

Striking the balance for customers, community and environment

Wessex Water's
Annual Review Summary 2024-25

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Wessex Water
YTL GROUP



FOR YOU. FOR LIFE.



Wessex Water’s Annual Review Summary 2024-25

We always endeavour to provide our customers and the communities we serve with a full and transparent account of what we do to provide water and wastewater services and how we protect the environment. This document in conjunction with our Integrated annual report and Annual performance report provide this.

You can find each of these reports on our website: www.wessexwater.co.uk

You can also compare our performance to other water companies at www.discoverwater.co.uk



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About us

Wessex Water is a regional water and sewerage business serving 2.9 million customers across the south west of England. There are critical areas where we know we have to improve but there are also many existing strengths for us to build upon. We believe we have the potential to set the benchmark for excellence in the UK water industry. Our regulators have rated us strongly for our customer service and affordability performance and we recorded no major pollutions in the last year.

We are committed to playing a role that goes beyond providing an essential public service. We aim to support the communities we serve; help tackle the climate, environment and nature emergency; and contribute to the growth of the UK economy. These aims form the core of our long-term commitment to build a sustainable future with the support of our customers, communities, employees and stakeholders across our region.

Our long-term plan for delivery is set out in our Strategic Direction Statement ([SDS](#)). The statement, which was developed in partnership with customers, businesses, employees and stakeholders, sets out our vision and ambitions through to 2050.

Our purpose is clear, *through water we support our customers' health and wellbeing, and enhance the environment and the diverse communities we serve.*

Our purpose is clear, through water we support our customers' health and wellbeing, and enhance the environment and the diverse communities we serve. We deliver on our purpose across four perspectives:

- 1. serving people and places:** to provide reliable, affordable services for all customers and communities
- 2. enhancing the environment:** to deliver a better environment for nature and people
- 3. empowering our people:** an employer where everyone can realise their potential
- 4. financing the future:** to be a trusted, financially strong company with fair investor returns.

Serving people and places is structured around four outcomes that we plan to achieve through our actions. These are:

- **safe and reliable water supply:** ensuring high-quality drinking water and reducing supply interruptions
- **an effective sewerage system:** improving wastewater management and reducing pollution incidents
- **affordable bills:** keeping customer charges fair and transparent
- **excellent customer experience:** maintaining high service standards and responsiveness.





Enhancing the environment is structured around an additional four outcomes. These are:

- **sustainable water abstraction**: managing water resources responsibly to protect ecosystems
- **excellent river and coastal water quality**: reducing pollution and improving water environments
- **net zero carbon**: cutting emissions and transitioning to sustainable operations
- **increased biodiversity**: supporting nature recovery and habitat conservation.

The outcomes are underpinned by six enabling competences.

Empowering our people enables us to achieve these purposes:

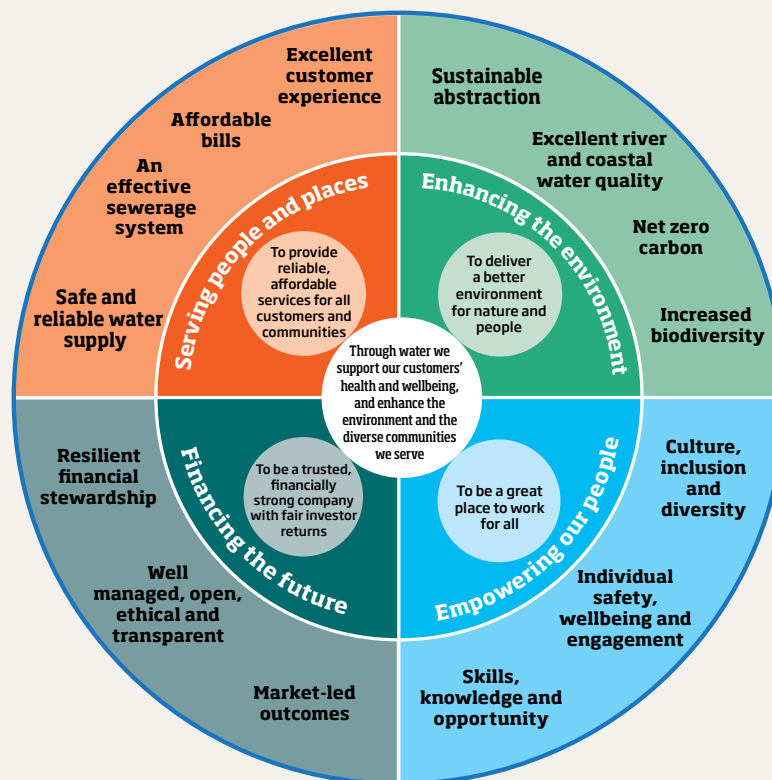
- **individual safety, wellbeing and engagement**: our colleagues will be safe at work, proud to work for us and fully engaged in their roles
- **skills, knowledge and opportunity**: our colleagues will have the skills and knowledge they need and be empowered to carry out their roles
- **culture, inclusion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

Financing the future enables us to achieve these purposes:

- **being well managed, open, ethical and transparent**: we will demonstrate that we are honest and ethical in the way we conduct our business

- **resilient financial stewardship**: we will demonstrate long-term financial stability
- **market-led outcomes**: we will harness the power of markets to drive the most efficient solutions.

The graphic below is our 'strategy wheel'; this illustrates what links our purpose through to our outcomes and what enables them.





Chairman's foreword

This is a time of change and significant challenge as we embark on our ambitious 2025-30 business plan. We are doubling our investment and the regulatory landscape is set to change, all at a time of geopolitical instability.

Firstly, I am delighted to welcome our new Chief Executive, Ruth Jefferson, who brings a fresh perspective to the leadership of our business. Since her appointment, Ruth has built a strong team around her and I am confident in our ability to navigate the challenges and opportunities ahead.

I am also pleased to welcome Sarah Hendry CBE who joins the board as an independent non-executive director. Sarah brings extensive experience within the environmental sector which will strengthen the board. She succeeds Fiona Reynolds DBE who stepped down in January 2025 after 12 years of dedicated service as an independent non-executive director. I would like to express our deepest gratitude to Fiona for her significant and valued contribution.

Our regulatory settlement for 2025-2030, the PR24 final determination, delivered by Ofwat in December 2024, has been an important moment for us. We are committed to ensuring that our long-term investment plans will enable us to deliver for customers, communities and the environment, and that Wessex Water and the wider industry remain investable over the long term. However, we believe the funding provided by the final determination fell significantly short of the investment we require to deliver the service our customers rightly expect and to meet our statutory obligations.

The board therefore took the decision to refer our final determination to the Competition and Markets Authority (CMA) for a redetermination. We are now working hard with both Ofwat and the CMA to ensure a fair outcome, which we expect later this year.

The Water Commission led by Sir Jon Cunliffe is expected to deliver the final report during summer 2025. We have actively engaged

with the work of Sir Jon and his team and are encouraged by the quality of the strategic insight they are providing.

Alongside the work of the Water Commission, Dan Corry has published his government-commissioned review of Defra's regulatory landscape; and the National Audit Office (NAO) has reviewed the effectiveness of water regulators. We warmly welcome both reports and the insights they give on the issues companies in the sector face which obstruct the outcomes our customers want. Taken together, we expect that these reports may create the catalyst for the regulatory changes we believe are required. We will continue to advocate for catchment-based approaches, simplified but robust regulation and solutions that benefit nature and that engage all stakeholders at a local level. It is also critical that we and the wider sector remain investable through a satisfactory economic settlement and a more effective regulatory framework.

How we innovate will be an important element of how we address the major challenges we are facing. Globally, the symptoms of climate change are having ever more significant impacts. We are innovating and developing our systems to cope with more intense rainfall and extreme weather events. There is also an increased likelihood of drought, so from smart networks to new reservoirs, we are introducing new ways to adapt and mitigate these risks.

As we enter the 2025-30 period, subject to a satisfactory redetermination, I am confident that Ruth and the whole team will deliver our business plan and continue to provide the very best service to our customers.

I thank the Lord Jesus for His constant grace and guidance and pray that we continue to rise up to the challenges we face.

Tan Sri (Sir) Francis Yeoh KBE
Chairman



Tan Sri (Sir) Francis Yeoh KBE
Chairman

*A time of
change and of
opportunity*



Chief Executive's review

This is my first annual report as Chief Executive of Wessex Water. It is an inspiring but equally challenging time to take on this role.

I would like to start by paying tribute to Colin Skellett for his extraordinary service to the company and his stewardship of the business as Chief Executive for 36 years, navigating it through the early years of privatisation, the turbulent times of Enron ownership and developing it into the successful business it is today.

Our customers rightly expect us to provide excellent service and to have a positive impact on the environment. This is set against a backdrop of a rapidly changing climate, a growing population, geopolitical and associated economic uncertainty and an industry that has lost the trust of the public. While some targets are stretching, we let ourselves and our customers down when we miss them. We met 30 out of the 46 Performance Commitments set for us in 2024-25. I recognise the need for improvement. However, I take some comfort that our performance typically places us favourably in any industry-wide comparison.

Continuing our industry-leading customer service

Our teams regularly go the extra mile for our customers. At a time when trust in the industry is low, I am pleased to report that we have once again been awarded a strong C-Mex score, Ofwat's measure of customer experience, and that we retain a strong Trustpilot score at 4.6.

However, we have much to do to restore trust. Our customers expect our performance to improve. We must demonstrate that we spend their money wisely, we meet our performance targets consistently and we listen and act on their feedback.

Some customers need extra help from us. Cost-of-living pressures continue to have an impact on everyone's lives and we are acutely aware that price rises, although needed if we are to deliver the improvements to protect our environment, are unwelcome particularly for those on lower incomes.

Water must be affordable for all. Our goal is to eradicate water poverty across our region. We will do this by increasing the number of customers receiving tailored financial support through low-rate tariffs or other affordability schemes, moving customers onto these where we can. No one will spend more than 5% of their disposable income on water by 2030.

We will also continue to deliver the many other initiatives in our vulnerability strategy, 'Every customer matters', to raise awareness and increase take up of Priority Services. More than 150,000 households who need additional support due to age, ill health, disability, mental health or a temporary change in their situation have registered for the additional services we provide.

Driving improvements to river health

Thanks principally to our investment in advanced sewer monitoring technology, I am pleased to report that there were no serious pollution incidents during the year. However, there was an increase in the number of less severe pollution incidents, associated with periods of intense and prolonged rainfall. The levels of sewer flooding also remained too high. We are investing more in monitoring – going from just over 3,000 to 10,000 in-sewer monitors – to give us advanced warning of issues, as well as an enhanced maintenance programme, incentives for customers to change their behaviour and a new "solve at source" strategy that will take a holistic approach to managing wastewater catchments.

Increasing security of water supply

The notably dry spring of 2025 following the wet weather of 2024, has on balance left our water supply in reservoirs and aquifers at healthy levels. We do not anticipate supply issues over the summer of 2025. However, we remain mindful of the need to safeguard water supply for the years to come. We will continue to encourage responsible use of water while working to decrease leakage from our supply network.



Ruth Jefferson
Chief Executive

*Delivering for
our customers,
community and
environment*



2025-30 business plan - delivering improvements in performance for customers and the environment

Regardless of the outcome from the CMA, we remain focused on delivering for our customers and the environment. We are working closely with our YTL Construction UK Ltd colleagues on our plans. Subject to the CMA's redetermination, we plan to invest in excess of £2bn more than the previous investment period (2020-25) tackling a range of issues that reflect our commitment to all our communities. We plan to further reduce leakage, tackle storm overflow spills, and increase the resilience of our water supply network. We want to do all of this in ways that enhance the environment where we can by using nature-based solutions, working in partnership and decarbonising. While this can sound easy, it is not and we will need to embrace new monitoring technologies, deliver our smart metering programme and work even more closely with our supply chain.

Emerging contaminants of concern

There is emerging data about the prevalence of PFAS (per- and polyfluoroalkyl substances) a range of chemicals and contaminants, collectively referred to as 'forever chemicals' that come from a variety of everyday products such as kitchen equipment and outdoor clothing. Along with other water companies, we have an important role to play in breaking the cycle of these contaminants migrating from the waste system to land via sludge and then back into the water system by leaching off land into rivers and aquifers. We launched our marketplace challenge in October 2024 focused on PFAS.

Shaping the agenda for regulatory reform

We will continue to advocate for catchment-based approaches, simplified but robust regulation and solutions that benefit nature and that engage all stakeholders at a local level. It is also critical that we and the wider sector remain investable through a satisfactory economic settlement and a more effective regulatory framework. In line with our support for regulatory reform, I will be championing the Sustainable Solutions for Water and Nature (SSWAN) coalition, which has crafted a new vision for the water

environment. SSWAN supports a catchment-wide approach that works across sectors and prioritises efficient, nature-based, and low-carbon solutions. Alignment of the regulatory functions that govern water, farming, planning, highways, and housing development within a common overall framework, focused on achieving better environmental, social, and economic outcomes, will ensure we have clean, healthy rivers, delivered and paid for in the most efficient way.

Creating the climate for our people to grow

The health, safety and wellbeing of our staff and contractors remains one of our highest priorities. My focus is on ensuring a workplace where people's physical and mental wellbeing is safeguarded. The Health and Safety Committee, set-up in the aftermath of the tragic accident at Avonmouth, is central to this work. There is a more detailed review of our health and safety work later in this report.

To assure the continued success of the business and indeed the wider industry, we must maintain a strong pipeline of future leaders. The YTL Academy is a unique offering that gives opportunities for interns, apprentices and graduates to develop in their chosen areas. We expect this year to be able to offer 60 places on these programmes across the full range of our functions.

Colleagues across the business are integral to our success and we will continue to work hard to empower our people and ensure Wessex Water is a great place to work for all.

Finally, I would like to extend my deepest gratitude to our employees, many of whom are also customers, whose hard work each and every day gives me great cause for optimism for our journey ahead.

Ruth Jefferson
Chief Executive





2025-30 delivery plan

We submitted our 2025-30 business plan to our economic regulator, Ofwat, in October 2023. 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.

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

The objectives for 2025-30, also known as AMP8, against each of our SDS outcomes, are as follows.

1. Safe and reliable water supply

The provision of a high quality, reliable supply of water to customers' taps.

We have a rolling programme of major and minor improvement works at water treatment centres over the five year period.

2. An effective sewerage system

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

To reduce the impact of these overflows on waterways, we will more than double our current level of investment to £8m a month, a total of £500m 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 17%.

3. 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 (tap) by 70,000 to 140,000. This will help us meet our commitment to eradicate water poverty by 2030.

4. 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.

We will upgrade our digital services, including our e-billing and online self-service options, in line with changing customer expectations. We will also use new technology to equip teams to fix problems faster and keep customers regularly informed of progress towards resolution.

5. 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 3.5 million litres per day by 2030.

6. 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 and nature-based solutions, including catchment and the creation of wetlands such as reed beds. We will use nature-based solutions wherever possible. This investment will prevent 1,400 tonnes of phosphorus and nitrogen per year from entering rivers and seas by 2030.

7. Net zero carbon

Decarbonising our business and our contribution to net zero and the circular economy.

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

8. Greater 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.

For more information, read our [business plan 2025-2030](#).



2020-25 performance headlines

1. Safe and reliable water supply

We consistently ranked in the top two water and sewerage companies for the Water quality compliance risk index throughout the 2020-25 period. However, we missed our zero stretch target for the index.

Unplanned outages rose during the final two years of the period, largely due to increased network load associated with elevated rainfall, but we met our performance targets in each year.

We achieved our water supply interruption targets for the first three years, with underperformance in 2023-24 and 2024-25 due to three major incidents.

Sewer collapses remained consistently within target throughout the period.

2. Effective sewerage system

We met targets for internal sewer flooding during the first three years. However, above-average rainfall, including some extreme weather events in 2023-24 and 2024-25 led to missed targets in the final years. Targets for external sewer flooding were not met across the 2020-25 period.

3. Affordable bills

A significant step forward was made in 2024-25, with bill reductions for customers on social tariffs exceeding our cumulative 2020-25 targets for the first time.

4. Excellent customer experience

We were ranked second among water and sewerage companies for C-MeX in 2024-25 and remained within the top three throughout the 2020-25 period. However, customer scores, mirroring wider industry trends,

declined amid sustained public and political scrutiny. We improved data-sharing with utility partners and met our target for the percentage of customers on the Priority Services Register in four out of five years.

5. Sustainable abstraction

We successfully met abstraction targets at both Mere and Stubbington across the 2020-25 period.

Leakage performance exceeded targets in the first three years but declined thereafter, falling short in both 2023-24 and 2024-25.

Per capita consumption remained favourable to target at the close of the period, despite initial increases driven by remote working during the Covid-19 pandemic.

Water savings through customer efficiency initiatives met or exceeded targets for the final three years of 2020-25.

6. Excellent river and coastal water quality

Pollution incidents were above target in four out of five years, with the highest occurrences during the final three years, coinciding with above-average rainfall and a rise in monitoring activity. However, there were no serious pollution incidents in 2024-25. We spent £200m to achieve new phosphorus removal targets, including new or tightened phosphorus permits at 64 water recycling centres, catchment permitting and catchment nutrient balancing.

We spent over £200m on storm overflow improvement schemes and flow capacity increase at water recycling centres, including £16m on a new 9,000m³ storm storage tank at Holdenhurst water recycling centre.

7. Net zero carbon

We achieved a modest decline in greenhouse gas emissions from the beginning of 2020-25.

8. Increased biodiversity

We delivered 42 catchment-based partnership projects, exceeding our target of 37.

All planned actions to enhance Sites of Special Scientific Interest (SSSIs) on our landholdings were completed successfully.

Serving people and places

To provide reliable, affordable services for all customers and communities



Our ambition

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

- zero water supply interruptions of longer than three hours
- 100% water quality compliance
- halving the impact of sewer flooding
- zero water poverty – no one will spend more than 5% of their disposable income on water
- being a top 10 customer service provider across all companies in the UK.

In the following pages, we set out how we have performed against our regulatory performance commitments for serving people and places.

Safe and reliable water supply

Reservoir and aquifer levels are healthy as we head into the summer, after another year of above-average rainfall. However, to safeguard supply over the long-term, we need to actively reduce both per capita consumption and leakage from our supply network.

Our performance on water supply interruptions in the year was marred by two major incidents which affected a significant number of customers. More detail is provided under Water supply interruptions on page 13.

The Drinking Water Inspectorate awarded us one of the leading scores for the Water quality

compliance risk index in the industry. Performance however fell short of the stretch target set for us. The official number for the Compliance risk index score, and also for the Event risk index, will be released in the summer.

An effective sewerage system

The rainfall over the year, which was again significantly above the long-term average, put pressure on our wastewater network, particularly during periods of high-intensity downpours.

Our performance on sewer flooding across the various Performance Commitments was disappointing. In common with 2023-24, we missed targets and levels of sewer flooding remained too high. We are acutely aware of the impact that sewer flooding can have on customers affected.

To mitigate sewer flooding, we implemented several schemes that have successfully reduced flooding in various areas. These efforts have helped us manage the impact of heavy rainfall more effectively in these places.

In 2024-25, we carried out several key schemes to alleviate the risk of sewer flooding:

1. **enhanced drainage systems:** upgraded drainage infrastructure in high-risk areas to improve capacity and reduce the likelihood of sewer overflows during heavy rainfall
2. **flood resilience projects:** completed flood resilience projects in urban areas, including the

OUTCOMES ¹	Target 2050	Actual 24/25	Previous year	Progress
Safe and reliable water supply				
Water supply interruptions expressed in hours:minutes:seconds	0:00	00:10:00	00:05:35	↓
Compliance risk index score	0:00	1.31	0.93	↓
An effective sewerage system				
Internal sewer flooding	0.71	1.56	1.56	↔
Affordable bills				
Percentage of customers spending more than 5% of their disposable income on their water bill ²	0%	5.7%	6.3%	↑
Excellent customer experience				
Position in the UK Customer Satisfaction Index	Top 10	217th	236th	↑
C-Mex Ofwat's measure of quality of service, based upon survey data	upper quartile	second overall	second overall	↔

Notes:

¹ see About us on page 3

² Based on the March 2021 CEPA report Quantitative analysis of water poverty in England and Wales



installation of new pumping stations and the reinforcement of existing sewer networks to handle increased water volumes

3. **community engagement initiatives:** launched community engagement programmes to educate residents on preventing sewer misuse, which can contribute to blockages and flooding
4. **green infrastructure:** integrated green infrastructure solutions, such as sustainable urban drainage systems (SUDS) to manage surface water run-off and reduce pressure on the sewer network.

These efforts have significantly reduced the incidence of sewer flooding in several areas, demonstrating our commitment to protecting communities from the impacts of extreme weather events. However, more progress needs to be made. We will continue to deliver preventative maintenance and engage with communities to discourage sewer misuse.

Affordable bills

Bill rises have been high on the news agenda. Even with recent rises, bills in 2030 will be lower after inflation than they were in 2015.

We supported more than 70,000 customers with their bills and debt, auto-enrolling them onto schemes where possible. Additionally, we assisted more than 150,000 households on Priority Services, marking a 34% increase from last year. Ofwat has recognised our Vulnerability strategy,

'Every Customer Matters', as a strong approach to supporting vulnerable customers. We were rated exemplary in four out of five categories.

Excellent customer service

We gained ground in the UK Customer Satisfaction Index. However, we have a significant journey ahead of us to reach the top 10 position by 2050 set out in our Strategic Direction Statement. In addition, Value for money at 72%, although higher than for 2023-24 (67%), remains lower than our 84% target.

During 2024-25, we continued to demonstrate leading customer service performance, as evidenced by receiving one of the leading scores for C-MeX, Ofwat's metric for assessing the quality of service that water companies provide to household customers. In a world of declining trust in water companies, CCW, the independent voice for water consumers in England and Wales, also recognised that our customers see trust starting to return. Our water efficiency engagement programme, including household home checks and non-household visits, has also been successful.





As part of the 2019 price review, which covered the period 2020-25, Ofwat set a range of performance commitments for us to deliver for our customers, the environment and wider society. These measures represent the levels of service we seek to deliver and are linked to associated rewards and penalties.

Safe and reliable water supply

Water quality compliance risk index

This is a measure of drinking water compliance, set by the Drinking Water Inspectorate; it illustrates the risk arising from treated water compliance failures. This is a similar metric to the Event risk index (ERI).

The lower the number, the better the performance.

Water quality compliance risk index		
TARGET 24/25 0.00	ACTUAL 24/25 1.31	PREVIOUS YEAR 0.93

Our provisional number for 2024 is higher than our 2023 Compliance risk index (CRI) number and did not meet the target. However, it remains very low and we still expect our 2024 CRI number will be one of the best in the industry. The industry median CRI number in 2024 was 3.57 and the maximum was more than 15.

Two failures contributed almost two thirds of our score. In the Maundown area, sediment disturbance following a burst main affected supplies, and a failure at our Heytesbury Water Treatment Centre was due to sample contamination. Action has been taken to mitigate the risk of contamination happening as samples are taken.

Event risk index

This is a measure of drinking water compliance, set by the Drinking Water Inspectorate; it illustrates the risk arising from water quality events. This is a similar metric to the CRI.

The lower the number, the better the performance.

Event risk index		
TARGET 24/25 12.8	ACTUAL 24/25 69.4	PREVIOUS YEAR 23.7

Our 2024 provisional number has been calculated based on the sum of the provisional scores provided by the DWI for each event. We have now received the DWI assessments for all our 2024 events so we are not expecting this score to change.

There were no major or serious ERI events, although we have seen an increase in events and our score from last year. Two high-scoring events related to burst mains which affected relatively large numbers of customers. Despite missing and moving away from target, we expect to remain one of the best performers in the industry. The industry median in 2024 was 314 and the maximum was more than 18,000.

Water quality customer contacts

This is the number of contacts we received from customers relating to the quality of water (taste, odour, and appearance) per 1,000 population.

The lower the number, the better the performance.

Water quality customer contacts		
TARGET 24/25 0.93	ACTUAL 24/25 1.07	PREVIOUS YEAR 1.04

The number of customer contacts relating to water quality has increased marginally in 2024 from last year and remains adverse to target. Although there was a reduction in the number of contacts associated with ‘appearance’, ‘taste’ and ‘odour’ contacts increased. This followed a large-scale water quality event in one of our neighbouring water companies.

Lead communication service pipes replaced

This is the number of lead communication pipes we replaced to decrease the risk to customers associated with lead pipes in their water supply network.

The higher the number, the better the performance.



Lead communication service pipes replaced		
TARGET 24/25 2,210	ACTUAL 24/25 2,152	PREVIOUS YEAR 2,219

Although we have not met our target for the year, we have marginally exceeded our commitment to deliver 9,000 replacements between 2020 and 2025.

This important work to upgrade our network will continue over the next five years.

Tackling water quality at home and in the work place

This is the number of water fittings inspections and pipe replacements in support of increasing the quality and wholesomeness of drinking water.

The higher the number, the better the performance.

Tackling water quality at home and in the work place		
TARGET 24/25 18,297	ACTUAL 24/25 20,778	PREVIOUS YEAR 20,579

Our number of water fittings inspections and replacement activities in 2024 was our best performance over the five years.

We increased our public buildings inspections in 2024, a key focus for the DWI to protect drinking water quality for consumers visiting premises. We also worked on festivals and temporary events - these are high risk due to their temporary nature and with installations mainly outdoors. From late autumn our focus turned to campsites, to allow time for owners to make plumbing corrections before the season.

Water supply interruptions

This is the average supply interruption greater than three hours (minutes per property per year), expressed in hours: minutes: seconds.

The lower the average duration of interruptions, the better the performance. Success against this measure is mainly associated with speed of response to interruptions.

Water supply interruptions		
TARGET 24/25 00:05:00	ACTUAL 24/25 00:10:00	PREVIOUS YEAR 00:05:35

Having delivered industry leading performance in the first four years of this AMP, we had two major incidents in November which resulted in a significant increase in the total for 2024-25. One incident was caused by third party damage to a large trunk main in Poole, and the other in Yeovil by a burst on another large trunk main. Both incidents affected a significant number of customers and contributed over half of our total minutes lost for the year.

We will continue to make incremental improvements alongside asset investment and working closely with third-parties to increase awareness.





Restrictions on water use (hosepipe bans)

This is the number of temporary use (hosepipe) bans we imposed on customers to restrict water usage.

The lower the number, the better the performance.

Restrictions on water use (hosepipe bans)		
TARGET 24/25	ACTUAL 24/25	PREVIOUS YEAR
0	0	0

It is 48 years since a hosepipe ban was last imposed in the summer of 1976.

We manage water resources against five drought management levels reflecting the level of resource available in the supply system from surface reservoirs and groundwater storage. We typically work in normal operation, maintaining levels of metering, water efficiency and leakage activities and move to a lower drought management level as a period of below average rainfall progresses and resource availability declines.

We do not expect to implement hosepipe bans in 2025-26 based on an average rainfall scenario.

An effective sewerage system

Internal sewer flooding

This is the number of internal sewer flooding incidents per 10,000 properties served.

The lower the number, the better the performance.

Internal sewer flooding		
TARGET 24/25	ACTUAL 24/25	PREVIOUS YEAR
1.34	1.56	1.56

Very disappointingly, performance in 2024-25 was similar to last year, with incident numbers affected by above long-term average wet weather conditions.

The Met Office reported that 2024 was in the top ten wettest years on record. Both September 2024 and February 2025

saw areas record more than 200% of the average monthly rainfall. Southern England was much wetter, seeing 121% of the long-term average rainfall for the region.

We continue to work proactively on preventative maintenance, including fats, oils and grease traps at both commercial and domestic properties, sewer jetting and monitoring. In addition, we engage with communities and our staff to deliver training on the 'zero pollution mindset'. We explain the risks associated with sewer misuse and for our staff, this initiative promotes rapid operational responses.

External sewer flooding

This is the number of external flooding incidents per year, which occurred inside property boundaries, per 10,000 sewer connections.

The lower the number, the better the performance.

External sewer flooding		
TARGET 24/25	ACTUAL 24/25	PREVIOUS YEAR
15.68	17.11	18.52

Despite missing the target, performance in 2024-25 has improved since last year and we are pleased to have reported the lowest number of external flooding incidents in the last five years despite the above average levels of rainfall in the year.

We plan to do more investigative work around external flooding incidents, taking a similar approach to internal incidents, in the coming year. As with Internal sewer flooding, we continue to work proactively on preventative maintenance, engagement with communities to explain the risks associated with sewer misuse and deliver cross-company training on the 'zero pollution mindset'.

Sewer flooding risk

The sewer flooding risk is calculated as the risk of flooding incidents for each property or location within the Wessex Water region.

The lower the number, the better the performance.

Sewer flooding risk		
TARGET 24/25	ACTUAL 24/25	PREVIOUS YEAR
50,651	64,962	60,429

The very wet weather, in the last two years particularly, has had a significant impact on the sewer flood risk score. This Performance Commitment measures properties or locations which have been internally flooded due to inadequate capacity or are considered to be at risk of flooding due to their proximity to other properties or locations that have flooded.

For the last two years, 25% of internal flooding incidents have been related to inadequate capacity. For the previous six years this was typically 5%. For external flooding incidents, capacity-related incidents were 14% for the last two years compared to 5% for the previous six years. We will continue to deliver preventative maintenance and increase use of in-sewer monitoring.

Affordable bills

Total bill reduction to customers on social tariffs per 10,000 households (£ per year)

This is the average annual bill reduction for all customers receiving a social tariff per 10,000 customers.

The higher the number, the better the performance.

Total bill reduction to customers on social tariffs per 10,000 households (£ p.a.)		
TARGET 24/25	ACTUAL 24/25	PREVIOUS YEAR
87,029	102,805	76,567

It has been our strongest year of this price review period for social tariff growth, mainly due to our efforts to support

customers through our main social tariff, Assist, where customer growth has exceeded target. WaterSure also had a large turnaround and the 'Discount for Low Income Pensioners' continued to grow well.

To raise awareness and increase uptake of our support schemes, we introduced a range of targeted initiatives. These included clearer messaging on bills, updated website content and tailored social media campaigns. We also enhanced our digital journey by partnering with the digital platform IE Hub, to enable digitally confident customers to complete an income and expenditure form to access either our support directly or debt advice through Money Wellness. We streamlined access to WaterSure by allowing sign-ups over the telephone and self-declaration for medical needs, boosted by data sharing with the DWP to auto-renew or auto-enrol eligible customers. We also launched 'Care Leavers Assist', offering a 90% bill reduction for care leavers up to age 21, and expanded our community presence with two new face-to-face coordinators.

Successful applications for assistance received by the independent advice sector / third parties

This is the number of successful applications for assistance we received on behalf of customers from funded advice agencies.

The higher the number, the better the performance.

Successful applications for assistance received by the independent advice sector / third parties		
TARGET 24/25	ACTUAL 24/25	PREVIOUS YEAR
2,300	2,935	2,732

We have seen an upturn in the general volume of applications from our partners and consequently an uplift in the number of customers being added to our affordability schemes.

More information about our work to support customers who need extra help can be found in our vulnerability strategy, 'Every Customer Matters'. This can be found on the Wessex Water website [here](#).





Void sites (%)

A void property is defined as one which is connected to the water supply but is not currently billed, either because it is unoccupied or due to incorrect data. Void sites are expressed as a percentage of all household properties we serve.

The lower the percentage, the better the performance.

Void sites (%)		
TARGET 24/25 2.00	ACTUAL 24/25 1.65	PREVIOUS YEAR 1.59

Our level of voids reported in 2024-25 was marginally higher than in 2023-24.

Void properties are reviewed by our billing company, Pelican, through comparison to records on council tax databases, land registry searches, visits particularly where metered consumption is recorded, and correcting details where properties have been demolished or are uninhabitable. With this ongoing work, the expectation is that void sites should stay at these lower levels.

Gap sites (number)

A gap site is a property that is receiving our services, but not recorded on our billing database. This is the number of household and non-household sites added to the billing system during the year.

The higher the number, the better the performance.

Gap sites		
TARGET 24/25 112	ACTUAL 24/25 222	PREVIOUS YEAR 54

Ensuring effective billing of all properties in our region leads to fairer charging and lower bills for customers already being billed.

Following on from work started last year in collaboration with a wholesaler, we identified a number of properties that were not being billed for services received. Other initiatives were undertaken in the year, including a data assurance project.

These resulted in a further increase in gap sites that have now been added to our billing system.

Priority services for customers in vulnerable circumstances

For each metric below, the higher the percentage, the better the performance.

There are three individual metrics: Reach (%). The percentage of households on the Priority Services Register that we supply with water and/or wastewater services.

Actual contact (%). The percentage of households on the Priority Services Register that we have contacted over the last two years.

Attempted contact (%). The percentage of households on the Priority Services Register that we have attempted to contact over the last two years.

Priority services for customers in vulnerable circumstances: Reach (%)		
TARGET 24/25 7.0	ACTUAL 24/25 12.1	PREVIOUS YEAR 9.1

Priority services for customers in vulnerable circumstances: Actual contact (%)		
TARGET 24/25 35.0	ACTUAL 24/25 64.5	PREVIOUS YEAR 58.5

Priority services for customers in vulnerable circumstances: Attempted contact (%)		
TARGET 24/25 90.0	ACTUAL 24/25 97.3	PREVIOUS YEAR 98.2

We increased the number of households on our Priority Services Register by 34% this year, largely through the delivery of initiatives outlined in Every Customer Matters, our



vulnerability strategy. Our data sharing with the two local electricity distribution network operators, National Grid Electricity Distribution and Scottish and Southern Electricity, as well as with Dorset and Wiltshire Fire Service, means customers only need to tell us once to register. We have also streamlined processes for sign-ups by our colleagues over the phone and while out visiting customers’ homes.

Delivering for customers in vulnerable circumstances
The certification status indicates whether our services are accessible and available to everyone, especially those in vulnerable circumstances; it is measured by compliance with the British standard for inclusive service provision, BS 18477 and achievement of the Customer Service Excellence Award.

Delivering for customers in vulnerable circumstances		
TARGET 24/25 maintained	ACTUAL 24/25 maintained	PREVIOUS YEAR maintained

As of 31 March 2025, we have certification of compliance for both the British Standard for inclusive service provision (BS 18477) and the Customer Service Excellence Award.

BS 18477 is being replaced by a new international ISO standard (BS ISO 22458) on consumer vulnerability. Although this Performance Commitment is not proposed for PR24, we are transitioning to the new standard as part of a Kitemark for inclusive service.

Excellent customer experience

Customer measure of experience (C-MeX)
This is a measure of customer satisfaction, calculated from customer service and wider customer experience surveys.

The higher the number, the better the performance.

Customer measure of experience (C-MeX)		
TARGET 24/25 -	ACTUAL 24/25 79.71	PREVIOUS YEAR 81.77

In 2024-25 our C-MeX score placed us second overall of all 17 water companies. We are pleased with our consistently high performance on C-MeX having finished in the top three of all companies each year of the price review period. However, we also acknowledge the steady decline in this metric throughout the five year period. The reasons for this decline are set out in the Value for money section below.

Our customer service score placed us first of all 17 water companies, a position we have held for each of the five years of this price review period. The annual customer satisfaction score for the customer experience survey placed us fourth overall, an improvement on 2023-24.

Value for money
This is the percentage of customers who stated they were ‘very satisfied’ or ‘fairly satisfied’ with the value for money of our water and sewerage services, measured through an annual survey of customers run by the CCW.

The higher the percentage, the better the performance.

Value for money		
TARGET 24/25 84.00	ACTUAL 24/25 72.00	PREVIOUS YEAR 67.00

Performance reflects satisfaction with the direct customer service we offer our customers. This reflects our position as one of the leading companies for water and sewerage for the customer service satisfaction measure in C-MeX and our consistently high Trustpilot score, as well as our community engagement work. This year, we launched our Community Drop-in service.

However, this is partially offset by negative sentiment towards water companies, particularly regarding combined sewer overflows, profits and executive pay, environmental performance, and an overall impression of under-investment. All of this comes at a time when water bills have increased. Trust in water companies is at an all time low. All of this impacts on customers’ perceptions of value for money.





Developer measure of experience (D-MeX)

This is a measure of customer satisfaction based upon feedback from companies and individuals who need new water or sewer connections, for example, property developers, construction companies, and others building homes or commercial sites. It includes feedback from self-lay providers (who install water infrastructure themselves) and from specialist service providers called NAVs (new companies that supply water or sewerage services to new developments).

The higher the number, the better the performance.

Developer measure of experience (D-MeX)		
TARGET 24/25	ACTUAL 24/25	PREVIOUS YEAR
-	90.00	90.21

The D-MeX score is calculated from two components: a qualitative score based upon the ratings provided by customers; and a quantitative score based upon our performance against a set of performance metrics common to all companies reported by Water UK, the industry body representing all major water and wastewater companies across the UK.

In 2024-25 our D-MeX score placed us seventh overall of all 17 companies, down from top quartile last year.

Security non-SEMD outputs

This is the number of full calendar months that security deliverables as prescribed by Ofwat are delivered late; this relates to security capabilities excluding those prescribed by the Security & Emergency Measures Direction (SEMD).

A number above zero indicates delay in months.

Security non-SEMD outputs		
TARGET 24/25	ACTUAL 24/25	PREVIOUS YEAR
0	0	0

The Operational Technology Security Improvement Programme delivered seven discrete projects over the last five years; these included: security incident and event

monitoring, rogue device detection, and the migration from analogue PSTN technology following its retirement by Openreach. The PSTN migration has since been delayed by Openreach and a number of sites will be upgraded now in the coming years, which has been agreed with Ofwat.

Building stronger communities

Number of children/students engaged

This is the number of children and students who engaged with us in person in the year through visits or community projects.

The higher the number, the better the performance.

Number of children/students engaged		
TARGET 24/25	ACTUAL 24/25	PREVIOUS YEAR
24,370	12,065	14,697

We have worked hard to promote the education service through our website, targeted emails, word-of-mouth and public events.

Requests for school visits make up the largest workload and the Education Team deliver tours and activities at Education Centre sites across our region each year. These are highly valued by the schools and Wessex Water, as we believe they have the greatest long-term impact on an individual's understanding and behaviours.

The Education Service has also supported many groups and events that do not come under the Performance Commitment definition, but are beneficial to our business aims and provide wider educational benefits.

The target was set based on figures that included assemblies and other public engagements. However, the conditions for the Performance Commitment state that we can only count up to and including 18 year olds, groups of up to 30 and with a minimum of 20 minutes engagement. As a result, we were unable to meet the target. The reduction on last year is principally due to a reduction in availability of a number of sites due to construction restricting access in the year.

Throughout this report we will highlight our innovations and noteworthy initiatives in the form of case studies

CASE STUDY

Wessex Water community drop-ins

Core locations 2024



NEW SERVICE:

Supporting customers in person

In June 2024 we launched new regular day-time drop-in sessions for customers to speak face to face with an adviser at a range of locations across our water supply region.

We considered how best to reach a wide range of customers at specific locations in local communities. Our regular outreach sessions provided a point of contact for local communities and complemented our existing outreach activities including our free education service, community funding, volunteering and local events.

We visited more than 30 different locations and have a core of 16 towns we now visit every two months. In 2025 we will be expanding this service in partnership with Bristol Water and Bournemouth Water to our wastewater supply area.

Customers can book online for a dedicated time to meet an adviser or drop in during the open session times. We also worked with a wide range of existing support organisations who were able to refer customers for additional advice.

What did we help customers with?

We helped with enquiries about bills, gave advice on what help is available for customers if they were struggling to pay or referred them to additional debt advice support.

We also gave advice on saving water, information about local water quality and the environment, and about blockages, plumbing and drainage.



Find out more about [how Community Drop-Ins work](#).





Enhancing the environment

To deliver a better environment for nature and people



OUTCOMES ¹	Target 2050	Actual 24/25	Previous year	Progress
Sustainable water abstraction				
Compliance with abstraction licences	100%	97.8% ²	97.8%	↔
Excellent river and coastal water quality				
Number of pollution incidents	0	217	126	↓
Total tonnes of phosphorus removed from rivers and coastal waters per day	*	5.13	5.02	↑
Total tonnes of nitrogen removed from rivers and coastal waters per day	*	13.14	12.91	↑
Net zero carbon				
Total ktCO ₂ e per year (operational) ³	0	96	105	↑
Increased biodiversity				
Number of biodiversity units	Double our contribution	827	613	↑

Notes:

¹ see About us on page

² figure now including stream supports, as per EA guidance (last year's figure excluded stream supports)

³ Zero target is 2030 for operational net zero carbon

* Target will depend on what is required which we cannot forecast.

Our ambition

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 (by 2040)
- doubling our contribution to the region's biodiversity.

In the following pages, we set out how we have performed against our current regulatory performance commitments for enhancing the environment.

2024-25 overview

We have actively engaged with the government's Water Commission, led by Sir Jon Cunliffe, not only to advocate for simplified but robust regulation but also to shape the future by championing the whole catchment-level solutions proposed in the [Sustainable Solutions for Water and Nature \(SSWAN\)](#) initiative, which we reported last year.

Sustainable water abstraction

Heading into summer 2025, our reservoir and aquifer levels are healthy and we do not anticipate any supply challenges this year. We have invested in schemes to support some of the most frequent storm overflow spillers, utilising a mix of concrete

holding tanks and nature-based solutions such as the creation of wetlands.

We have successfully reduced leakage compared to 2023-24. However, given that this Performance Commitment makes use of a three-year average which currently includes significant break outs from 2022-23, the reduction is not immediately evident. Consumer demand, measured by per capita consumption, also using a three-year average, is now benefiting from stable data and has shown a reduction in comparison to 2023-24. These improvements will help decrease the volume of water we abstract from rivers and boreholes, with environmental benefits.

Excellent river and coastal water quality

Despite having no serious pollution incidents, the above average rainfall during the year contributed to an increase in total pollution incidents. This is not where we want our performance to be - every pollution incident, no matter how serious, is one too many, and we are determined to turn around this drop in performance. We are investing further in monitoring - going from just over 3,000 to 10,000 in-sewer monitors - to give us advanced warning of issues, as well as an enhanced maintenance programme, customer behavioural engagement, and a new 'solve at source' approach that will take a holistic attitude to managing wastewater catchments.

Leading the industry in our AI-powered smart river monitoring to protect waterways and improve water quality, we conducted trials at 12 sites and installed real-time monitoring for recreational users at two coastal, two river, and one estuarine site.

Net zero carbon

We further decreased our annual gross greenhouse gas emissions in the year and remain on track to achieving carbon neutrality in our operations by 2030.

Increased biodiversity

Our focus on nature-based solutions (NbS) included submitting 36 evidence packs for groundwater-influenced storm overflow trials to Defra, pioneering a NbS Skills Bootcamp for our employees funded by the West of England Combined Authority, and submitting a £10m Ofwat Innovation Fund bid: NbS Connect. We exceeded our target to boost biodiversity on Sites of Special Scientific Interest (SSSI).

CASE STUDY

Real-time monitoring in Bournemouth and Boscombe

Real-time monitoring in Bournemouth and Boscombe is helping to provide a better understanding of the current water quality status, allowing people to make more informed decisions when using bathing waters for recreational use.

As coastal and river water quality is affected by numerous sources, including wildlife and agriculture, we have developed an [Artificial Intelligence \(AI\) app](#). Using artificial intelligence, the buoys will provide real-time water quality updates to beachgoers and swimmers about bacteria risks on our southern coastline.

Sensors on the buoys are already interpreting a variety of water quality parameters, like turbidity, temperature, dissolved oxygen and pH. Data from the buoys is cross-referenced with samples analysed at Wessex Water's Saltford laboratory to understand the conditions that indicate a bacteria risk. This ground-breaking initiative has been developed in partnership between Wessex Water and Bournemouth, Christchurch and Poole council.

We were the first UK company to [publish data on storm overflow operations at bathing waters](#) and other recreational areas 365 days a year.





Excellent river and coastal water quality

Pollution incidents

This is the number of Category 1-3 pollution incidents per 10,000 km of our wastewater network, as reported to the Environment Agency.

The lower the number, the better the performance.

Pollution incidents		
TARGET 24/25 19.50	ACTUAL 24/25 62.10	PREVIOUS YEAR 36.06

The total number of pollution incidents in 2024 has increased markedly to 217, compared to 2023 (126) and 2022 (110). The increase in the number of pollutions reported at monitored assets, such as sewage pumping stations and water recycling centres, since 2022 can in part be attributed to the increase in event duration monitoring which has allowed us to identify and act on spill events of which we were previously unaware. In addition, the increase in 2024 is largely attributed to the above average rainfall in the year. The Met Office reported that 2024 was in the top 10 wettest years, with the 2023/24 storm season reaching ten named storms for only the second time on record.

Reduce frequent spilling overflows

This is an aspirational Performance Commitment to deliver more storm overflow improvements than those included in the Water Industry National Environment Programme (WINEP).

The higher the number, the better the performance.

Reduce frequent spilling overflows		
TARGET 24/25 0	ACTUAL 24/25 0	PREVIOUS YEAR 0

No schemes to reduce frequent spilling sewer overflows (FSO) outside the WINEP were due in 2024-25 and none were delivered.

With the challenging economic climate over the last five years, we did not deliver any sites over and above the WINEP requirements in AMP7.

In 2024-25 we completed a further 10 Frequent Spilling Overflow (FSO) investigations, required under the Storm Overflow Assessment Framework and the WINEP. The WINEP contained a total of 54 investigations, all of which have been completed.

Risk of sewer flooding in a storm

This is the percentage of the region’s population at risk of sewer flooding in a one-in-50 year storm based on modelled predictions.

The lower the percentage, the better the performance.

Risk of sewer flooding in a storm		
TARGET 24/25 8.37	ACTUAL 24/25 7.98	PREVIOUS YEAR 7.98

This Performance Commitment reflects a modelled view of the risk of sewer flooding in a storm. Our modelling stock has been updated under the Drainage and Wastewater Management Plans programme. We now have up to date models of most of our catchments’ foul and combined sewers; the key exceptions are some small catchments (serving fewer than around 2,000 people) which are allowed to be excluded.

Drainage and wastewater management plans

This is the cumulative percentage of catchments in which we implement the Level 1 DWMP, a plan that identifies how we will extend, improve and maintain a robust and resilient drainage and wastewater system in light of facing the pressures of climate change, population growth and growing customer expectations.

The higher the percentage, the better the performance.

Drainage and wastewater management plans		
TARGET 24/25 100.00	ACTUAL 24/25 100.00	PREVIOUS YEAR 100.00

This Performance Commitment relates to the production of our initial DWMP which was published on our website on 31 May 2023.

Sewer collapses

This is the number of sewer collapses, including gravity sewer collapses and rising main bursts, that caused an impact on service to our customers or the environment per 1,000 km of all our sewers.

The lower the number, the better the performance.

Sewer collapses		
TARGET 24/25 6.33	ACTUAL 24/25 5.00	PREVIOUS YEAR 5.55

We have seen a 17% reduction in the total number of gravity sewer collapses this year, with the number of rising main bursts consistent with last year. However, there is an overall increase in the trend of bursts since 2020, attributed in the last two years to the above average rainfall experienced and the increasing age of our assets.

Overall, we have seen a reduction in the number of repeat bursts due to the investment this price review period, with the time taken from a rising main becoming end of life and its replacement being reduced.

Working with communities to improve bathing water experience

This is the number of bathing waters within our region where there is a sustainable, active community engagement project or group, working towards delivering amenity benefits by 2025.

The higher the number, the better the performance.

Working with communities to improve bathing water experience		
TARGET 24/25 47	ACTUAL 24/25 54	PREVIOUS YEAR 44

All projects delivered by Wessex Water or our partners (Litter Free Dorset and Litter Free Coast and Sea Somerset) have

delivered improvements over multiple years and facilitated changes in behaviour to benefit both the beach and bathing water environment and usage.

Projects have typically involved the development of resources for schools and businesses to better understand risks to bathing water and beach quality, focusing on littering, dog fouling and housekeeping practices to reduce vermin. Work with visitors and residents has involved artwork conveying key messages around responsible water management, surface water drainage, littering and enabling water refill stations to reduce risks of plastic pollution.

Treatment works compliance

This is the percentage of our water and sewage treatment works that meet permits for the quality of water discharged to the environment.

The higher the percentage number, the better the performance.

Treatment works compliance		
TARGET 24/25 100.00	ACTUAL 24/25 99.68	PREVIOUS YEAR 99.00

2024 saw improved compliance performance with just one failure recorded compared to three in 2023.

Our investigation of failures and our continuous improvement approach, as well as site specific investment, has seen us perform strongly in the Environment Agency's Environmental Performance Assessment. We have met the EA's 99% target for the last five years in a sector seen by the EA as 'not improving'. However, we did not quite reach Ofwat's slightly higher target of 100%.





Length of river with improved water quality through WINEP delivery

This is the length of river in kilometres improved through delivery of the schemes set out within the Water Industry National Environment Programme (WINEP).

The higher the number, the better the performance.

Length of river with improved water quality through WINEP delivery		
TARGET 24/25 399.9	ACTUAL 24/25 397.0	PREVIOUS YEAR 170.7

This Performance Commitment relates to the WINEP as at 31 March 2019, and is limited to those schemes identified as ‘Green’ certainty status, irrespective of any amendments in later versions of the WINEP, as advised and/or agreed with the Environment Agency.

The shortfall is due to phosphorus removal at Ubley water recycling centre not being completed by its original regulatory date. The project has been significantly delayed by third-party issues, namely Environmental Impact Assessment determination, land acquisition, and provision of power supply requirements, the latter at Blagdon water recycling centre into which Ubley’s flows are being transferred. The scheme is forecast to complete in December 2026.

Km of river improved

This is the length of river in kilometres improved through removal of additional nutrients by our actions, excluding those set out in the WINEP.

The higher the number, the better the performance.

Km of river improved		
TARGET 24/25 0.0	ACTUAL 24/25 28.8	PREVIOUS YEAR 40.6

This Performance Commitment covers phosphorus reduction in the Hampshire Avon river and its tributaries, and nitrogen reduction entering Poole Harbour from the River Frome.

The Performance Commitment requires us to pass a gateway for phosphorus reduction before any outperformance can be claimed; we have not passed the gateway in 2024-25.

To achieve nitrogen reduction, Wessex Water traded with the Poole Harbour Agricultural Group who run the Poole Harbour Nutrient Management Scheme.

WINEP requirements

This is the number of full calendar months that the Avonmouth sewage treatment works scheme is delivered late, in accordance with the latest WINEP programme published by the Environment Agency.

A number above zero indicates delay in months.

WINEP requirements		
TARGET 24/25 0	ACTUAL 24/25 0	PREVIOUS YEAR 0

In July 2022, the Environment Agency agreed to amend the completion date for this scheme to March 2028 to accommodate additional requirements for capacity increases. The Performance Commitment refers to the current WINEP requirements and therefore will not be due for completion until March 2028.



Delivery of water industry national environment programme requirements (WINEP)

This is a measure of timely delivery of environmental improvement schemes.

Delivery of water industry national environment programme requirements		
TARGET 24/25 met	ACTUAL 24/25 met	PREVIOUS YEAR met

We completed 207 outputs in 2024-25 including flow investigations for abstraction, storm overflow investigations, investigations into monitoring of chemical trends, providing new/additional storm storage at sewage treatment works, implementation of biodiversity and habitat improvements, and tightening of sanitary and/or nutrients permit to prevent deterioration of the watercourse water quality.

We successfully delivered against the latest WINEP and have provided supporting evidence with the schemes having been signed-off by the Environment Agency.

Satisfactory sludge disposal

This is the percentage of sludge left at the end of our waste treatment process satisfactorily used or disposed of.

The higher the number, the better the performance.

Satisfactory sludge disposal		
TARGET 24/25 100.00	ACTUAL 24/25 100.00	PREVIOUS YEAR 100.00

Complying with obligations regarding sludge use and disposal protects the environment by ensuring that biosolids recycled to agricultural land are compliant with guidelines.

For 2024, satisfactory sludge disposal has remained at 100%, the same as in 2023, 2022 and 2021, with 99.54% reported in 2020. There were no pollution incidents caused by stockpiles in 2024.

Sustainable abstraction

Unplanned outage

This is a measure of the temporary loss of peak week production capacity in the reporting year weighted by the duration of the loss (in days).

The lower the number, the better the performance.

Unplanned outage		
TARGET 24/25 2.34	ACTUAL 24/25 2.00	PREVIOUS YEAR 1.53

The increase from last year is largely driven by our nitrate treatment sites operating at higher load and resulting in more unplanned outages with sites running at maximum for nitrate levels, driven by a high rainfall year and a pattern of short-lived heavy rainfall events.

In total, 100 unplanned outages were recorded in 2024-25, compared to 114 in 2023-24. Although there were fewer outages, the average duration has increased from 8 days to 14 days, which is largely attributed to three longer outages at Barton Hill due to a bacterial failure at Castleton due to a filter problem, and at Sutton Poyntz to ensure treatment of raw water quality.

Risk of severe restrictions in a drought

This is the percentage of the population we serve that would experience severe supply restrictions (for example standpipes or rota cuts) in a one-in-200 year drought.

The lower the number, the better the performance.

Risk of severe restrictions in a drought		
TARGET 24/25 0.0	ACTUAL 24/25 0.0	PREVIOUS YEAR 0.0

The forecast supply-demand balance over the planning period used to determine the drought risk resilience metric shows that there is a surplus under both the baseline and plan scenarios. There is therefore a low risk of crossing the





threshold of 0, the point where customers would be at risk of experiencing supply restrictions and where our reported number of 0% population at risk would need to change.

Abstraction Incentive Mechanism (Mere)

This is how much water in megalitres, below a set baseline, we abstract at Mere, an environmentally sensitive site, during the period when the flow or levels are below an agreed point.

The lower the number, the better the performance.

Abstraction Incentive Mechanism (Mere)		
TARGET 24/25 -100	ACTUAL 24/25 -136	PREVIOUS YEAR -142

Overall, Mere was under abstraction incentive mechanism (AIM) restrictions for 62 days in 2024-25 similar to 2023-24, again due to above average rainfall in the year. The target to export at least 100 megalitres less than the baseline during the AIM window was met.

Abstraction Incentive Mechanism (Stubhampton)

This is how much water in megalitres, below a set baseline, we abstract at Stubhampton, an environmentally sensitive site, during the period when the flow or levels are below an agreed point.

The lower the number, the better the performance.

Abstraction Incentive Mechanism (Stubhampton)		
TARGET 24/25 -45	ACTUAL 24/25 -111	PREVIOUS YEAR -140

Overall, Stubhampton was under abstraction incentive mechanism (AIM) restrictions for 165 days in 2024-25 similar to 2023-24, again due to above average rainfall in the year. The target to export at least 45 megalitres less than the baseline during the AIM window was met.

Per capita consumption

This is the sum of measured household consumption and unmeasured household consumption divided by the total household population, expressed as a three-year average.

The higher the percentage reduction, the better the performance.

Per capita consumption		
TARGET 24/25 0.9	ACTUAL 24/25 3.4	PREVIOUS YEAR 0.0

2024-25 has seen a 3.4% reduction in in-year consumption in comparison to 2023-24 and consumption is at the lowest level since 2017-18. The relatively consistent figures in the last two years maybe an indicator of 'new normal' behaviours following a few years of instability during the Covid-19 pandemic, and may also reflect the cost of living crisis which persists.

In 2024-25 our demand management focused on household (Home Check) and non-household visits to deliver savings by fitting water efficient products and fixing leaking plumbing. We continued our summer campaign messages and promotion of our free water saving packs. We saw a higher number of customers opting for meters, demonstrating their desire to save money and to stay in control of their utility bills.

Volume of water saved by efficiency engagement

This is the estimated decrease in water consumed by our customers, driven by water efficiency engagement, measured in megalitres per day.

The higher the number, the better the performance.

Volume of water saved by efficiency engagement		
TARGET 24/25 5.0	ACTUAL 24/25 6.1	PREVIOUS YEAR 4.9

Good levels of saving were maintained by the continuation of the Home Check programme with over 2,700 household



visits, non-household visits and a step-up in educational visits to 123 schools. However, without running promotional activity, savings arising from 'GetWaterFit' sign-ups and supply of water butts decreased from the prior year. However, towards the end of 2024-25, we did see an increased uptake in free pack orders and GetWaterFit sign-ups, due to bill increases and media coverage about how customers can save water.

Leakage

This is the percentage reduction in leakage from our water supply network, measured in megalitres per day, expressed as a three-year average.

The higher the percentage reduction, the better the performance.

Leakage		
TARGET 24/25 12.8	ACTUAL 24/25 4.5	PREVIOUS YEAR 7.1

2024-25 has seen a reduction in the in-year leakage figure in comparison to 2023-24, but with the rolling three-year average impacted by the significant leakage breakouts in 2022-23, the percentage reduction target has not been achieved this year.

Trials continue of 'no dig' technology to repair leaks, minimising cost and disruption. Fixed acoustic loggers provide quick response opportunities and aerial surveys generated points of interest. Alongside pressure management work and trial of a job progress reporting platform, initiatives continue to reduce leakage further.

Customer reported leaks fixed within a day

This is the percentage of leaks that are reported by customers fixed by the end of the next working day.

The higher the number, the better the performance.

Customer reported leaks fixed within a day		
TARGET 24/25 90	ACTUAL 24/25 90	PREVIOUS YEAR 91

We are pleased to have achieved our target every year for the five years of this price review period.

Job volumes and compliance fluctuated month to month, but analysis of depot-level data allowed us to target areas to achieve more consistent compliance towards the end of the year.

Mains repairs

This is the number of mains repairs per thousand kilometres of our entire water main network (excluding communication and supply pipes).

The lower the number, the better the performance.

Mains repairs		
TARGET 24/25 152.4	ACTUAL 24/25 121.7	PREVIOUS YEAR 127.3

The number of repairs has varied considerably over the last few years with higher numbers in 2020-21 and 2022-23, primarily due to leakage breakout arising from ground movement from cold weather events and ground shrinkage during dry summer events. The number of repairs is slightly lower than last year principally due to less extremes of temperature through the year, notwithstanding the above average rainfall during the year.





Net zero carbon

Greenhouse gas emissions (KtCO2e)

This is a measure of the volume of greenhouse gases emitted through our business operations per year.

The lower the number, the better the performance.

Greenhouse gas emissions (KtCO2e)		
TARGET 24/25 101	ACTUAL 24/25 96	PREVIOUS YEAR 105

Although rainfall in the year was above the long-term average, it was lower than in 2023-24. As a result, electricity consumption from sewerage pumping and treatment was lower compared to 2023-24. This was partially offset by an increase in the use of heavy goods vehicles used to transport sludge, arising from increased liming and associated reduction in anaerobic digestion of biosolids.

Working with catchment partners to improve natural capital

This is the cumulative number of catchment-based partnership projects delivered during the period 2020-25; these projects will have wider benefits to the natural environment as well as protecting our water supplies and local rivers.

The higher the number, the better the performance.

Working with catchment partners to improve natural capital		
TARGET 24/25 37	ACTUAL 24/25 42	PREVIOUS YEAR 42

Our programme of work with farmers, biodiversity partners and through co-funded projects continued to deliver improvements to the natural environment and help protect water supplies from local rivers.

A summary of the projects delivered detailing levels of activity, eg tonnes of nitrogen/phosphorus reduced, area of habitat improved or created for biodiversity, levels of

engagement, length of river improved or volunteer hours expended was published and provided to the Catchment Panel, who agreed the 2024 performance level.

Natural capital: improve Sites of Special Scientific Interest

This is the percentage of SSSI site-based actions delivered and the sites improved measured against an agreed list held by Natural England.

The higher the number, the better the performance.

Natural capital: improve Sites of Special Scientific Interest		
TARGET 24/25 100	ACTUAL 24/25 100	PREVIOUS YEAR 82

We are pleased to have delivered all 90 actions listed and agreed with Natural England for improving sites of special scientific interest (SSSIs) which are part of the company's landholding.

Delivery of this Performance Commitment has given colleagues a detailed, 'on the ground' knowledge of our SSSI landholding; this includes more consistent relationships with local Natural England advisers, direct relationships with our tenants and neighbours and a more consolidated approach to conservation across the company.

CASE STUDY

Holdenhurst water recycling centre



We are investing more than £30 million to enhance the Holdenhurst water recycling centre on the outskirts of Bournemouth.

What are we doing and why is it needed?

We are helping to protect the town's popular beaches by increasing capacity and reducing the automatic operation of [storm overflows](#).

An extra [nine million litres of additional storage have been added at the Holdenhurst site](#) next to the A338 with the building of a new 65-metre-long storm tank, which was ready by the regulatory date of March 2025.

We have also boosted our ability to remove harmful chemicals from wastewater to ensure we protect our rivers and coastlines.

Two new chemical dosing units have been put in place at the site, including one treatment lane with 50 membranes to help with ammonia removal - the largest single-unit installation of this type in the country.

Currently, the Holdenhurst site serves a population of approximately 180,000 which increases significantly during the summer months.

By adding this new equipment on site, we will be able to ensure that the treatment of sewage keeps pace with the local population in the Bournemouth area, which is projected to grow further.

What we have done

Construction of both the chemical removal and storage elements of the enhancement continued throughout 2024 and early 2025.

The 6.5-metre-deep tank can retain nine million litres of water during storms, reducing automatic discharges to the environment from storm overflows and allowing the storm water to be treated - that's the equivalent of nearly four Olympic swimming pools.

We have also built two chemical dosing units capable of holding 125,000 and 90,000 litres of water treatment chemicals respectively. This will enhance our ability to remove harmful chemicals, including some that are frequently found in many household products, from wastewater to ensure we protect our rivers and coastlines.

A further treatment process, featuring 50 MABR membrane units to help control suspended solids and improve treatment of the wastewater, is also the largest single-unit installation of its type in this country.

Meanwhile, all surplus sludge from the water treatment process is transferred from the Holdenhurst site to the nearby Berry Hill Bioresources Centre.

A £5 million 18-month enhancement of that site was also completed in spring 2025, seeing 750 cubic metres of additional sludge storage built and existing storage tanks and transfer pumps repurposed to improve the handling of sludge and minimise environmental impact.

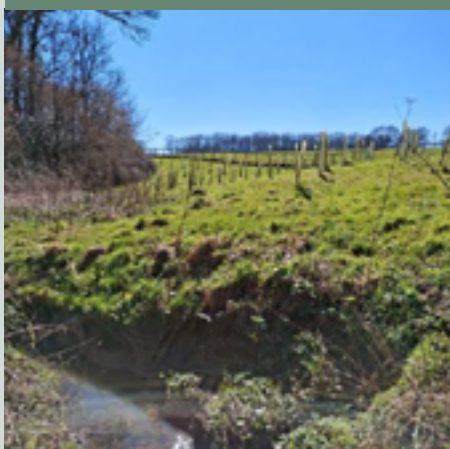
CASE STUDY

Increasing the use of nature-based solutions

Hedgerows limit soil erosion and enhance biodiversity.



Tree planting by watercourse



Traditional solutions to treating water and sewage are often carbon, energy and chemically intensive and offer limited additional benefits to the environment. We believe that nature-based and catchment-based solutions, where feasible, can deliver water quality improvements and help nature, with a lower carbon footprint.

In the Poole Harbour catchment, we have been working with farms to deliver nutrient management solutions that also provide biodiversity enhancements.

One example of our approach is on a farm near the headwaters of the River Hooke, where we worked with a farmer to limit the erosion of soil from fields after heavy rainfall by:

- planting 4.5 kilometres of species-rich native hedgerows that reinstated historic field patterns and included 200 hedgerow trees



River Hooke

- connecting and expanding the existing woodland fragments on the farm by planting 2.5 hectares of native, broadleaf woodland
- restoring one hectare of rare chalk downland habitat
- reverting 60 hectares of arable land into herb-rich grassland that will not receive nutrient or pesticide inputs
- working in partnership with the Environment Agency to install scrapes, shallow excavations in the soil, for natural flood management.

These measures will all intercept run-off, reducing the volume of sediment and nutrients reaching the watercourse. The new hedgerows, woodland and chalk grassland will also provide more habitat and food sources for a variety of native wildlife including insects, birds and mammals.

Empowering our people

To be a great place to work for all



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.

Culture, inclusion and diversity: we will have an inclusive workforce that reflects the cultures and diversity of the region we serve.

Overview

The success of Wessex Water depends above all on the people who work here and their dedication and commitment to the public purposes of the company. They are also part of the communities we serve and share the public's concerns about the water sector.

As we look ahead, we want to harness the power of the organisation to build on our successes and learn from the challenges so we can deliver on our 2025-30 business plan. Our performance depends upon our people and we will only achieve this through harnessing their talent, skills and experience.

In this last year, many colleagues have moved within the organisation, often taking up more responsible roles and developing their skills and knowledge. This has enabled us to retain dedicated people. We have provided many upskilling opportunities and helped people progress their careers with us. The diversity of our workforce has increased and our internal networking groups are active, raising awareness, providing insights and information and holding networking events for all. However, there is still more to do in a number of areas.

We have continued to ensure everyone is aware of our achievements and challenges and how we are addressing them. Our monthly Executive Committee newsletter, Managers Brief and Source Digest, keep everyone informed about the opportunities in our region. All our schemes, our environmental initiatives and health and safety priorities are shared, and everyone is invited to share their own experience and suggestions with the

senior team. Everyone is encouraged to 'have their say' and our Chief Executive, Ruth Jefferson, receives fresh ideas from our teams to which she personally responds.

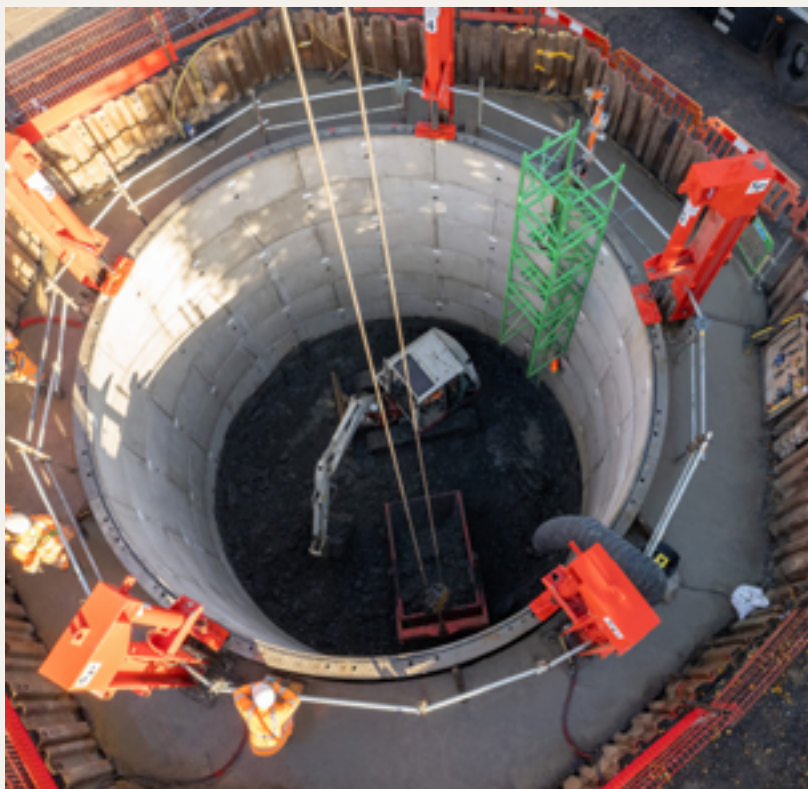
Our Wellbeing team, led by our Health and Safety Management team, meets every month to discuss physical and mental wellbeing, with a calendar of initiatives on offer to all.

Our learning and development team continued to offer a full blend of classroom training, a mentoring framework and e-learning solutions in the year, to complement compliance training requirements. A range of bespoke development solutions were also designed and delivered to respond to additional development needs.

Our ambition

Empowering our people is an ongoing priority. We achieve this by:

- keeping everyone informed of our achievements and top priorities through newsletter communications
- delivering a quarterly leadership forum to cascade messages from the top and work together on our challenges and priorities
- ensuring everyone receives regular 'check-ins', where we discuss wellbeing, communicate objectives and provide guidance and support for all
- developing everyone through a range of mandatory and optional training solutions; providing coaching and mentoring; and offering a range of apprenticeship opportunities and professional development.



Individual safety, wellbeing and engagement

Health and safety

Health, safety, wellbeing, the need to prevent harm and ensure a safe working environment for our people remains at the heart of everything we do. The continued development and implementation of health and safety and process safety policy, strategy, and practice has remained the primary focus of the board's attention throughout the year.

The Health and Safety Committee, supported by an independent Process Safety Advisory Board, continues to review major risks and controls, and challenges the company as it drives performance improvement in both personal health and safety and process safety disciplines.

During the year, the committee has reviewed and considered a range of critical topics related to personal and process safety.

Key areas of focus included the following:

1. **process safety management at Avonmouth and other biogas sites**
2. **control of Major Accident Hazards (COMAH) at Avonmouth:** including the Major Accident Prevention Policy, hazard control measures, ongoing engagement with the Competent Authority and outcomes from their planned interventions
3. **application of High-hazard process controls at non-COMAH facilities:** consideration of how high-hazard controls are extended to sites not formally designated under COMAH regulations
4. **incident investigation outputs:** review of findings from structured investigation

processes, including 'Make it Right' reviews and Kelvin TOP-SET investigations

5. **high potential safety incidents and near misses:** including analysis of root causes and implementation of corrective actions to support continuous improvement in safety performance
6. **training and competency development:** including assessment of training and competency requirements, including programmes delivered by external organisations such as the IChemE and the Health and Safety Executive
7. **internal audit findings:** reviewing internal audit outcomes on health and safety topics, including temporary works and occupational health surveillance.

During the year, the committee, board members, and all senior leaders participated in executive-level process safety training. This training has been systematically cascaded throughout the company to reinforce the importance of cultivating a strong process safety culture.

Over the year, the committee observed a continued improvement in overall personal health and safety performance compared to 2023-24 and previous years. Notably, there was a reduction in safety incidents, including fewer reportable injuries and a decline in lost time incidents.

Ongoing enhancements to the process safety management system and the recruitment of specialist expertise, alongside targeted hazard study programmes, have contributed to a deeper understanding of our process safety risks. In response, remedial work programmes have been initiated to mitigate these risks, supported by performance indicators to enable continuous monitoring and evaluation.



Employee engagement in health and safety remains strong. Colleagues continue to actively report improvement opportunities at a rate consistent with the record levels seen in 2023-24. Additionally, we sought employee feedback on our health and safety commitment through the recent employee survey, which once again confirmed strong understanding of the company's expectations and commitment.

Awards and accreditations

The company retained its ISO 45001 certification (occupational health and safety) which has been aligned to the assessment and certification processes for ISO9001 (quality management system) and ISO14001 (environmental management systems).



Skills, knowledge and opportunity

Recruitment of entry-level staff was positive with seven graduates, 13 placements and 48 apprentices joining the company. To ensure social mobility opportunity, we committed to the Care Leavers Covenant, providing additional recruitment support to those young people leaving care.

Substantive development of existing staff has also seen a steady increase with 58 colleagues undertaking apprenticeships, further or higher education, a 34% (43) increase from last year.

Careers based information, advice and guidance (IAG) discussions are also increasing. With four of the team now able to facilitate, 189 IAGs have taken place.

The YTL Wessex Academy had its first full Ofsted Inspection with a consistent grade of 'good' across all areas reviewed.

The continuation of Skills Bootcamps has enabled the company to support in-house development centred on CAD and Nature-based Solutions in Construction, with 58 people undertaking bootcamps. A further 37 new starters have undertaken a Water Industry Fundamentals bootcamp, providing underpinning knowledge and training required to work in operational roles.

The introduction of two Careers Inspiration Advisers has seen our careers outreach increase in delivery and in quality. In 2024-25 we attended 67 education-based events to promote careers opportunities and we hosted 59 work experience placements. The Careers Team also provided four insight days to teachers working in partnership with the national Careers & Enterprise Company.

Culture, inclusion and diversity

We have seen a significant increase in the number of applicants from under-represented groups in the last year. However, we need to see this feeding through into interviews and appointments.

Some of our key highlights from 2024-25 follow:

Women at YTL

The Women at YTL group is now known as Equal Ground. Sponsored by two senior leaders, the group has active volunteers and includes five sub-working groups; women's health, personal development, promotion and opportunities, challenging barriers and male allyship. The launch event in 2024 was well attended and the group has a strong programme for 2025.

Neurodivergence

The disability working group has continued to promote good mental and physical health during 2024, with a strong focus on neurodivergence. This has resulted in the launch of an e-learning course which seeks to provide awareness and education around learning differences and how we can support our colleagues.

In addition, we have worked with the University of Bath on their Bath Employment Support School for Autism programme to support neurodiverse students with their career aspirations.

Wessex Water also took part in a British Water Podcast on Neurodiversity in January 2025.

Inclusion

It is important to us to continually monitor how our people feel about culture and inclusion. After three months of employment, all new starters provide feedback on their experiences, specifically relating to our culture and inclusion. During 2024, an overwhelming 97% felt they were treated with respect during the recruitment process, and 80% felt a strong sense of belonging since joining and believe everyone is treated fairly.



Race at Work group

The Race at Work Group, with the support of the partnership with Race Equality Matters, launched the use of ‘my name is’ to ensure names are pronounced correctly. Adding ‘My name is’ to your email signature is a simple way to help everyone with phonetic pronunciation of names.

Our partnership with Race Equality Matters evolved during the year and resulted in us winning a Trailblazer award for our initiatives supporting colleagues from ethnically diverse backgrounds.

The Race at Work Group attended six workshops during 2024 including black history month, #MyNames, allyship, race equality week, microaggressions and celebrating South Asian heritage month. And it created relevant, educational and engaging materials as a result. We were also sponsors for, and attended an event in Bristol to support refugees, featuring Sir Mo Farrah.

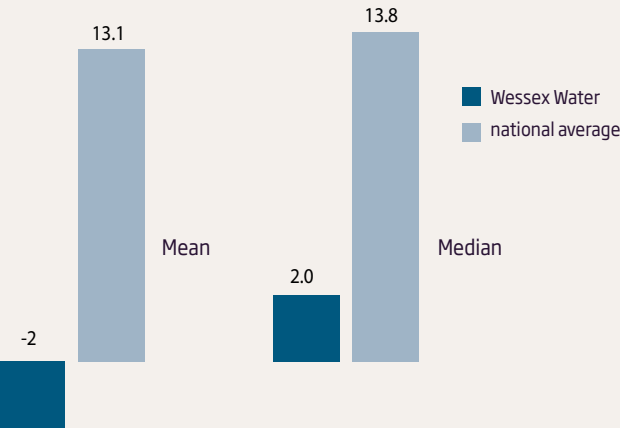
The group prepared interactive exercises, quizzes and articles to celebrate key cultural events this year including Chinese New Year, South Asian Heritage month, Southeast Asian Heritage month, Diwali, Yom Kippur, Shavuot, Iftar, Passover and Black History month.

Armed Forces

We officially celebrated the signing of the Armed Forces covenant and demonstrated our continued commitment



Gender pay gap vs national average (ONS) 2024



to several pledges. In addition, we established a new Armed Forces community group for our colleagues to network and added ‘ex-armed forces’ as sensitive data to our HR system to monitor the number of people joining us from this community group.

Social Mobility

The recruitment team has proactively sourced from areas in our region with a high percentage of disadvantaged postcodes, delivering careers fairs. As a result, our percentage of employees from a less privileged background has increased in the last year from 7.25 to 8.81%.

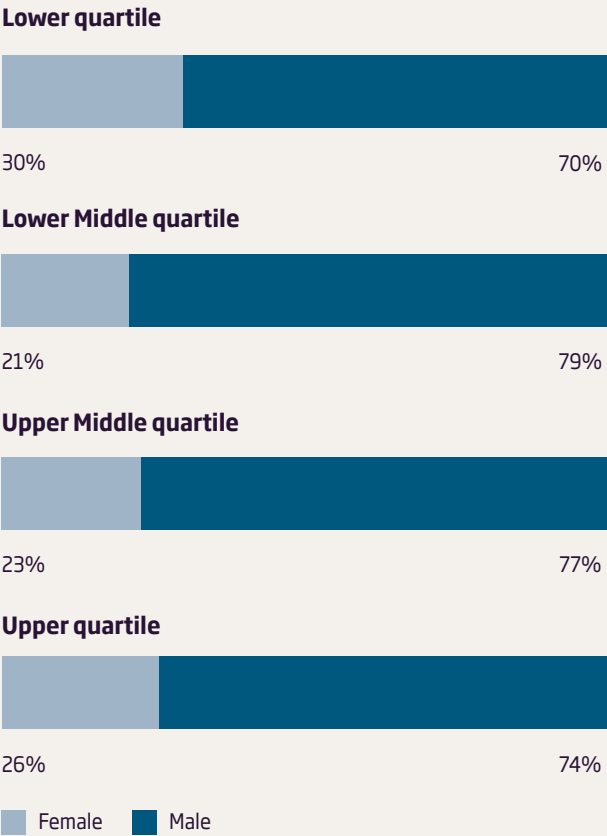
Internal Networks

Our internal networking groups have posted regularly in their Viva Engage groups to provide interesting facts, information and celebrations to raise awareness.

Gender pay gap

The gender pay gap is the difference in average hourly pay received by men and women. It is distinct from equal pay, which is the right for men and women to be paid the same rate of pay for doing work that is of equal value.

Gender pay gap: by salary quartile



The data above represents our gender pay gap figures at 5 April 2025. Our gap is well below the national median and we continuously work to close it further.

The distribution of men and women in salary quartiles is also shown.

We have a robust job evaluation process and operate a framework of grades and pay ranges within each grade. We remain confident our approach to pay is not influenced by gender.

Financing the future

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



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.

Overview

We returned to profitability this year as the effects of elevated inflation subsided. YTL is fully supportive of the board's policy of paying dividends only within the limits set by a prudent ceiling on gearing. This solid financial foundation enables us to navigate challenges with confidence and invest strategically for the future.

In December 2024 our economic regulator Ofwat announced its final determination on our 2025-30 business plan. It allowed for £4.2 billion of total expenditure – 17% short of the amount our own calculations have shown is required to meet our obligations and customers' expectations, and support growth in the region.

We have proposed to almost double our investment programme over the next five-year period, with more than a quarter of the investment being used to remove nutrients from treated wastewater discharges so housebuilding and growth can continue in the Wessex Water region, while protecting the water environment.

In view of this we have asked the Competition and Markets Authority (CMA) to review how much we can invest in vital water and sewerage improvements over the next five years.

At the same time, we are actively exploring alternative strategies – an important step as we prepare to double our current investment levels and meet emerging obligations, including ambitious phosphorus reduction targets. These efforts unfold against a backdrop of heightened risk,

particularly in strategic areas. We remain vigilant and proactive in identifying, communicating and managing material business risks.

Our ambition

Our aim has always been to exhibit the characteristics that contribute to our success and positive reputation, not least by showing strong governance, transparency, accountability, efficiency and financial resilience.

YTL has now owned Wessex Water for 23 years, making it the longest single owner of a UK water and sewerage company. During this time, we have maintained a simple financial structure, avoiding any aggressive or artificial tax planning.

In our strategic direction statement to 2050 we have committed to:

- being the most efficient water company in the industry – harnessing the power of markets and real competition and championing an outcomes-based approach to regulation where efficiency can be maximised through flexibility and choice
- maintaining a strong investment grade credit rating and being well-regarded by financial stakeholders
- delivering for wider society and the environment through sustainable financing, measured using environmental, social and governance (ESG) metrics.



Resilient financial stewardship

After recording a loss last year, Wessex Water returned to profit in 2024-25 driven primarily by higher revenues allowed by Ofwat and lower index linked interest costs.

Increases in operating costs continued to be felt, principally with business rates, new obligations and other inflationary pressures, including the annual pay deal for our colleagues. However improved performance on energy markets and a reduction in credit loss charges offset increases to some extent.

Capital investment for the year was at its highest ever level and will continue to increase over the next five years.

We successfully placed £600m of long-term debt financing in March 2025.

Financial highlights

	2024-25	2023-24	2022-23	2021-22
Revenue (£m)	652.6	574.4	530.5	515.6
Profit/(loss)/Before Tax (£m)	17.0	(43.2)	(28.9)	68.5
Reserves (£m)	497.9	540.8	636.5	718.6
Total Assets (£m)	5,554.3	4,684.1	4,697.5	4,262.0
Net Debt (£m)	3,285.1	2,963.4	2,622.2	2,419.0
Regulatory Gearing	71.9%	68.8%	64.3%	66.9%

- Operating profit increased by £26.5m from £138.5m to £165.0m.
- Revenues increased by £78.2m or 13.6%.
- Operating cost increases of £53.4m or 12.1% related principally to business rates, new obligations, one off charge for impairment of intangible assets (see page 142), and other inflationary pressures.
- The cost of debt reduced from 7.3% to 5.6% on the back of lower index-linked interest charges. We maintained a balanced mix of financial instruments and maturities.
- Net financing costs reduced by £33.7m (18.5%) to £148.0m primarily reflecting the reduction of inflation on index linked borrowings.
- Investment expenditure on tangible, intangible and right of use assets delivered during the year was £446.5m, an increase of £50.9m (12.9%) over £395.6m last year and in line with expectations.

- Profit before tax increased by £60.2m from a loss of £43.2m last year to a profit of £17.0m. This was primarily due to the underlying reduction in interest costs and the increase in revenues.
- Interest cover, as measured by net interest payable excluding indexation to earnings before interest, tax and depreciation increased marginally from 3.2x to 3.3x.

Financing charges

Net financing costs fell by £33.7m from £181.7m last year to £148.0m this year. The decrease coming from the impact of high inflation on index-linked borrowings falling back as inflation rates dropped during 2024-25. There remains a prudent mix of debt instruments and at the year-end, the split was 57% fixed, 25% index linked and 18% floating, with the index-linked debt based on November and March RPI. The maturity of debt is generally long-term, with £1.7bn maturing in or after 2035.

Capital investment

Capital investment increased by 13% year on year, to £446.5m, up £50.9m from £395.6m last year.

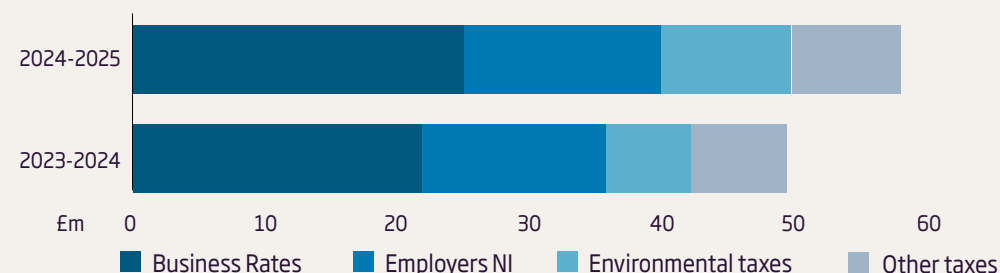
Taxation

Our tax strategy remains consistent with previous years and is fully aligned with the company's overall objectives. We continue to comply with the spirit and letter of UK tax legislation and do not engage in any artificial or aggressive tax planning.

There was no current corporation tax charge or credit this year, compared to a credit of £1.6m last year.

A charge relating to deferred corporation tax arose during the year amounting to £5.3m, while a deferred tax credit of £8.6m was recognised in the prior year.

We are committed to paying the right amount of tax at the right time. We pay a range of taxes, including business rates, employers' national insurance and environmental taxes such as the climate change levy as well as the corporation tax showing in our tax charge on the income statement. A breakdown of our total tax contribution is shown below:



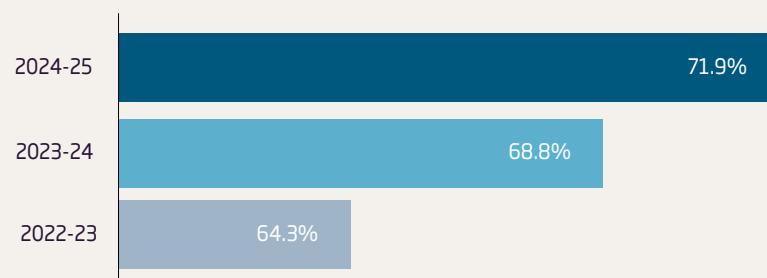


Cash flow and gearing

Net debt increased by £321.7m from £2,963.4m to £3,285.1m. The cash inflow from operating activities of £325.6m was reduced by net investment activities of £411.8m, interest payments of £116.8m, dividend payments of £66.5m, bond indexation of £45.7m and other outflows of £6.5m. Liquidity at year end was £558.5m, comprising cash held on deposit and bank overdrafts.

On 19 March 2025, Wessex Water Services Finance Plc agreed terms for the issue of 2 corporate bonds with a combined value of £600m, one for £350m with a maturity of September 2034 and a coupon of 6.125%, the second for £250m with a maturity of September 2040 and a coupon of 6.5%. The net proceeds from the issue of these bonds were loaned to Wessex Water to fund its investment programme and repay £50m of European Investment Bank term loans due in May 2025.

Regulatory gearing increased as higher capital investment impacted debt levels, leaving gearing at the end of the year at 71.9% compared to 68.8% last year. During the year the Board has continued to pay particular attention to the projected level of the Company's gearing ratio and interest covers with a view, when declaring dividends, to protect the Company's existing credit ratings. The Board remains committed to maintaining strong investment grade credit ratings for the Company at all times. Regulatory capital value increased by £263m from £4,305m to £4,568m.



Dividends

For the 2025 financial year the board considered a number of factors prior to approval of dividends including performance for customers and the environment, financing out-performance, and the ability to maintain financial resilience in line with the review of long-term viability.

During the year we declared dividends of £66.5m representing a yield of 5.0% on the company's regulatory equity.

Credit ratings

Wessex Water and its financing subsidiary have credit ratings assigned by two ratings agencies. These provide an external view on creditworthiness for our debt investors. The latest published ratings are as follows:

Credit rating agency	Rating	Outlook	Date of Publication
Fitch	BBB+	Negative	March 2025
Moody's	Baa1	Negative	March 2025

Corporate structure

The UK group structure has remained the same since 2002 with the company wholly owned by Wessex Water Limited, which in turn is wholly owned by YTL Utilities (UK) Limited. Further details of the overall group structure can be found on page 80.

There is no intragroup funding to the Company, all debt is raised by the Company at market rates and is provided by external third parties.

In November 2024, the Company entered into an agreement with YTL Infrastructure (UK) Ltd, a member of the broader YTL UK Group, to deliver its Asset Management Plan over the next 5 years, with the aim of achieving optimal value for its customers.

Pensions

The latest actuarial valuation of the Company's pension scheme took place on 30 September 2022, showing a deficit of £35.3m. The Company agreed with the scheme's trustees a payment recovery plan in respect of the deficit comprising employer contributions of 15.5% and special contributions over the following three years to reduce the deficit. The latest accounting valuation on 31 March 2025 shows a scheme surplus of £21.3m. The next funding valuation is due no later than 30 September 2025, at which progress towards full-funding will be reviewed.



Market-led outcomes

Markets have provided us with an alternative route to traditional delivery during 2020-25, bringing new ideas and approaches to resolve upcoming and existing challenges. This will only grow in importance in the coming years as our delivery requirements increase.

Nutrient markets

We promote and develop the use of innovative routes to nutrient removal, favouring working with farmers and local landowners through market mechanisms to secure nature-based solutions over expensive and chemical/carbon intensive built asset solutions. Last year was the second year of a three-year trial of catchment delivery work for phosphorus removal in the Parrett and Tone catchments in Somerset and the Stour catchment in Dorset.

This catchment delivery work is used in combination with built asset solutions to achieve our phosphorus reduction targets. Through this approach, we have proved we can reduce the nutrient impact on the environment, but in addition secure benefits such as carbon reduction, enhanced biodiversity and cost savings for customers.

Wessex Water Marketplace

We have used the Wessex Water Marketplace, an open data platform, for six years now, to share our challenges and associated data with interested parties. The Marketplace is the hub for our collaborative whole system approach, which is about:

- enabling and championing new ideas – both from our traditional supply chain and beyond
- being open-minded about who is best placed to deliver a solution
- collaborating to find the best and lowest cost options – these may even address more than one issue at once.

In October we launched a new Marketplace challenge focusing on PFAS (per- and polyfluoroalkyl substances). These substances are widely used in everyday products such as kitchen equipment and outdoor clothing. But their unique chemical properties make PFAS extremely long-lasting. This persistence in the environment presents a significant challenge for the water sector and in the 2025-30 investment period, companies will step up their routine monitoring.

The Marketplace challenge is looking at how to get the best out of our PFAS data and maximise the efficiency of analysis. We are now exploring initial pilot work with shortlisted suppliers, while some of the other proposals may be suitable for an Ofwat innovation fund bid.

We continue to see the lasting impact of our Marketplace approach.

- Our use of the Molfar CCTV AI software for sewer inspection continues to grow. We are now working to increase automation within the process, to increase efficiency.
- The StormHarvester AI tool helped us prevent at least 38 potential category 1-3 pollution incidents in 2024. The technology, which we adopted following one of our early Marketplace challenges, generates alerts when sewer levels deviate from the expected level for the conditions, indicating a potential issue. In 2022 we were the first company to begin rolling it out across our entire network, forging the path for implementation by many other UK water companies.
- Shaped by lessons learned from a subsequent Marketplace challenge, we have tendered for supply of sewer level monitors for large-scale deployment. This will increase the reach of the StormHarvester AI analysis across our network from more than 3,000 sensors to upward of 10,000.

We are looking forward to running further challenges in the wastewater network monitoring space in the first half of 2025-26.

Making data open and available to use has always been a key part of our Marketplace 'whole systems' approach and has influenced our vision for open data across the organisation. Since publishing our first open data strategy in 2024, we have demonstrated progress against our roadmap and commitment to releasing open datasets and building maturity in our data infrastructure and knowledge.

We continue to use our experience in this area to play an active role in the Stream initiative, a collaborative open data platform for the water industry, aimed at unlocking the potential of water data to benefit customers, society and the environment, and to drive open data at the sector level. We have worked collaboratively with Stream members to develop industry best practice for supporting information, which we have reflected in our Performance Commitment datasets.

Bid Assessment Framework

In accordance with Ofwat's expectations, we maintain bid assessment frameworks for water resources and bioresources; these are published on our Marketplace website. These frameworks help third-party providers to submit bids for services we seek. These set out criteria regarding when our Bid Assessment Framework processes would be initiated. However, we received no approaches under these frameworks in the year.



Well managed, open, ethical and transparent

Environmental and social governance

We consult with our customers and stakeholders to ensure that we meet their expectations. Sound ethics and culture continue to be at the heart of our operations, driving environmental, social and governance policy commitments through all levels of the organisation.

The standards of governance and behaviour we expect are communicated through policies and reinforced by training – for instance on financial crime, bribery, corruption and modern slavery. All employees are expected to commit to the highest standards of professional and ethical conduct and are asked to certify compliance with key policies on an annual basis.

Employees have access to a free confidential reporting helpline on a 24-hour, seven day-a-week basis and are encouraged to raise any concerns. All concerns raised are treated on a strictly confidential basis and are reported to the Audit and Risk Committee on a biannual basis. More generally, our board monitors and assesses the values and culture of the company to satisfy itself that behaviours are aligned to our purpose and values.

We play a key role in protecting customer health and wellbeing, safeguarding the natural environment and supporting the local economy. Our provision of essential services creates strong relationships between ourselves, our customers, the environment, our broader stakeholders and our people. This means the long-term strength of the company is closely linked to our ability to operate sustainably to best serve the region in which we work.

Sustainable Finance Framework

Our Sustainable Finance Framework, which supports our financing ambitions to deliver tangible environmental and social benefits, was originally published in September 2022 and has recently been refreshed to incorporate latest practice. The framework aligns our purpose – to support our customers' health and wellbeing and enhance the environment and the diverse communities we serve – and our business plan commitments to our financing ambitions through the use of targeted financing.

Under the framework, we may issue specific debt instruments to support our environmental and social objectives, enabling investors to participate in the provision of a sustainable future.

Our commitment to delivering a better future will allow our investors to participate in funding our provision of water and wastewater services on a sustainable basis,

helping to contribute to global climate change targets and the United Nations' Sustainable Development Goals.

Where we can, we implement nature-based solutions and explore new ways to drive down costs, protect our assets, reduce our carbon footprint and ensure business resilience.

We will continue to drive performance across the company so we can secure future investment as efficiently as possible.

Environmental, Social and Governance score

Our use of third-party assurance and ESG ratings enables us to validate our progress and enhance our reporting of our impacts on society and the environment. Although ESG ratings are not currently a regulated measure for us, nor on the level of a credit rating, they are a good barometer and help guide our progress and improvements.

The latest ESG rating from Sustainable Fitch assigned Wessex Water an ESG Entity Rating of '2' (good ESG profile) and an entity score of 73 out of 100, where 100 is the best possible score. Their summary stated that 'The rating reflects Wessex Water's overall strong ESG profile and the broadly positive environmental and social impact of its business activities, of providing water and wastewater services'. Sustainalytics' ESG rating for Wessex Water is a low-risk score of 17.0 out of 100, where lower scores indicate lower ESG risk; this is a composite of scores for risk management (strong) and risk exposure (medium). Since April 2022 our score has ranged between 18.6 and 16.8 due to global/sector risks, although in general, our score has improved because of work demonstrating improvements in policy and publicly available information for some specific issues.



Risk management

The effective management of risk is central to how we can deliver effective and efficient services to our customers and minimise the impact we have on the environment. It is critical that we have a robust risk management framework in which material risks to the business are proactively identified, evaluated, communicated and the appropriate response defined and implemented. The company responds to changes in risk and insures that the necessary controls and mitigation measures are put in place. Risks are defined as any event that can impede our ability to achieve our objectives. The most significant risks facing us are referred to as 'principal risks'.

Risk management process

Our policy on risk assessment and management is subject to regular review by the board including the review and update of risk and tolerance levels. The board reviews strategic risks and other principal risks on a regular basis.

Identification and management of risk is delivered through a hierarchy of risk management reviews from operational colleagues, senior management and Executive Directors. The board reviews and is ultimately responsible for risk. It delegates its authority to the Audit and Risk Committee for the review and oversight of the effectiveness of the risk management process. To aid it in doing this, the Audit and Risk Committee oversees the audit assurance plan that aligns to the principle risks when agreeing the annual Internal Audit programme.

Operational staff and senior management review and assess asset and operational risk monthly. Risks are scored based on likelihood and impact on a 'five-by-five' scoring

mechanism. Risk mitigation plans are recorded and implemented where appropriate and pre-and post-mitigation scores are monitored.

Operational risks act as a foundation for separate risk registers which feed into the corporate risk register. The Risk Management Group maintains and reviews all business risks; the corporate risk register reflects strategic, compliance, operational, reputational, environmental, and financial risks, specifically including health and safety and climate change risks.

The Risk Management Group comprises senior managers from across the business. The risks are assessed by subject matter experts and are subject to independent challenge from our risk experts. Risks above our tolerance levels will have additional measures to manage and mitigate the risk exposure.

As well as monthly updates on emergent risks, every six months the Risk Management Group submits a summary of the corporate risk register and a report on the principal risks to the Executive Committee, comprising the Executive Directors.

The Executive Committee scrutinises and challenges the risks, ensuring that we have appropriate mitigation plans in place. In addition, any significant emergent risks or material changes in existing risks are reported to the Executive Committee and the board as they arise.

The Chief Executive submits a bi-annual risk review paper to the board. This paper details the risk process, identifies the current principal risks (listed below) to the business and the associated mitigation measures. It also records the status of emerging risks that have been identified as well as any proposed changes to risk appetite and tolerance for discussion at the board.



Principal risks - strategic

Principal risk	Description	Risk exposure	Risk Level
Reputation & positioning	National or regional issues that impact the perception of the business and the trust the public have in us.	Increasing	High
Political action	Actions taken by government that fundamentally change our operating environment affecting the business and/or cash flows.	Unchanged	High
Regulatory action	Actions taken by regulators that fundamentally change our operating environment affecting the business and/or cash flows.	Unchanged	High
Environment & public value	The expectation on the business to create value beyond a focus on short term performance.	Increasing	High
Climate volatility	The need to adapt to changing climate and weather patterns.	Increasing	High

Principal risks - compliance, financial and operational

Principal risk	Description	Risk exposure	Risk Level
Environmental harm	Acute (e.g. major pollutions) or chronic harm to the natural environment as a result of activities conducted by or on behalf of the company.	Unchanged	High
Supply chain resilience	Resource scarcity or disruptions to supply chains which prevent the procurement of products or services at the expected cost, availability, or quality.	Increasing	High
Secure sites, systems, and operations	An internal or external threat actor initiates a security incident that: renders the business unable to deliver the supply of safe drinking water and the management of waste; results in breaches of data protection or other laws; or impacts critical activities such as regulatory and financial reporting.	Increasing	High
Health and safety	Failure of operational controls or an external hazard that affects the health and safety of employees, contractors, or the public.	Unchanged	High
Uninformed action	Inadequate information (e.g. poor asset data) resulting in sub-optimal decision-making, unsatisfactory day to day business operation/ performance and/or an increase in cost and risk.	Unchanged	High
Resources and skills	Failure to have the right resources with the right skills in the right place will have an impact on our ability to operate effectively and on our strategic objectives.	Increasing	Moderate
Governance and ethics	Non-compliance with our own values, behaviours, and standards, or with statutory and regulatory obligations, either unintentionally, intentionally or maliciously (e.g. insider threat).	Unchanged	Moderate
Supply of unfit or insufficient water	Inability to provide a reliable source of water to customers when they need it in line with quality standards.	Unchanged	Moderate
Financial viability	Inability to raise finance at appropriate levels and/or manage cash/gearing to maintain financial viability and provide a sufficient return on investment.	Unchanged	Moderate



Our board of directors plays a key role in the running of Wessex Water Services Ltd. It has responsibility for providing leadership, setting strategy, reviewing management performance, ensuring we have the financial and human resources needed to achieve our objectives and ensuring that the company meets its obligations to stakeholders and shareholders. Our board includes five independent non-executive directors who are appointed from diverse backgrounds, each bringing a breadth and depth of experience and contributing to strong board leadership and governance. You can find more details about the members on our website, 'Meet our board' and in our Annual Report and Accounts. On 26 June 2025, the Audit and Risk Committee considered this annual review summary and recommended its approval to the board. It was approved on 8 July 2025. On behalf of the Wessex Water board, we confirm that we approve this annual review summary and are satisfied that it is accurate in all material respects.

Tan Sri (Sir)Yeoh KBE
Chairman

Ruth Jefferson
Chief Executive

Jim McKenna
Deputy Chair

Kate Mingay
Independent Non-Executive Director
Chair of Audit and Risk Committee

The other documents we publish are:

Annual integrated report and accounts

Our statutory year end is 30 June, which is reflected in our latest annual report and financial statements filed at Companies House.

Our annual integrated report, also known as the non-statutory financial accounts, are prepared for the financial year to 31 March.

Annual performance report

This reconciles the non-statutory financial accounts with the regulatory accounting statements required by Ofwat. The report also gives detailed information on expenditure, costs and performance, including in relation to our outcomes and performance commitments.

All these documents are available on our website: www.wessexwater.co.uk

You can compare our performance against other water companies at www.discoverwater.co.uk



Non-statutory financial statements

Income Statement For the year ended 31 March 2025

	Note	2025 £ m	2024 £ m
Revenue	3	652.6	574.4
Operating costs			
Expected credit loss charge		(12.3)	(18.4)
Other expenses		(481.7)	(422.2)
Total operating costs		(494.0)	(440.6)
Other operating income		6.4	4.7
Operating profit		165.0	138.5
Financial income	9	1.2	8.1
Financial expenses	10	(149.2)	(189.8)
		(148.0)	(181.7)
Profit/(loss) before tax		17.0	(43.2)
Tax on profit/(loss)	11	(5.3)	10.2
Profit/(loss) for the year		11.7	(33.0)



Non-statutory financial statements

Statement of Financial Position At 31 March 2025

	Note	2025 £ m	2024 £ m
Non-current assets			
Property, plant and equipment	13	4,718.2	4,411.9
Right of use assets	14	5.7	2.5
Intangible assets	15	33.2	46.2
Investments in subsidiaries	16	-	-
Retirement benefit assets		21.3	6.7
		<u>4,778.4</u>	<u>4,467.3</u>
Current assets			
Inventories	17	7.6	7.0
Trade and other receivables	18	209.2	203.1
Corporation tax receivable	18	0.6	0.9
Cash and cash equivalents	19	558.5	5.8
		<u>775.9</u>	<u>216.8</u>
Total assets		<u>5,554.3</u>	<u>4,684.1</u>
Current liabilities			
Other interest-bearing loans and borrowings	20	(184.3)	(66.2)
Trade and other payables	21	(290.1)	(272.4)
Provisions	24	(0.4)	(1.2)
		<u>(474.8)</u>	<u>(339.8)</u>

	Note	2025 £ m	2024 £ m
Non-current liabilities			
Other interest-bearing loans and borrowings	20	(3,659.3)	(2,903.0)
Contract liabilities	21	(5.8)	(5.7)
Retirement benefit deficit	22	(0.6)	(0.7)
Deferred grants and contributions	23	(335.1)	(322.2)
Deferred tax liabilities	25	(580.8)	(571.9)
		<u>(4,581.6)</u>	<u>(3,803.5)</u>
Total liabilities		<u>(5,056.4)</u>	<u>(4,143.3)</u>
Net assets		<u>497.9</u>	<u>540.8</u>
Capital and reserves			
Share capital	26	-	-
Capital contribution reserve		1.0	-
Retained earnings		<u>496.9</u>	<u>540.8</u>
Total equity		<u>497.9</u>	<u>540.8</u>



Non-statutory financial statements

Statement of Cash Flows For the year ended 31 March 2025

	Note	2025 £ m	2024 £ m
Cash flows from operating activities			
Profit/(loss) for the year		11.7	(33.0)
<i>Adjustments for:</i>			
Depreciation and amortisation		127.5	119.1
Loss/(gain) on disposal of PPE		2.5	(0.2)
Impairment of intangible assets		12.7	4.2
Financial income		(1.2)	(8.1)
Financial expense		149.2	189.8
Taxation	11	5.3	(10.2)
		<u>307.7</u>	<u>261.6</u>
Working capital adjustments			
Increase in inventories	17	(0.6)	(0.7)
Increase in trade and other receivables	18	(6.1)	(6.9)
Increase in trade and other payables	21	25.0	22.5
Decrease in provisions and employee benefits	22	(0.7)	(18.7)
		<u>17.6</u>	<u>(3.8)</u>
Tax received	11	0.3	7.7
		<u>325.6</u>	<u>265.5</u>
Net cash flow from operating activities			

Cash flows from investing activities

Proceeds from sale of property, plant and equipment		4.6	2.2
Interest received		1.2	8.1
Acquisition of property, plant and equipment		(418.4)	(353.9)
Acquisition of intangible assets	15	(10.6)	(8.8)
Sale of financial instruments		-	130.0
Proceeds from infrastructure charges and capital contributions		11.4	5.4
		<u>(411.8)</u>	<u>(217.0)</u>
Net cash flows from investing activities			

Cash flows from financing activities

Proceeds from new borrowings		1,013.6	232.5
Interest paid		(116.8)	(98.3)
Repayment of borrowings		(190.0)	(274.5)
Payment of lease liabilities		(1.4)	(0.4)
Dividends paid	12	(66.5)	(66.5)
		<u>638.9</u>	<u>(207.2)</u>

Net Cash flow generated from/(used in) financing activities

Net decrease in cash and cash equivalents		552.7	(158.7)
Cash and cash equivalents at 1 April		5.8	164.5
Cash and cash equivalents at 31 March		<u>558.5</u>	<u>5.8</u>



Wessex Water
YTL GROUP

FOR YOU. FOR LIFE.