design began in March 2023 and construction started in June that year. Construction on site comprised laying 493m of 250mm diameter mains and 90m of 180mm diameter mains pipes from the springs to the reservoir. The original water pipes were left for land drainage.

A first new chamber, installed at the mouth of the spring, is a pickup point for 250mm clay pipe. Included in the chamber is a silt catch pit, stainless steel weir plate and stainless steel through supply connection point bolted to the chamber wall. If required reservoir maintenance team can monitor the incoming flow from the 250mm diameter clay pipe.

Above right is a picture of the second chamber.

The second new chamber picks up our new 250mm, existing 150mm replace with clay pipe and all is diverted towards Leigh Hill Reservoir. The location of this chamber is the second red circle on the map. There is a silt catch pit that allows our reservoir maintenance team to monitor incoming flow.

The project was commissioned in September 2023; it cost £312,000 in 2023-24.

The picture here shows the outflow of the raw water pipe into Leigh Hill Reservoir

The project delivered the following outcomes:
- improved resilience of sites at risk of flooding
- reduction in the risk of restrictions during severe drought.

Clean transport, renewable energy and energy efficiency

There was negligible spend across these three ICMA categories.

Clean transport
Our fleet of vehicles comprises three groups: company cars, small commercial vehicles, and large commercial vehicles.

Progress on transitioning our fleet from fossil fuel to clean energy has been determined by operational requirements, and evolution in green technology for each group.

Electrification of cars and small vans is underway with the market approaching maturity. We are assessing the feasibility of installing charging infrastructure to limit any negative impacts on productivity and customer service.

A large proportion of our fleet are heavy duty cycle commercial vehicles and the transition to clean energy will take longer. This is due to the motor industry grappling with the challenges of improving the towing ability, payload, and range of EVs. Since 2020, six HGVs running on Bio-CNG (compressed natural gas) have been operating from our Avonmouth site. CNG fuelled vehicles offer 20% less CO2 v diesel.

Hydrogen fuel celled vehicles could offer the potential solution to heavy duty cycle vehicles, industry signs are that some vehicles will be available in the UK early 2025, we are working closely with vehicle manufacturers and hydrogen fuel providers

Maintaining customer service is paramount for us and our aim is to migrate our commercial vehicles (small first, then large) on to clean energy in a controlled manner that does not affect customers.

Renewable energy
This year we have increased our existing rooftop solar PV portfolio with 250 kWp of additional capacity commissioned during the year. We continue to assess the feasibility of installing ground-mounted solar PV systems across a number of our sites. While the carbon benefits are clear, the associated financial risks need to be considered carefully before committing funding to the project.

We are in discussions with various renewable energy developers who are developing larger scale wind and solar projects on land neighbouring some of our sites. If agreements can be reached, these projects could be connected directly to our sites (behind the meter) and have the potential to cover a significant proportion of our total power demand. We are proactively reviewing planning applications to identify similar opportunities around our larger sites.

Purchasing renewable power directly from a remote generator through a corporate power purchase agreement (CPPA) remains an option to cover larger volumes of our power demand. In preparation for this, we have been updating our electricity supply contract to ensure that our supplier can pass through power purchased directly from a renewable energy generator should we wish to enter a CPPA in future.

Energy efficiency
For 2023-24 we continued to develop our advanced monitoring and targeting processes to benchmark our asset energy use and to allow us to identify areas where we can save energy, cost, and carbon. We expanded previous data models by making use of additional data streams and information already within the business, with the aim of moving to a more proactive way of identifying energy efficiencies.

Assurance statement

WHEN TRUST MATTERS

Independent Limited Assurance Report

to the Directors of Wessex Water Services Limited

Wessex Water Services Limited ("Wessex Water") commissioned DNV Business Assurance Services UK Limited ("DNV", "us" or "we") to conduct a limited assurance engagement over Selected Information presented in the Sustainable Finance Allocation and Impact Report September 2025 (the "Report") for the reporting year ended 31st March 2024.

Our Conclusion: On the basis of the work undertaken, nothing came to our attention to suggest that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information, and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained overleaf.

Selected Information

The scope and boundary of our work is restricted to the key performance indicators (the "Selected Information") included on page 20 of the Report, listed below.

Selected information	Bond issue date (ISIN)	Amount allocated	Currency
Claims and assertions relating to the allocation of net proceeds to eligible project categories for the period 2023/24 as per Wessex Water's Project Eligibility Criteria outlined in the Sustainable Finance Framework April 2024.	19th March 2025 (XS3025173710)	202.8*	£million
	19th March 2025 (XS3025173983)	150.5*	£million

* We did not subject financial disclosures and data to a financial audit process as this is not within the scope of our assurance engagement

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Report, we have used the Sustainable Finance Framework dated April 2024, which can be found here and Wessex Water's definition of outcomes related to each ICMA category (the "Criteria"), which can be found on page 19 of the Report.

We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on Wessex Water's website for the current reporting period or for previous periods.

WHEN TRUST MATTERS

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Conducting interviews with Wessex Water's Management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Performing limited substantive testing on a selective basis of the Selected Information to check that data has been appropriately measured, recorded, collated and reported;
- Reviewing that the evidence, measurements and their scope provided to us by Wessex Water for the Selected Information is prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information; and
- Reading the Report and narrative accompanying the Selected Information within it with regard to the Criteria.

In performing these activities, we did not come across limitations to the scope of the agreed assurance engagement.

We found a limited number of non-material errors and these were corrected prior to inclusion in the Report.

Standard and level of assurance

We performed a **limited** assurance engagement of specified data and information using the international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised) issued by the International Auditing and Assurance Standards Board. To ensure consistency in our assurance process, we conducted our work in accordance with DNV's assurance methodology, Verisustain™, applying only the pertinent sections of the protocol relevant to the specific purpose of the activity. This methodology ensures compliance with ethical requirements and mandates planning and execution of the assurance engagement to obtain the desired level of assurance.

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - Conformity Assessment - General principles and requirements for validation and verification bodies and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and are shorter 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 if a reasonable assurance engagement had been performed.

Responsibilities of the Directors of Wessex Water and DNV

The Directors of Wessex Water have sole responsibility for:

- Preparing and presenting the Selected Information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to Wessex Water in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. Our Independent Limited Assurance Report represents our independent conclusion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Limited Assurance Report.

WHEN TRUST MATTERS

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV did not provide any services to Wessex Water in the reporting period that could compromise the independence or impartiality of our work. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

DNV Supply Chain and Product Assurance

DNV Business Assurance Services UK Limited is part of DNV – Supply Chain and Product Assurance, a global provider of certification, verification, assessment and training services, enabling customers and stakeholders to make critical decisions with confidence.

Inherent limitations

DNV's assurance engagements are based on the assumption that the data and information provided by Wessex Water to us as part of our review have been provided in good faith, is true, complete, sufficient, and authentic, and is free from material misstatements. Because of the selected nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected. The engagement excludes the sustainability management, performance, and reporting practices of the Wessex Water's suppliers, contractors, and any third parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement. We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement. The assessment is limited to data and information in scope within the defined reporting period. Any data outside this period is not considered within the scope of assurance. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.

Disclaimers

The assurance provided by DNV is limited to the selected indicators and information specified in the scope of the engagement. DNV has not conducted an assessment of the reporting organisation's overall adherence to reporting principles or the preparation of the report. Therefore, no conclusions should be drawn regarding the reporting organization's compliance with reporting principles or the quality of the overall report. The assurance provided by DNV is based on the selected indicators and information made available to us at the time of the engagement. DNV assumes no responsibility for any changes or updates made to the indicators or information after the completion of the assurance engagement.

For and on behalf of DNV Business Assurance Services UK Limited

London, UK
21 October 2025

Digitally signed by Arun Aravind A
Date: 2025.10.21 10:43:49 +01'00'

Arun Aravind A
Lead Verifier
DNV Business Assurance Services UK Limited

Digitally signed by Paul O'Hanlon
Date: 2025.10.21 11:15:53 +01'00'

Paul O'Hanlon
Technical Reviewer
DNV Business Assurance Services UK Limited

DNV-2025-ASN-C787740

2975_Impact report 6 August 2025

Wessex Water
YTL GROUP

FOR YOU. FOR LIFE.