Progress update – Yorkshire Water undertakings



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YorkshireWater

How to view this document

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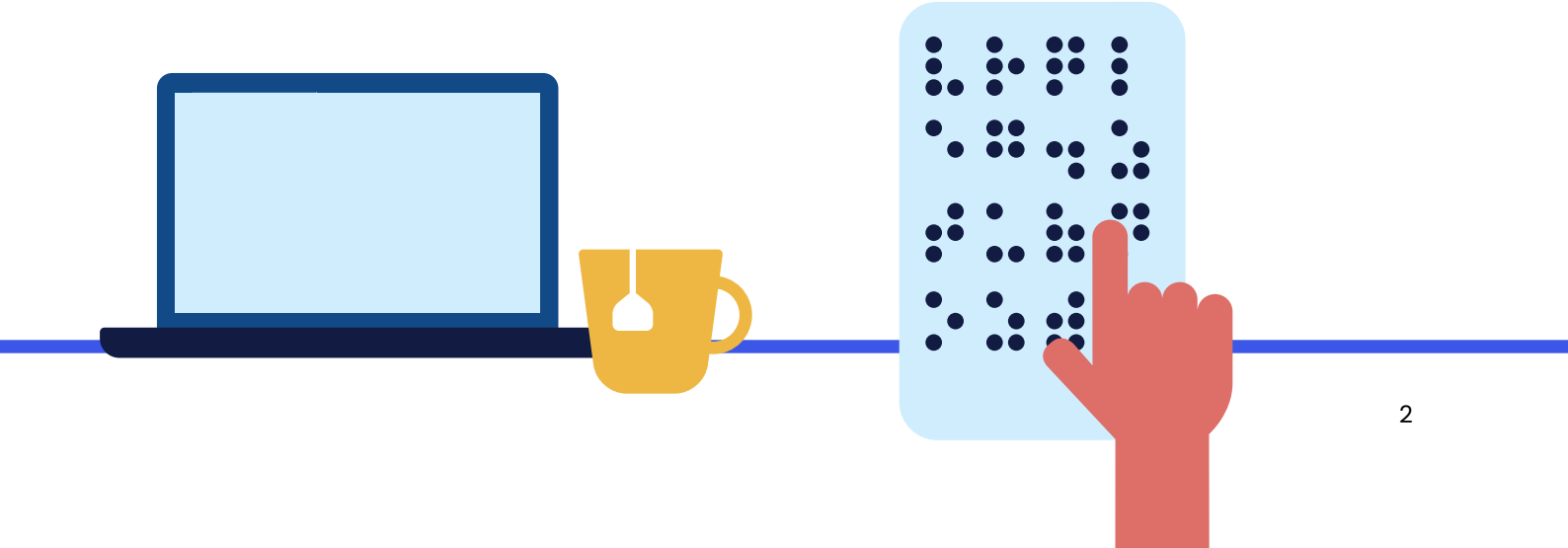
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Accessibility matters. That's why we want all of our customers to be able to engage, navigate, and understand our Progress update.

By using assistive technology like screen readers, text-to-text speech programmes and Braille displays, we can provide equal access to anyone with visual, mobility, or cognitive impairments.

We've taken steps to ensure this document supports additional accessibility needs:

- Screen readers will recite content in a logical order, as well as identifying headers and providing alternative text for images.
- Table of contents and bookmarks to aid navigation.
- Easy-to-read text that's structured using headings, clear paragraphs and tables.
- Comfortable colour contrast.



Introduction

In April 2026, we published our first summary explaining the Undertakings we have agreed with Ofwat and the plans we have made to deliver them. This report provides our first six-month update, detailing the progress made since April, the work under way and the next steps in meeting our commitments.

The Undertakings followed Ofwat's investigation into how Yorkshire Water manages its wastewater treatment works and sewer network. The investigation identified significant weaknesses in the systems, data, processes and governance arrangements supporting these activities, which contributed to failures to meet our legal and regulatory obligations. These findings demonstrate the seriousness and scale of the compliance issues that must be addressed.

We recognise and accept the need for substantial and sustained improvement. The Undertakings set out the changes we have committed to making, including how we monitor performance, identify and investigate issues, manage risk, use information, oversee compliance and make decisions about our wastewater activities. Addressing the underlying issues across our wastewater operations will take time, and improvements will not be immediate or uniform across all sites. The Undertakings provide a structured pathway towards achieving full compliance with the Water Industry Act, the Urban Wastewater Treatment Regulations and the conditions of our operating licence.

This update explains what we have delivered during the past six months, where further work is required and how we are continuing to strengthen the way we plan, operate and assure our wastewater activities. It also provides an update on the £40 million redress package agreed with Ofwat and the environmental improvements it is intended to support. The funding is being provided by Yorkshire Water's shareholders and is not funded through customer bills. It is being invested directly back into Yorkshire's environment through storm overflow reduction projects and the Great Yorkshire Rivers Partnership.

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1. How we are improving the way we work

Since our last update, we have continued to strengthen and embed the arrangements that support delivery of the Undertakings. Our focus is increasingly moving from establishing new processes to making sure they operate effectively as part of our day-to-day activities and support consistent, well-informed decision-making.

We are continuing to invest in the knowledge and capability of our people. Annual environmental compliance training has been allocated to all colleagues, including members of our Board and Executive Team, and a new company-wide training matrix is helping us identify both mandatory and role-specific requirements. This supports a clearer understanding across the organisation of the standards expected and how individual roles contribute to maintaining compliance and protecting the environment.

We are also introducing more consistent ways of managing performance across our teams. These arrangements are designed to make performance and compliance risks more visible, support earlier action and escalation, and ensure that agreed improvements are followed through. Alongside this, clearer expectations for colleagues and people leaders are helping connect individual objectives with wider company priorities, including our environmental and compliance responsibilities.

Independent audit and assurance remain important in helping us understand where our arrangements are working effectively and where further improvement is needed. A recent internal audit of the governance framework, supporting the Undertakings, recognised that governance, reporting, action tracking and training arrangements have strengthened. It also identified areas where we need to continue improving, and actions are in place to address these as the arrangements become embedded.

Together, these changes are helping us build a more consistent and sustainable approach to managing environmental compliance. We recognise that embedding change across the organisation takes time, and we will continue to test, refine and improve these arrangements as we gain further experience of how they operate in practice.

2. Identifying and investigating issues earlier

A major part of the Undertakings is improving how we identify, investigate and respond to potential compliance issues across our wastewater treatment works and sewer network.

Since our last update, we have continued to apply a consistent set of performance triggers to help identify sites that may require further investigation or intervention. These triggers help us focus our efforts on areas where there may be a higher risk of non-compliance and ensure that issues are investigated in a structured and consistent way.

As our investigations have progressed, we have developed a much better understanding of the scale and complexity of the challenges that need to be addressed. In some cases, investigations identify issues that can be resolved relatively quickly through operational changes, maintenance activity or targeted interventions. In other cases, investigations show that more significant assessment, planning, regulatory approvals or capital investment may be required before a long-term solution can be delivered.

This means that the time needed to address compliance risks can vary considerably. Some issues may be resolved quickly, whilst others may take several years to investigate, plan and deliver. In some cases, particularly where larger infrastructure improvements are required, delivery of permanent solutions may extend beyond the current investment period. As investigations continue, our understanding of the work required and the timescales for delivery will continue to develop.

Where long-term solutions will take time to deliver, we will seek to implement interim measures wherever practical and appropriate to reduce risk and improve performance in advance of permanent improvements. These measures may include operational changes, maintenance activity or targeted interventions, while longer-term solutions are being developed.



Figure 1 – Melton temporary above ground storage tanks

Our work at Melton wastewater treatment works provides a good example of how an interim measure can deliver environmental benefits while a permanent solution is being developed. A permanent above-ground storage tank is currently in development to provide additional capacity to manage fluctuating flows entering the site.

To deliver immediate benefits, we installed two temporary above-ground storage tanks, which operate automatically and provide additional buffering capacity. Since becoming operational on 7 July 2026, the temporary tanks have captured 1,918 cubic metres of effluent that would otherwise have discharged to the estuary, preventing more than 50 dry day spills.

Importantly, identifying a potential issue is the starting point of an investigation, not the end of it. The purpose of the investigation process is to understand the root cause of the issue, determine the most appropriate response and prioritise activity based on risk.

In some cases, issues can be resolved through operational or maintenance changes, while others may require more significant investment. This helps ensure that resources are focused where they will have the greatest benefit for customers and the environment.

While this work will take time, the new processes provide a clearer and more consistent approach to identifying issues earlier, understanding the actions required and tracking progress through to completion. We will continue to provide updates on the progress being made and the improvements being delivered as this programme develops.

3. Better information and oversight

Good decisions rely on having accurate, reliable and accessible information. Since our last update, we have continued to strengthen the way performance, investigation and compliance information is collected, reported and used across Yorkshire Water. This is helping us build a clearer understanding of progress against the Undertakings and support more informed decision-making across the business.

A key part of this work is the development of a new digital platform that brings together information on investigations, compliance triggers, actions and progress previously held across multiple systems.

During this reporting period, we completed a major phase of development, including the migration of information from legacy systems and the introduction of initial reporting dashboards. These dashboards are already being used to support reporting and provide greater visibility of progress across the Undertakings.

The platform will continue to be enhanced over time, helping to reduce manual processes, improve traceability and provide a more consistent and reliable picture of performance. Future development will bring together additional information sources and further strengthen our ability to understand risks, track actions and monitor delivery.

Alongside improvements to our systems, we have strengthened the way information is reviewed and shared through our governance arrangements. Regular reporting helps ensure that progress, emerging risks and key decisions are visible to senior leaders and the Board, providing oversight of delivery.

While there is still more work to do, these improvements are helping us develop a more complete and transparent view of environmental performance and compliance, supporting better decisions and more effective management of our commitments under the Undertakings.

4. Improving how we learn from pollution incidents

Reducing pollution incidents and understanding why they occur remains a key priority and is essential in order to prevent them from happening in the future. Since our last update, we have continued to embed our 'Root Cause Analysis' approach across the business, ensuring that pollution incidents, and other compliance-related issues, are investigated consistently and that learning is shared more effectively.

As this work has progressed, it has helped us build a better understanding of the common factors that contribute to incidents and identify where improvements are needed. The scope of this approach now extends beyond pollution incidents themselves and includes the review of wider compliance and asset-related issues. This helps us identify emerging risks earlier and take action before they result in environmental impact.

The insights from these investigations are used to inform our Pollution Incident Reduction Plan and wider improvement activities. In some cases, investigations identify opportunities to improve operational practices or maintenance activities, while in others they highlight the need for longer-term changes to assets, processes or ways of working.

We have also continued to strengthen the capability of our operational teams through training and improved investigation processes. This supports the collection of better-quality evidence, more consistent investigations and clearer decision-making. Serious incidents continue to be reviewed through formal governance arrangements to ensure appropriate oversight, accountability and follow-through of actions.

While reducing pollution incidents remains a long-term challenge, these arrangements are helping us better understand the causes of incidents, identify opportunities for improvement and reduce the likelihood of similar issues occurring in the future.

5. Redress package

In April 2026, we explained how our £40 million redress package, agreed with Ofwat, would bring forward investment to improve Yorkshire's rivers and the wider environment.

This is shareholder-funded investment and will not be added to customers' bills. Of the total, £36.6 million is being used to bring forward significant schemes to reduce discharges from storm overflows, while £3.4 million is supporting longer-term river restoration through the Great Yorkshire Rivers Partnership.

The following sections provide the latest position on both parts of the package, including the work completed since April, the projects now being developed and the next steps towards delivery.

5.1. Discharge Reduction Programme

Since our April 2026 update, the programme has moved from initial site assessment to the identification of five current candidate locations: Tupton, Ellerker, Gilberdyke, Melton and North Ferriby wastewater treatment works. The programme forms part of the £36.6 million, of shareholder-funded investment, being used to bring forward significant schemes to reduce discharges from storm overflows, enabling improvements to be delivered sooner at no cost to customers.

Technical reviews have now been completed at each location. These have considered storm overflow performance, the potential need for additional storage or treatment capacity, opportunities to make better use of the wider sewer network and the main constraints at each site. Potential solutions have been identified for all five locations.

Further technical, legal, permitting, asset condition and performance investigations are under way to determine which options are suitable and deliverable. The findings will be used to confirm the final five sites and preferred solutions. If the investigations identify alternatives that would deliver greater benefits or can be delivered more effectively, the current candidate locations may change. We are also preparing to appoint delivery partners, who will progress the confirmed schemes through outline and detailed design, with engagement with landowners and planning authorities beginning where required.

The programme is working towards confirming the five schemes and their preferred options during 2027, with delivery planned within the current investment period, which runs to 2030. The timetable remains indicative and will be refined as the outstanding investigations are completed and site-specific planning, land and permitting requirements become clearer.

5.2. Great Yorkshire Rivers Partnership: Progress update

In our April 2026 customer update, we explained that £3.4 million from our redress package would support the Great Yorkshire Rivers Partnership. Since then, the Partnership has continued to build the team and develop the projects needed to deliver lasting improvements to Yorkshire's rivers. It now has 19 live projects and committed £1.3 million of funding in 2025/2026, followed by a further £0.4 million in the first five months of 2026/2027.

The core team now includes three dedicated roles covering partnership management, engagement and technical delivery. These roles will help the Partnership develop the expanded programme, maintain technical standards, coordinate delivery partners and assess the benefits achieved. Across the wider Partnership, the 13 partner organisations have also dedicated 17 roles, either fully or partly, to identifying opportunities and supporting delivery in their local river catchments.

Figure 2 summarises the Partnership's first full year of activity. This included developing projects, assessing barriers in rivers, training, volunteering and working with landowners. Together, this work is creating a strong pipeline of projects that could be supported by the additional redress funding.

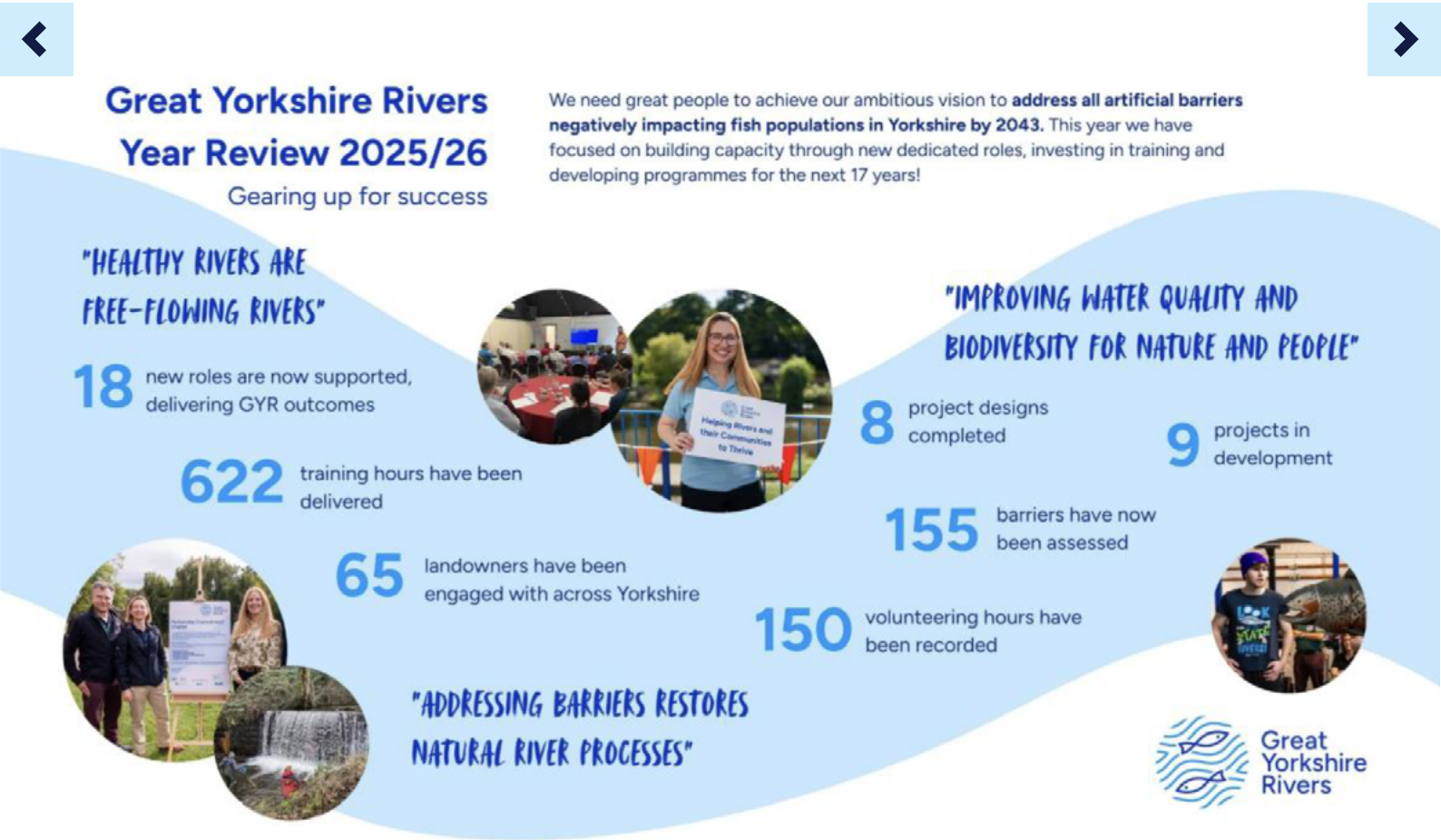


Figure 2: What the Great Yorkshire Rivers Partnership delivered in 2025/2026

5.3. River Improvements already delivered

Two schemes were completed in early 2026 through the Partnership's existing programme. At Skeeby Beck, several pipes beneath a river crossing were replaced with a bridge that spans the watercourse. This makes it easier for fish to move along the beck, improves the habitat and maintains long-term access to the neighbouring farm. At Hundwith Beck on Denton Reserve, work was completed on six barriers, reconnecting stretches of the river and improving the habitat and natural shape and flow of the watercourse. These schemes show the practical river restoration that the Partnership can deliver.

Figure 3 shows an example of the work at Hundwith Beck, where improvements to six barriers helped reconnect the river.

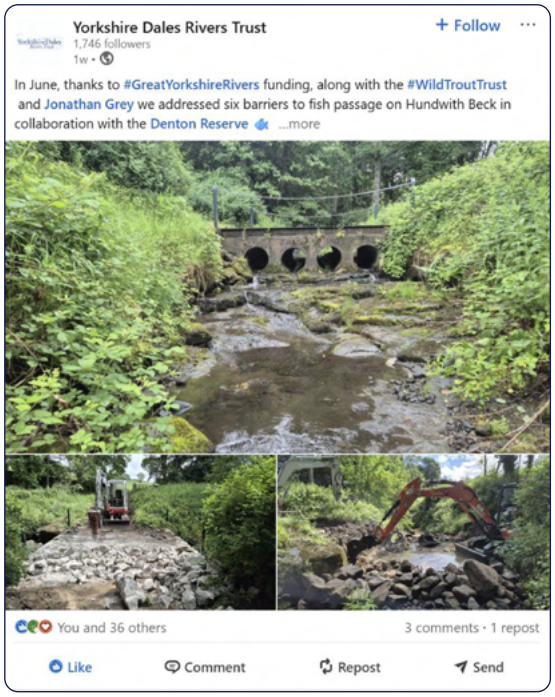


Figure 3: Improvements to river barriers at Hundwith Beck

5.4. How the £3.4 million will be used

Since our April 2026 update, the Partnership has considered four possible ways to use the £3.4 million redress funding.

It has chosen to develop a major flagship programme: a significant project, or group of projects, designed to deliver lasting benefits for rivers and wildlife. This approach will also strengthen the Partnership's ability to deliver further river improvements in the future.

The Partnership is now working together to identify and assess which projects could form part of the flagship programme. Initial funding decisions are expected in winter 2026, with work on the ground currently expected during the summers of 2028 and 2029. We will provide further updates as projects are selected and more detail becomes available about the environmental benefits and delivery timetable.

6. Summary

Over the past six months, we have continued to improve our systems, processes and oversight needed to deliver the Undertakings.

Progress has been made, but much of this work is still being embedded and there remains substantial work ahead to address the scale and complexity of the issues identified across our wastewater operations. Some improvements can be made relatively quickly, while others will require further investigation, planning and investment and may take several years to deliver.

Progress has also been made with the £40 million shareholder-funded redress package. Work is underway to develop schemes that will reduce storm overflow discharges and support longer-term improvements to Yorkshire's rivers through the Great Yorkshire Rivers Partnership.

We will continue to provide six-monthly updates so you can see the progress being made, the challenges that remain and the next steps in delivering both the Undertakings and the redress package.

Thank you for reading

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