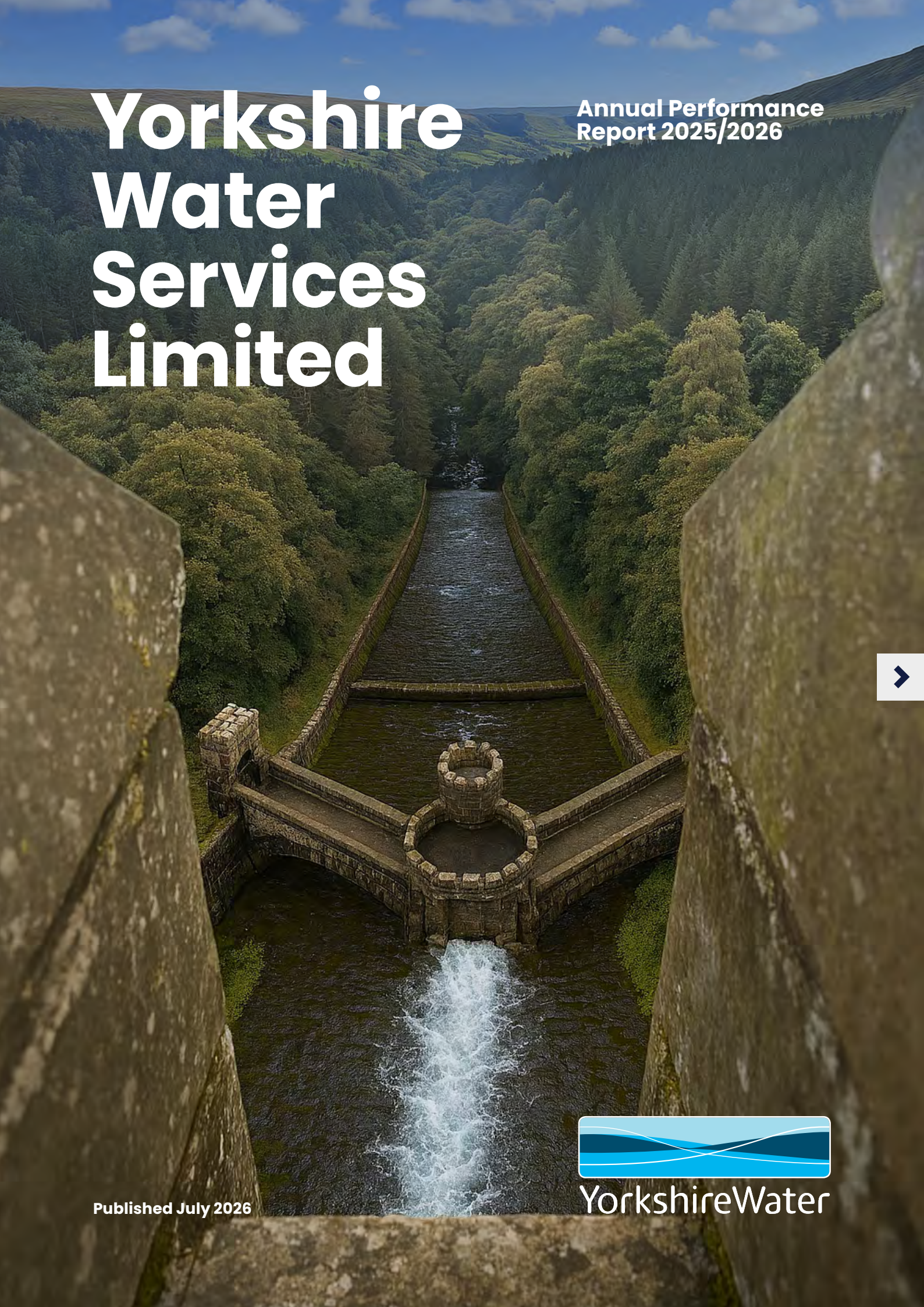
Yorkshire Water Services Limited

Annual Performance Report 2025/2026



Published July 2026

YorkshireWater

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Welcome to our 2025/2026 Annual Performance Report (APR)

We're pleased to welcome you to our official report for 1 April 2025 to 31 March 2026. Here, we share the progress we're making for you as your water company.

We tell you how we're delivering, or not, on the priorities that matter to you and whether we're meeting our performance commitments (page 35). We also provide lots of other information about our service levels, costs and financial performance.

All the information in this Annual Performance Report is required by our regulator, Ofwat (Water Services Regulation Authority). Ofwat is a non-ministerial government department that regulates the whole water sector to ensure customers' interests are protected.

Asset Management Perio 8 (AMP8)

This is our first Annual Performance Report for Asset Management Period 8 (AMP8), our five-year plan for 2025-2030. Our plan sets out how we will improve and maintain all our water and wastewater services in the Yorkshire region to ensure they're resilient, sustainable and meet the needs of our customers and the environment.

Our performance commitments

We have 23 performance commitments to report on this year (page 37). They are common to all water companies, making it easier than it has previously been to compare Yorkshire Water's performance with the other water companies in the industry.

Let us know what you think!

We hope you find our Annual Performance Report useful, easy and interesting to read. If you have suggestions on how we can improve our reporting, we'd love to hear from you. We welcome all feedback and make it easy for you to contact us with your comments (please see page 7).

What's an AMP?

An AMP, or Asset Management Period, is a water company's five-year business plan.

AMP1 was the first-ever planning period we had following privatisation of the water industry, and it covered 1990-1995.

Now, we're in AMP8, Year one!

How to view this report

Contents page

Our contents page (pages 2 to 3) links to every section within this report. Clicking on a specific section will instantly take you to it.

Navigation buttons

Contents – in the top-left of each page will take you to the Contents listing.

‹ – will take you to the previous page.

› – will take you to the next page.

There are also many other clickable links within this document which we've made easy to spot by underlining and **highlighting** them in blue.

Reading our APR

Our Annual Performance Report (APR) is designed to be read on screen using a PDF viewer. You can print our APR if you prefer, but because it's a long document you may wish to print in black and white and use the contents page to print the sections you wish to read.

Definitions

We have included definitions on the same page as the content they refer to, to make it easier to understand. You can find our full regulatory glossary on our reports webpage: **yorkshirewater.com/reports**

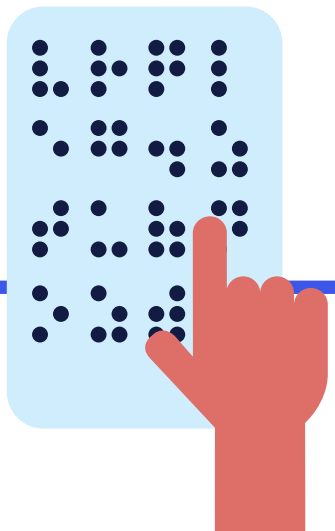
Accessibility matters

It's important to us that all our customers are easily able to read, navigate and understand our Annual Performance Report.

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 these 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.



Get in touch

We welcome any comments and feedback on this Annual Performance Report, to help us improve how we communicate with customers and present information to you.

If you have questions about any of our other publications too, we're delighted to receive and answer them.

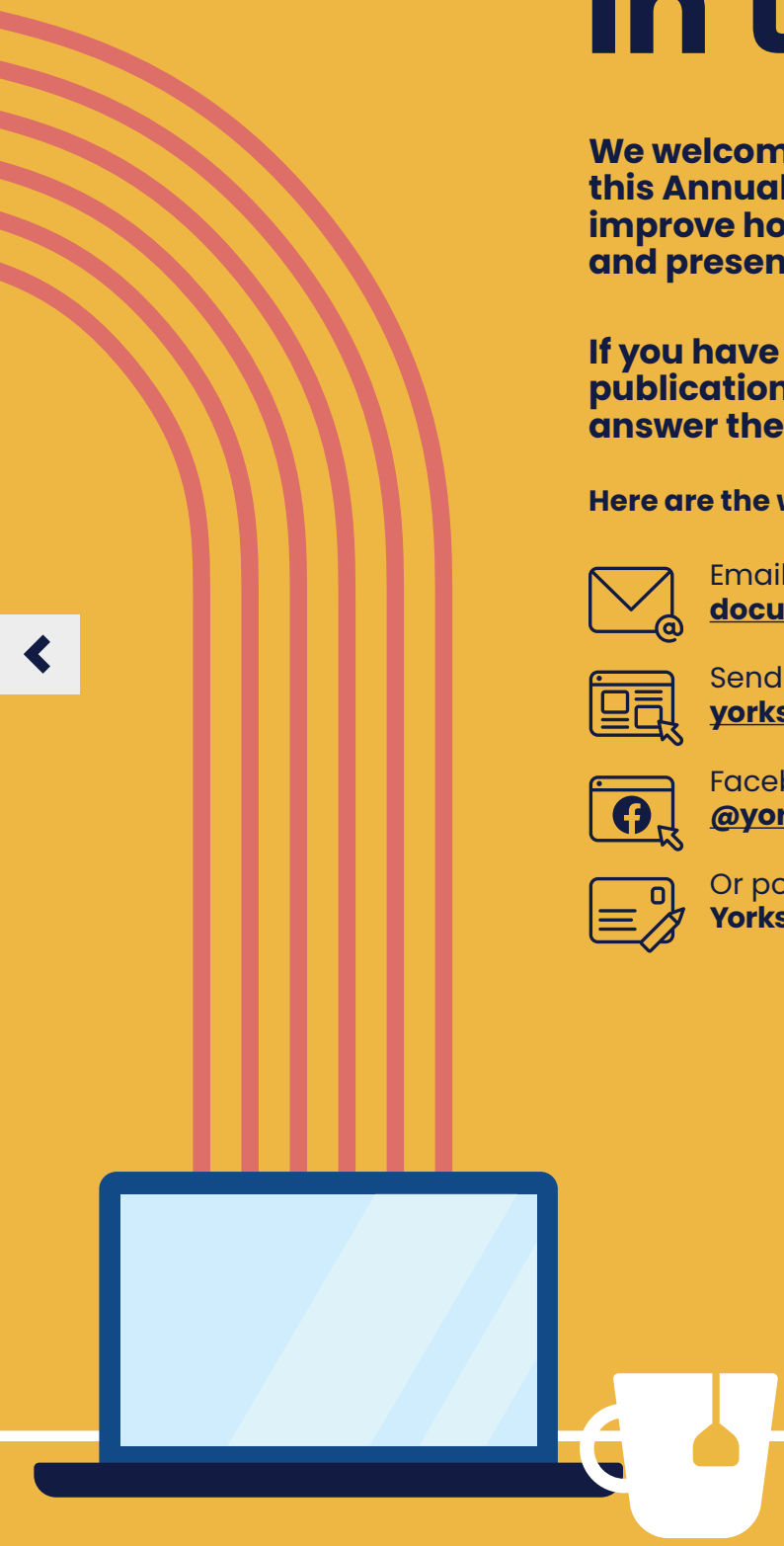
Here are the ways you can get in touch:

Email us
documentmanagement@yorkshirewater.co.uk

Send comments via our website link
yorkshirewater.com/get-in-touch

Facebook message us
@yorkshirewater

Or post them to us
Yorkshire Water, PO Box 52, Bradford, BD3 7YD





Statement from our Chair, Vanda Murray

The 2026 financial year has been one of both progress and challenge.

We have invested more than ever before across Yorkshire as part of the biggest and most ambitious programme we have ever undertaken.

We are seeing the improvements we all want from this investment as projects complete, but there remains still more to do to reach the levels of performance we want to deliver.

Investment in Yorkshire

AMP8 will see the highest levels of investment in our history, with £8.3 billion to be spent across the five years, equivalent to around £3.2m every day. This has been the first year of the AMP and the investment is progressing well. We have spent £989.8m on capital programmes across the county, which has resulted in increased wastewater storage, reduced discharges to rivers, and improved water resilience. More detail on this can be found within our APR and ARFS.

We have also recruited record numbers of colleagues into the business, with over 1,200 new joiners with the aim of providing a better experience for our customers, from finding and fixing more leaks, to preventing more pollution incidents, and responding more quickly to customer issues.

We are pleased to have seen improvements in the year in the form of a reduced number of discharges from storm overflows, lower leakage, and an improved run rate on serious pollutions in the second half of the 2025 calendar year.

The Board recognises the progress we are making, but we know that there is more to do. We have experienced a drought in the year which led to a hosepipe ban for our customers, our total number of pollutions has gone up, and we have had to increase customer bills in the year in order to fund the record levels of investment we are now making.

We understand that our stakeholders are impatient to see real improvement. We are encouraged that where we have made investments, we are seeing improvements, but we also recognise that we cannot invest in everything at once, and therefore change takes time.

Many of the projects we are undertaking to improve services are multi-year projects, which take time to deliver, and there can often be disruption for the local community while we are completing our work. We are conscious of the need to communicate better with our customers and communities to let them know what we are doing, how long it will take, and what the benefits will be, and we have invested in the year in a communications team particularly to focus in this area.

Areas of Board focus in the year

The Board has spent much of the year focused on operational performance, both through operational deep dives in Board meetings, as well as in our newly formed Performance Review Committee.

We have reviewed the plans to improve performance in key operational areas and provided both challenge and support in relation to those plans, ensuring that these are adequately resourced and that the business has the right experience and capability in place to deliver.

We have also spent much time considering our impact on customers. We know that times are difficult financially, and that the increase in bills at the start of this financial year was difficult for many households in our region. We have monitored closely the support we are giving to customers who are struggling to pay their bills, and the Board has spent time in the year listening to customer calls and discussing how we can improve the experience of our customers when they need to contact us.

The Board also welcomed the report from the Independent Water Commission in July 2025, and the regulatory reforms recommended in the report. We will ensure that we continue to provide support and input as appropriate as this reform progresses.

Rebuilding trust

We have also spent considerable time hearing thoughts from other stakeholders and considering how best to seek to rebuild the trust that has been lost across the sector. We are committed to greater transparency and are publishing a six-monthly progress report which is fully open about our performance against our targets, and will enable our stakeholders to have a better understanding of where we are making progress and the areas in which we still need to improve.

I have joined with Nicola, our Chief Executive, to meet with various stakeholders across Yorkshire during the year, including our regional mayors and local Members of Parliament. We have heard first-hand the frustrations people have with the sector, and with specific areas of performance that impact upon the local areas in which they live.

During the year we received criticism for the fact that fees paid to our executive directors from our holding company, Kelda Holdings Limited, had not been disclosed transparently. We accept that in order to be fully transparent we should make information on these fees available to readers of this Annual Report, and therefore have now included these in the information that can be found within our APR and ARFS.

Our colleagues

The water sector is not an easy one to work in and the Board is very proud of our colleagues who provide some of the cleanest drinking water in the world, and treat wastewater and return it to the environment around the clock every day of the year. We appreciate all the efforts that they make, and their desire to do what is right for customers and right for the environment every day.

Investor changes

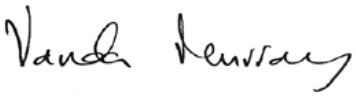
In February 2026 we announced that two of the four shareholders in our ultimate parent company, Kelda Holdings Limited, were selling their shares, and that EQT were acquiring a 42% stake in the group as a result. This transaction has completed post year-end and we are pleased to welcome EQT as new investors. This transaction signals confidence in our management team and in our plans for the future. It also improves our financial resilience as a business as we can be confident that a remaining intercompany loan balance of over £600m, including interest, will be repaid before the end of March 2027. We look forward to working with EQT on our journey to improve outcomes for customers and the environment, and to improve transparency for all stakeholders.

Change of Chair

On 17 June 2026 we announced my intention to step down from the Board at the end of September 2026. I have very much enjoyed my time at Yorkshire Water and am grateful to those who have worked so hard for the business in my time as Chair. I wish the business all the best for the future and look forward to working with my successor on a smooth handover over the next few months.

Thanks to my fellow Board members

I would also like to thank my fellow Board members, particularly those who have stepped down from the Board over the last year. They have all contributed considerable time and effort to their roles, in an often challenging environment, helping us to strive towards our vision of a thriving Yorkshire.



Vanda Murray OBE DBA
Chair
6 July 2026



Summary from our Chief Executive, Nicola Shaw

At Yorkshire Water, we remain firmly committed to doing better for our customers and the environment. 2026 has seen progress in a number of areas but we have not met the standards expected by our customers and stakeholders in other areas.

We know that change is needed, and we are investing record amounts between 2025 and 2030 across Yorkshire to deliver cleaner rivers, more reliable services, fewer leaks, and significant upgrades to our water and wastewater infrastructure.

In the year we have recruited over 1,200 new people into the business, most of whom live in Yorkshire. These people are helping us improve our services and respond more quickly to incidents.

Significant investment

We have made significant investments during the year right across Yorkshire. We have replaced 174.7km of water mains across our region, which exceeded our target for the year and is more than twice the length of mains replaced in the whole of the previous five years. Replacing pipes make our network more resilient and reduces the risk of leaks.

We have completed 88 investment projects across the region over the past year, and started many more. These include investments to replace sewers, reduce discharges of untreated wastewater through increased storage and increased treatment capacity, reduce the amount of phosphorus entering local watercourses, improve reservoir safety, and install new boreholes in Malton, Brayton and East Ness.

More detail on the improvements we are making in each part of Yorkshire can be found in our APR and ARFS, which are available on our website.

Drought

This year has been one of exceptional weather, with a drought declared in Yorkshire from June to December, and less than 50% of the normal rainfall occurring from February to September. This created some major challenges for us and our stakeholders, with an increased demand for water and reservoir levels falling as low as 30.6% in some areas. We took a number of actions to mitigate the risk to our customers:

- We used our regional grid system to balance the supply and demand for water across Yorkshire, and used drought permits, granted by the Environment Agency, to extract more water from rivers where necessary.
- We invested in increasing our work to fix leaks. We recruited 100 additional colleagues into our Leakage team, and fixed over 11,000 leaks between April and September, which was a 15% increase on the same period in the previous year. We also reduced the time it takes to fix a leak by 36% over the same period.
- We asked our customers for support by not using their hosepipes during the drought and we are very grateful for the response we received, with the vast majority of our customers helping to reduce domestic consumption by 10% which helped to ensure there was enough water for those most in need.

We are now reviewing our Water Resources Management Plan, which is updated regularly, to ensure we are in the best position to respond to the growing pressures of climate change and to prioritise future investment in the right way to ensure we have a resilient water supply over the longer-term.

When the drought was over we experienced the wettest three months since 1871 between November and January. This also brought challenges, particularly for our wastewater network, which treats the rainwater that enters our combined sewers. The investment mentioned above is part of our ongoing plan to keep as much of this wastewater as possible in our pipes by minimising discharges and flooding.

Pollution performance

We reported last year that we were taking significant steps to improve our pollution performance. Our progress this year has not been as we had hoped, with more total pollution incidents than in the prior year, and the same number of serious incidents. We have spent considerable time in the year visiting our wastewater assets, identifying issues and taking steps to prevent these from becoming more serious incidents, so we knew that this would impact upon the number of reported pollutions in the year.

We know that there is a long way to go. We are also conscious that the requirements in relation to pollution reporting are changing, so we expect that numbers will grow again in 2027, although we will try to disclose results on a like-for-like basis where we can to enable a comparison. We cover more on this in our **Annual Report and Financial Statement (ARFS)**.

We are continuing to take steps to improve, and now have much greater visibility of our assets through installing more monitors, so that we can identify more potential issues earlier and prevent these from becoming pollution incidents. We have also recruited more colleagues, with a dedicated Pollution Incident team now in place and 80 additional colleagues in our Customer Field Services team, who amongst other things respond to pollution incidents.

We are also using new technology in the form of products such as SewerBall® which is a small ball that floats through the sewer network collecting data to identify issues before they lead to an incident.

Our focus in 2025 was principally on sewage treatment works and in 2026 has been on the network and rising mains. You can read more about this in our Pollution Incident Reduction Plan which can be found on our website.

Customer experience

We have worked hard during the year to improve our customer experience but are disappointed that our C-MeX rating has fallen from 10th to 12th out of 17 companies during the year. This is not where we want to be, and we are continuing to engage with our customers and listen to feedback to try to keep improving and responding to our customer needs.

We have restructured our operational teams internally to make it quicker and easier for customers to have issues properly assessed when they contact us, and the right colleagues sent out to resolve problems the first time.

We are also investing in digitising more of our customer journeys, such as internal and external sewer flooding, blocked toilets, water quality, burst pipes, and no water, so that customers can contact us and resolve more matters online if they would prefer to do that, but with a Yorkshire voice at the end of the telephone if a customer would still like to speak to us.

We also understand that the increase in water bills this year has been difficult for some of our customers. We want to help those who are struggling and we have multiple schemes available to provide support for those on low incomes, which have supported 246,000 customers in the year, with customers on the lowest incomes paying less.

Our people

We have recruited over 1,200 people into our business this year and I want to welcome those people to our organisation.

Yorkshire Water is a 24/7 business; we have to provide clean water and treat wastewater around the clock, every day of the year.

It is not always easy to be a Yorkshire Water employee and at times our people, and colleagues employed by partner organisations, have faced unfair criticism, aggression and even violence, simply for being part of an organisation that has been the subject of negative media. I would like to thank all of our colleagues for their hard work and commitment to Yorkshire throughout this year, and for being part of the journey to do what is right for customers and right for the environment.

We announced on 17 June 2026 that Vanda, our Chair, would be leaving the Board at the end of September 2026. I would like to thank her for her huge contribution in her time with the business. She has built strong relationships with stakeholders and driven high standards of governance and oversight of the business. I am personally very grateful for her support, insight and challenge.

Building trust

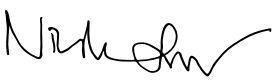
We are fully aware of the lack of trust that there is in the sector at the current time, and the need for us to improve performance to help rebuild that trust.

This year I have met with many stakeholders face to face including at customer meetings and out on our local high streets, and have also taken calls in our call centre at our busier times, so I have heard first hand from many people across Yorkshire. We want to do better and to be among the best in the industry. We are working hard to do this, but change cannot happen overnight.

We are committed to being more open and transparent in our reporting and we produced a half-year performance report for our stakeholders, and are publishing a full year version alongside this Annual Report. This can be found on our website at **yorkshirewater.com/reports**.

We will continue to publish half yearly reported from now onwards to maintain this transparency and openness. We want to be clear on our plans, how these will bring improvements for Yorkshire, and how we are progressing with the delivery of these plans. We will be honest when things are not going well, but will also highlight where our work and investment is making a real difference.

We remain confident that our significant investment plan and the steps we are taking will deliver real benefits for Yorkshire, that you will see in the rivers, on the beaches, on the streets, and in your home.



Nicola Shaw CBE
CEO
6 July 2026

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About Yorkshire Water and what we do

We're Yorkshire's regional water company. We look after everything to do with water. Every time you turn on the tap, we make sure there's a ready, clean and safe supply.

From your morning brew to flushing the loo, we work to ensure life with water runs smoothly. And that includes looking after the systems, assets and people who play their part in looking after the water too.

Doing water right in Yorkshire

We're proud to be Yorkshire's water company, and we care very much that we supply water and wastewater services to everyone in our magnificent county in the right way.

We want to:

- Supply water in a way that **always** considers people and the environment.
- Supply **enough** water so that everyone, communities and businesses are fully supported – whatever the weather!
- Provide **outstanding** customer service so customers know we're 100% here for them – this includes listening closely to what you tell us.
- Invest in our people, assets and infrastructure so we have a **fully** future-proofed, resilient system.



We work around the clock (in shifts, don't worry) to keep clean water flowing in and wastewater flowing out for 5.5 million customers. We safely return used water to the environment, then treat and reuse it - about 1.3 billion litres every day! Think of it as one big watery recycling loop, running quietly in the background while life carries on.

Our industry targets

Just like all water companies in the UK, we work to strict standards for water quality, supply and how we operate. We are judged against 23 important **performance commitments** (page 37) set by our regulator, Ofwat, to make sure we're delivering the right levels of service and are improving in the areas we need to. You can see how we're doing with all our performance commitments and a full summary in **section 3**.

Our plan for a thriving Yorkshire and sustainable future

Have you seen our **Business Plan for 2025-2030**? We set out how we're going to deliver our vision for a "thriving Yorkshire, right for customers, right for the environment".

We're going to:

- Focus on getting the basics right
- Accelerate our performance improvements
- Future-proof our activities

The Big Upgrade

Through an £8.3 billion investment programme, we're spending over £4 million a day to improve services and protect the natural environment. It's part of a national effort to strengthen the UK's water networks and make sure we're ready to deliver the services customers expect in the future.

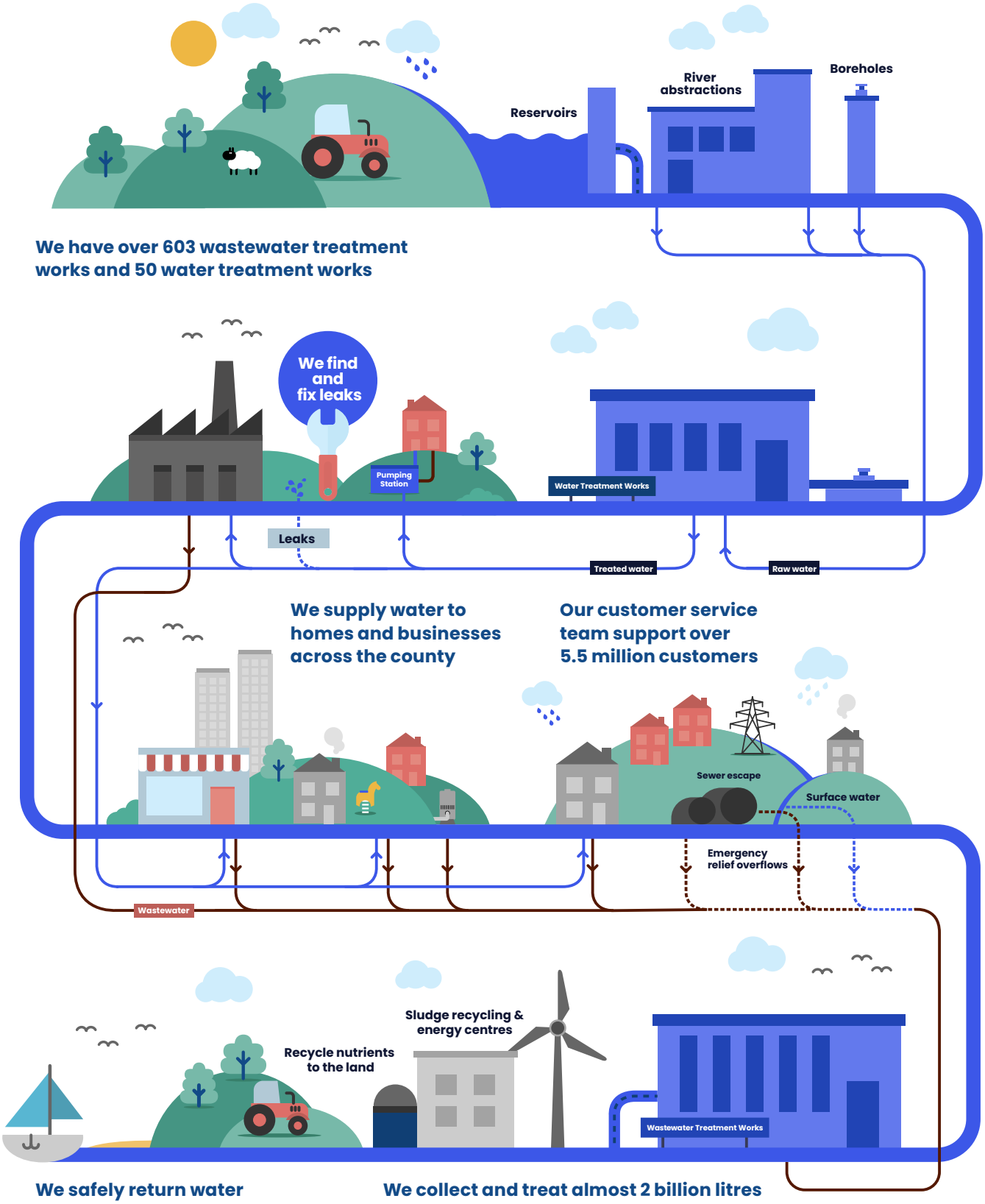
Our 2025-2030 plan will deliver:

- **Secure, safe, clean water supplies**
- **First-class customer services**
- **Modern and resilient water and wastewater infrastructure**
- **Bills everyone can afford**
- **A healthy natural environment**
- **Net zero carbon emissions**

From source to sea

We're one of Yorkshire's biggest land owners

We collect water from three main sources



We have over 603 wastewater treatment works and 50 water treatment works

We supply water to homes and businesses across the county

Our customer service team support over 5.5 million customers

We safely return water back into the environment

We collect and treat almost 2 billion litres of wastewater and rainwater every day

Supporting publications

We publish a suite of documents alongside our Annual Performance Report which provide additional information on our services and performance.



Glossary of Regulatory Terms

Sometimes we use words that are specific to the water industry. We've put the most frequently used words here into the Regulatory Glossary.
yorkshirewater.com/about-us/reports



Yorkshire Water Annual Report and Financial Statements

Our Annual Report and Financial Statements (ARFS) provide information on our financial performance and how we are progressing with strategic business objectives.
yorkshirewater.com/about-us/reports

KeldaGroup

Kelda Eurobond Co Ltd Accounts

Kelda is the parent company of Yorkshire Water. This publication gives information on Kelda's performance.
keldagroup.com/investors/document-library



Risk and Compliance Statement

Our Risk and Compliance Statement provides confirmation that we have complied with the requirements of our licence to operate as a water supplier and the requirements set out in law.
yorkshirewater.com/about-us/reports



A summary of our performance 2025/2026

This is a summary of our how we have performed against our performance commitments.
yorkshirewater.com/about-us/reports



PR24 Business Plan

Our PR24 Business Plan sets out our proposed investments, performance commitments and priorities for 2025-2030. It explains how we will deliver for customers and the environment, while ensuring long-term resilience and value for money.
yorkshirewater.com/about-us/our-vision-and-plans/our-business-plan/



Our Assurance Plan

Our Assurance Plan explains our approach to how we check our information so that you can have trust and confidence in the information we publish in our APR.
yorkshirewater.com/about-us/reports

Supporting websites

We can't fit everything we'd like to into this report, so instead we reference useful websites that contain supporting information.

Yorkshire Water websites

Our reports
We'd like to let you know how well we're getting on, on all the key parts of the service we provide. You can find all our regulatory reports here on this page.
yorkshirewater.com/about-us/reports

Yorkshire Forum for Water Customers
This webpage provides details of the membership of the group, minutes of recent meetings and information on the challenges which the Forum have provided to Yorkshire Water. It also includes the independent reports published by the Forum.
yorkshirewater.com/about-us/yorkshire-forum-for-water-customers

Corporate governance and structure
This webpage provides information on the members of the Board, our company structure chart and corporate governance terms of reference and policies.
yorkshirewater.com/about-us/corporate-governance-and-structure

Our business plan for 2025-2030
We've worked hard to develop our five-year business plan for AMP8, 2025-2030, in line with our customers' and stakeholders' expectations. You can read all about it here on this page.
yorkshirewater.com/about-us/our-business-plan

All these web pages can be found on our 'About us' webpage.
yorkshirewater.com/about-us



Other websites

Discover Water
Some of our information is published on the Discover Water website, allowing customers and stakeholders to easily see comparative performance between water companies: **discoverwater.co.uk**

Ofwat
Ofwat also publish information about how companies are performing in reports and publications. These can be found by visiting **ofwat.gov.uk**

Consumer Council for Water (CCW)
CCW is the independent voice for water consumers in England and Wales. Since 2005, they have helped thousands of consumers resolve complaints against their water company or retailer, while providing free advice and support. They publish a number of reports, including information on how all companies perform with regards to the areas that matter most for customers. You can find out more about them here: **ccw.org.uk**

Environment Agency
The Environment Agency works to create better places for people and wildlife, and supports sustainable development. They regulate our environmental compliance, enforce strict water quality standards and drive investment in wastewater infrastructure. You can find resources and information on flood warnings, environmental permits, incident reporting and more: **gov.uk/government/organisations/environment-agency**

Defra – Department for Environment, Food & Rural Affairs
Defra serves as our government authority, setting out our strategic direction, environmental standards, and the legal framework within which we must operate as a water company. They instruct our economic regulator, Ofwat, on the government's priorities for the water sector, such as environmental performance and climate resilience. You can find the "Plan for Water", an integrated national strategy that mandates how Yorkshire Water must handle sewage overflows, water supply security, and pollution, on their website, as well as many other statutory plans and policies: **gov.uk/government/organisations/department-for-environment-food-rural-affairs**

Drinking Water Inspectorate (DWI)
The Drinking Water Inspectorate is the independent regulator for drinking water quality in England. They ensure water companies meet strict standards for safe, clean drinking water, providing oversight, guidance and reports on company performance. You can find out more at: **dwi.gov.uk**

Open Data

What is Open Data?

Open Data is data that's accessible, usable, and shareable by anyone. It is published under an open licence, such as the UK's Open Government Licence (OGL) or those from Creative Commons. It is important to note that information or data that is freely available but only published in a document, report, or other fixed format without machine-readable access or explicit open licensing is not considered Open Data.
For us, this means publication online in an accessible format.

Why is it important?

Open Data is useful for sharing aspects of company performance with a wider audience and can create positive results in terms of engagement and trust. Wider Open Data aims to enhance transparency, foster innovation, and drive economic growth by making more of our data available to the public in a secure and ethically responsible manner. This approach will benefit customers, industry partners, researchers, policymakers, and communities, encouraging collaboration and the development of new insights and solutions.

Open Data Releases

We are committed to working with the rest of the industry and our regulators to open up access to our data in a standardised and accessible way. Within last year's APR, we highlighted the work we have undertaken in collaboration with other water companies as a key member of Stream streamwaterdata.co.uk

Since then, we continue to drive forward our Open Data capability.

We are proud to have been a key part of the creation of the Water Open Data Strategy which outlines the vision, principles, priorities and commitments of the sector as responsible stewards of data related to national infrastructure and the environment.

Roadmap

Our roadmap is aligned to our commitments which will be outlined in the Open Data Strategy and the industry wide strategy.

In the short term, we are collaborating with Stream to understand out how we as a collective measure the value of Open Data, and expect to be able to align this to KPIs in the coming months.

Analysis of a standardised maturity assessment to drive improvements will be lead by Stream. We are working hard to ensure this is fit for purpose and can be utilised at Yorkshire Water.

Team upskilling will target developing Open Data skills and addressing data literacy gaps. Monitoring and evaluation will start to identify initial capability gaps to inform improvements.

Beyond this, as we look to the medium term (>12 months), actions shift to designing desensitisation tools and agreeing on licences to support Open Data integration into daily operations. To support the ongoing release of Open Data and allow us to go further we are designing our own Open Data hub. This will be our own space for publishing and wider collaboration both internally and externally.

In the long term, embedding Open Data will become a business-as-usual process with clear responsibilities. The Open Data strategy includes ongoing review of datasets and maintaining a roadmap aligned with stakeholder needs. Accessibility efforts will ensure sustainable infrastructure that supports community value. The ongoing work in the collaboration space will define data standards and drive innovation challenges with external stakeholders. Team training will continue to evolve to ensure its effectiveness. Lastly, ongoing monitoring will include strategic reviews, policy updates, and showcasing successes to enhance Open Data's impact.

Release plan

We will support Stream with their ongoing release process. We will fully participate in the use cases which are prioritised over the next 12 months, this includes the Ofwat Water efficiency campaign Ofwat have confirmed that Stream will be the data sharing space, enabling them to understand the effectiveness of their Water efficiency campaign

Publication of Data Tables associated with the APR

Our 2025/2026 data tables have been created with the intent of publishing under an Open Data licence. It is hoped that this improves accessibility and transparency by exposing the underpinning data to a broad range of stakeholders. Increasing the number of stakeholders able to access and review the data under an Open Data licence, allows the opportunity for additional data uses or insights to be derived that may not have previously been possible.

To maximise the possibility of stakeholders to review, use or interrogate the data, the datasets have been released with the following characteristics:

- In a machine-readable format to make the consumption of data as easy as possible.
- With meta data to allow stakeholders to understand the meaning of the data.
- Under an open licence to maximise the access, distribution or use.
- With a feedback mechanism to allow stakeholders to contact us.
- The Annual Performance Report data is governed by **CC BY 4.0 Deed | Attribution 4.0 International | Creative Commons** (the "Open Data Licence") and by using the data you agree to comply with its terms.

Sharing data with stakeholders is an important part of being transparent about our performance. We are committed to working with the industry to publish appropriate datasets under an open licence.

To support our commitments to Open Data, we have created an indicative roadmap for the financial year 2026/2027.

2026/2027 Open Data roadmap

April – June	July – September	October – December	January – March
Continue innovation	Roadmap review		
	Team upskilling and data literacy gaps		Efficiency campaign
		Data maturity assessment	
Collaborate with other water companies and regulators			
External hub	Business change initiatives		
Data releases via Stream			

Indicative Stream pipeline

Pipeline

- Areas at risk of distress
- Improved leak detection
- Housing development planning
- Data for tackling climate change
- Environmental monitoring
- Climate Resilience Demonstrator (CReDo)

Stream refinement

- APR 2025/2026
- Clean UK rivers, lakes and seas
  - Sewer flooding
  - Drinking water dosing
  - Event duration monitoring data feed
- Water quality indicators
- Water efficiency campaign

Live use cases

- Sewer flooding
- Nightline data
- Reservoir levels
- Domestic consumption
- Annual performance
- Boundaries: supply
- Boundaries: waste and clean
- UK rivers, lakes and seas
- Environmental Information Regulations requests

Shared with Stream members only for collaboration

Descoped

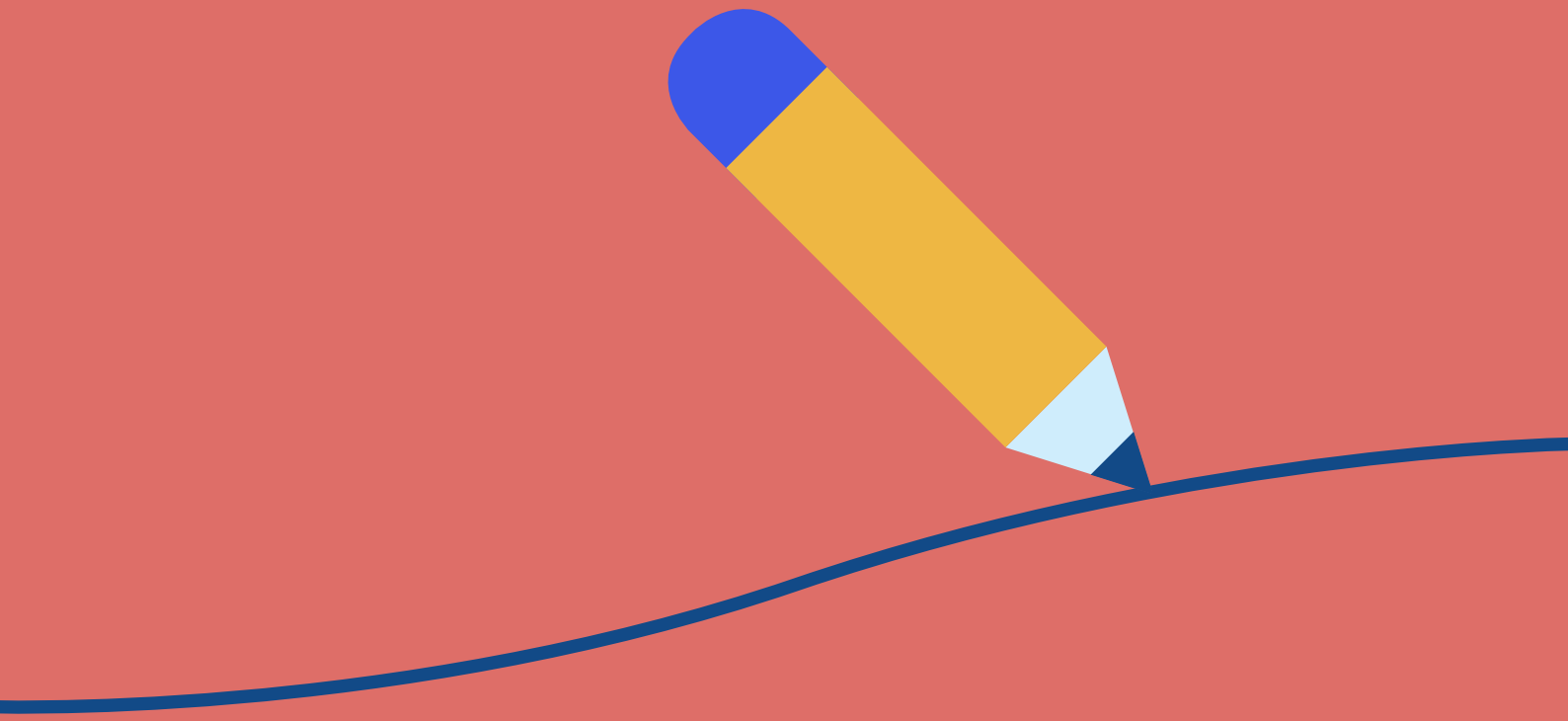
- Open active
- Boundaries: sewer catchment

If you have any questions in relation to Open Data, please contact us at **open_data@yorkshirewater.com**

2. Statements from our Yorkshire Water Board

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Board statement on accuracy and completeness of our data and information

Our aim is to produce an Annual Performance Report (APR) that provides accurate, transparent, reliable and complete information for customers, stakeholders and our regulator, Ofwat, while fully complying with regulatory requirements.

We apply a proportionate, risk-based approach to assurance, ensuring that activities are targeted to the areas of highest risk and supported by robust evidence and effective challenge.

This statement is made by the Board of Yorkshire Water to confirm that the data and information provided through our regulatory reporting for 2025/2026 is accurate and complete. The Board retains full ownership of the quality and publication of this data and information and takes this responsibility seriously. This statement sets out the approach the Board has taken to satisfy itself that appropriate controls, processes and assurance activities are in place to support this conclusion.

Our assurance framework

The Board of Yorkshire Water continues to review the effectiveness of assurance approaches for regulatory reporting and to identify further opportunities for improvement.

Our assurance framework and approach are described in more detail in our published Assurance Plan yorkshirewater.com/about-us/reports

Our risk-based approach

Our assurance approach is risk based, this means that we place more focus in areas that are higher risk.

The Board recognises the importance of effective assurance over the information that it bases its decisions on and the information that we publish externally. The importance of transparency, clarity and accuracy is always emphasised by the Board and there have been discussions during the year at the Audit and Risk Committee about the approach to regulatory assurance to ensure that it adequately reflects the associated risks.

Our three levels of assurance

Our assurance model comprises three levels:

Level 1: Operational controls embedded within frontline processes.

Level 2: Oversight and challenge from management and specialist functions.

Level 3: Independent assurance, including Internal Audit and external assurance providers

Assurance in 2025/2026

To support the integrity of our reporting, all elements of the 2025/2026 regulatory reporting cycle have been subject to a structured programme of assurance, including:

- The assurance process includes checks and reviews of data throughout the year then additional audit checks and challenges by Data Providers, Data Managers, Senior Managers and Directors ahead of publication.
- A review of current performance, challenges, issues and risks takes place on a monthly basis by directors and other senior leaders to aid decision making on priorities in the period.
- The assurance process includes review and challenge by our financial auditor, Deloitte, and our technical independent external assurance providers for regulatory reporting, AtkinsRéalis and PricewaterhouseCoopers LLP (PwC). We have reviewed and actioned all findings from these assurance processes, taking action to ensure that any exceptions or weaknesses identified by the assurance approach have been addressed.
- We have worked with the Yorkshire Forum for Water Customers, and listened to customers' feedback, to ensure we meet our ambitions for a document that is accessible.
- The Board has utilised specific individual Directors to support the activities required in this area. The Chief Financial Officer has accountability for the development, assurance and publication of the various regulatory and financial submissions at the end of the reporting year. They ensure appropriate resources are in place to deliver the requirements to an appropriate standard and review and challenge compliance with the requirements.
- The Board has used the Business Investment Committee to consider funding and priorities for this regulatory period.
- Performance in matters relating to social purpose and public accountability are regularly reviewed by the Public Value Committee on behalf of the Board.
- The Audit and Risk Committee monitors the effectiveness of Yorkshire Water's enterprise risk management process as well as the effectiveness and operation of Yorkshire Water's system of internal control on behalf of the Board. More information on this is included in the signed Risk and Compliance Statement.
- The Board uses the Audit and Risk Committee to support key assurance activities for regulatory reporting. This Committee takes an active role in engaging with and challenging the assurance approaches in place. It has reviewed the procurement process of external auditors, and the technical independent external assurance providers for regulatory reporting, the effectiveness and independence of the external auditor, the integrity of external reporting, including significant areas of judgement, the regulatory reporting assurance framework and the proposed assurance plans in place.
- Internal Audit has audited the management controls and procedures in relation to Yorkshire Water's APR compliance and reporting processes to review whether these are adequately designed and operating effectively.
- The Audit and Risk Committee has reviewed the integrity of the regulatory reporting process relating to the APR and other regulatory submissions.
- The outputs from the completed assurance processes have been reviewed and challenged by the Audit and Risk Committee. The Committee has satisfied itself that the approaches taken have appropriately identified and addressed any risks to the provision of accurate and complete data and information in particular areas. The independent external assurance providers, AtkinsRéalis and PwC, and the external financial auditors, Deloitte, independently reported their findings to the Audit and Risk Committee in June 2026.

Exceptions

The Board has considered the nature and impact of these exceptions and is satisfied that none are material to the accuracy or completeness of the APR.

The Risk and Compliance Statement provides more information on any exceptions that have been identified during 2025/2026 to achieving our regulatory obligations. All exceptions and departures, regardless of materiality, are reviewed and scrutinised before they are endorsed by Board prior to publication. In summary, the exceptions identified are as follows:

- Urban Wastewater Treatment Regulations 1994, Section 94 - Water Industry Act 1991 and Licence Condition P: storm discharges to watercourses.
- The Environmental Permitting (England and Wales) Regulations 2016, Ofwat undertaking on urban wastewater treatment regulations and Water Industry Act – Section 94 – General duty to provide sewerage system.
- Pollution prevention and control.
- Water Industry Act: maintain maps of their sewers.
- Performance commitments: We have 23 performance commitments in total, 4 of which we do not have a regulatory target for. Out of the 19 performance commitments with a regulatory target, we did not meet our target for 12 of these.

For more information on these exceptions, please see the Risk and Compliance Statement **yorkshirewater.com/about-us/reports**

Approval

The Company is required to prepare regulatory accounts for each financial year in accordance with the Instrument of Appointment and the Regulatory Accounting Guidelines. In doing so, the Board ensures that appropriate accounting policies are consistently applied, relevant standards are followed, and reasonable and prudent judgements are made.

The Audit and Risk Committee reviewed the processes and approach to delivery of the APR in March 2026. The Audit and Risk Committee then reviewed the completion of the process, including receiving the assurance findings from the independent financial auditor and the independent technical assurance provider, on 29 June 2026. Appropriate enquiries were made on the executive team and the relevant experienced members of staff involved in delivering the APR, in particular the Chief Financial Officer and the Head of Regulation, as well as the independent financial auditor and the independent technical assurance provider.

Following reasonable and proportionate enquiry, and supported by the work of the Audit and Risk Committee, the Board is satisfied that:

- the APR has been prepared in accordance with relevant requirements;
- appropriate systems, controls and assurance processes have operated effectively;
- any identified issues or exceptions have been appropriately addressed and do not materially affect the integrity of the report;
- that the data and information within the report are accurate and complete in all material respects.

The Board approved the APR, and this Board Statement on 30 June 2026, authorising the Company Secretary to sign the statement on its behalf.

Signed on behalf of the Board



Kathy Smith
Company Secretary

Board statement on company performance and direction

Over 5 million customers who live in Yorkshire, and the millions of people who visit Yorkshire each year, rely on our services for their basic health and lifestyle. Our water is used to supply around 140,000 businesses and non-household customers who provide goods and services that support our economy, not only in Yorkshire, but across the UK and beyond.

This statement shows how our Board sets and reviews our ambitions and targets so that we provide our goods and services to all our customers and stakeholders who depend on Yorkshire Water. Within this statement, we also provide information on the relationship between our financial performance, rewards for our executives and how we deliver our services.

This statement has the following sections:

- How we set our ambitions
- How we monitor performance and make decisions
- How we involve our customers and stakeholders
- How we change and update our commitments
- How we have performed in 2025/2026
- How we balance the relationship between financial performance, rewards for executives and delivering our services.

How we set our ambitions

We provide services to Yorkshire that are essential for life. We launched a strategy in 2023 which sets our vision firmly on helping Yorkshire to thrive, and this remains our vision for the future. Our vision is **a thriving Yorkshire, right for our customers and right for the environment**. We want to deliver safe, clean, drinking water, take away and treat wastewater, maintain essential assets and all the while providing exceptional service to our customers 24/7, 365 days a year.

A thriving Yorkshire means we invest in infrastructure, create jobs and support skills development and education, working in partnership with other organisations across the region.

Right for our customers means:

- Quality drinking water that tastes great
- Bills that everyone can afford
- An easy and reliable service that's tailored to customers' individual needs.

And right for the environment means:

- Keeping wastewater in the pipes to reduce pollution and keep our rivers and seas healthy
- Protecting our precious water resources by reducing consumption and leakage
- Eliminating carbon from our business to achieve net zero.

You can read more about our strategy within our Annual Report and Financial Statement, published on yorkshirewater.com/about-us/reports

The water industry works in five-year asset management periods (AMPs). A central component of the regulatory framework underpinning this cycle is the 'price review'. Through this process Ofwat, the economic regulator, determines the prices we can charge, the level of investment we undertake, and the service levels we must deliver for customers for each AMP, based on our plans developed in consultation with both customers and the other regulators.

In October 2023, we published our PR24 Business Plan for AMP8, including priority areas of investment. This covers the period from April 2025 to March 2030. The Board was closely involved in the development of the plan, which was supported by our customers.

Our Final Determination from Ofwat for the 2025 to 2030 period allowed us £8.3 billion of investment to deliver essential services in a way that supports our strategy of a Thriving Yorkshire, Right for Customers, Right for the Environment. We will do this in a way that delivers good value for money.

As an anchor institution in the region, this investment in infrastructure, will enable us to create and sustain jobs, to support skills development and education, and to work with other organisations to deliver better outcomes across the region. We know that we face many challenges, including a loss of trust in the sector, the effects of climate variability, and the impact of increasing costs, which affects both our business and our customers. We want to deliver great value for Yorkshire, to be an inspiring and motivating place to work, and to improve the environment around us.

As well as delivering against our regulatory performance commitment targets, we must meet a range of legal obligations, and broader duties to customers, to the environment and other stakeholders. You can find more details of how we identify these requirements, and manage the risks of keeping to them, in our Risk and Compliance Statement **yorkshirewater.com/about-us/reports**

How we monitor our performance and make decisions

There have been changes to the Board during 2025/2026, which are detailed in the Board composition update in the Corporate governance statement within the Annual Report and Financial Statements.

The Board makes all decisions with a view to ensuring positive results for our customers, delivered in a sustainable manner. The Board has continued to consciously seek to engage multiple stakeholders during the year, including our customers, our colleagues, our regulators, and our suppliers, and has undertaken site visits to see first-hand how the business is improving performance.

The Board had six scheduled meetings in the year, with two informal meetings; which were to discuss the response to the Independent Water Commission consultation on regulatory reform, and matters relating to executive remuneration. The Board agenda is set for each meeting by the Chair, with input from the executive directors and the Company Secretary. In addition, any of the other directors can request a matter to be added to the agenda at any time. Monthly reports on operational matters, health, safety and environmental matters and financial performance are circulated to the Board members regardless of whether a Board meeting is scheduled.

The Board seeks to meet both formally and informally with senior management from across the business to gain insight into the day-to-day operations and the key risks and opportunities facing each part of the business. Members of the Executive Team and senior managers are regularly invited to attend Board meetings to provide updates and give the non-executive Board members direct access to the senior management team.

There is a schedule of Matters Reserved for the Board which sets out the specific matters that must be referred to the Board for approval. These include matters relating to company structure, dividend policy, material regulatory submissions and external press releases, along with significant operational and strategic matters.

The Board interacts regularly with groups of colleagues from across the business, through both visits to offices and operational sites, and through informal lunches to learn more from specific groups, such as our Trade Union representatives.

There is also a colleague engagement survey which seeks to understand the views of colleagues across multiple topics. The feedback from our survey is shared with the Board for information, to give the Board a clear understanding of our colleague sentiment.

During the year we have also introduced colleague listening groups, to which Board members are invited. These consist of a cross section of colleagues from across the business talking openly about their experience of working at Yorkshire Water and any matters that are on their minds. A Board member attends and listens to the discussion, to hear the discussion first hand, and then feeds what they have heard back to the Board to inform Board decision making and ensure that any concerns raised by colleagues are considered in Board discussions.

In June 2026, we published a new report 'How we involve customers in our decisions'. This provides information on how we currently involve customers in the decisions being made that have a material impact on them, and includes our forward plan for 2026/2027. The new report responds to the new Consumer Involvement Rule, introduced by Ofwat in April 2026.

Decision making will inevitably involve some trade-off to make sure we take a fair and reasoned approach to delivering our services. As part of doing what is right for customers and the environment, it is essential that we understand the impact that we have on our surrounding area, beyond just a financial impact. To do this we have used the concept of the 'six capitals' for a number of years and this influences key decisions that we make at Yorkshire Water. The six capitals approach considers value in the broadest sense and helps us to understand the total value we deliver in six key areas. Using the six capitals framework helps us to make more informed decisions with a fuller understanding of their wider environmental and social implications, both now and in the future.

It also provides a means by which to measure progress towards our strategic objectives.

The six capitals are:

1. Financial capital – our financial health and efficiency.
2. Manufactured capital – our pipes, treatment works, offices and information technology (IT).
3. Natural capital – the materials and services we rely on from the environment, for example water.
4. Human capital – our colleagues' capabilities and wellbeing.
5. Intellectual capital – our knowledge, processes, innovations and strategic partnerships.
6. Social capital – our relationships, trust and contribution to wider society.

Our decision-making is improved by considering the positive and negative impacts and trade-offs between all six capitals. This helps us take a more holistic approach to decision making and investment choices, provides a rich understanding of business risks and opportunities, and ultimately ensures we deliver sustainable long-term value for our customers and other stakeholders.

Beyond our six capitals approach to decision making, we also consider the dynamic, external environment in which we operate.

We actively horizon scan, through a systematic process. The purpose is to identify, assess and provide insight into external, high materiality, emerging and enduring trends.

These trends present potential threats and opportunities that could impact the business.

Our strategic horizon scan has three objectives to enable informed decision-making and ultimately, future business readiness:

- Drive the external focus of the organisation;
- Set the context for opportunities and development of strategy; and
- Inform the company of external risks that may need to be managed through our existing risk processes, or critical, future-readiness planning activities.

This is an annual process which has matured each year to suit business needs. It is a holistic scan which covers all Political/Legal, Environmental, Social, Technology and Economic categories. Strategic trends by their very nature typically develop over long periods of time. This is in contrast to short term or reactive issues which are actively monitored across different parts of the company, for example, an extreme weather event (for which we have other appropriate systems and governance in place).

At the 2026 strategic horizon scan, we have further grown our subject matter expert network and actively engaged them to challenge and prioritise the trends that were identified in the previous two cycles. This has been supplemented with customer research and stakeholder engagement through the Yorkshire Forum for Water Customers.

Our horizon scan and recommended actions are shared across the company and used to inform existing business processes, our future outlooks, and embedding insight into strategic plans and investment decision making.

How we involve our customers and stakeholders

We involve customers and stakeholders to ensure our decisions reflect what matters most to them. Over the past year, we have strengthened how customer insight is embedded into our governance and decision-making, building on the approach developed through our business plan and aligning with Ofwat's Consumer Involvement Rule. We are now applying this approach as we deliver our AMP8 (2025 to 2030) commitments.

Our approach combines continuous insight with more structured involvement in decisions where the impact on customers is greatest. We draw on everyday interactions, including calls, complaints, digital journeys and social media, alongside ongoing surveys, including Ofwat's Customer Measure of Experience (C-MeX) and our own customer tracking and service surveys, to understand customer experience in real time. We complement this with targeted research and our own 'Your Water' online community, which allows us to test ideas quickly and gather feedback on emerging issues.

We also provide customers with opportunities to engage directly with senior leaders through independently facilitated 'Your Yorkshire Water, Your Say' sessions and Customer Accountability Sessions facilitated by CCW. These forums enable customers to question, challenge and provide feedback on our performance and priorities, ensuring senior leaders hear directly from customers on the issues that matter most.

We have strengthened how this insight is used by embedding customer involvement more formally into our internal governance. Customer clinics provide an early-stage forum where proposed changes, such as new policies, communications or service improvements, are reviewed from a customer perspective. These sessions help ensure that customer impact is considered from the outset, that the right level of engagement is undertaken, and that decisions are informed by appropriate evidence.

For more significant or high-impact decisions, we have introduced Customer Committees with Director-level oversight. These committees review whether customer involvement has been appropriate and robust, challenge how customer insight has been used, and confirm that customer perspectives are clearly reflected in decision-making. Where decisions have a material impact on customers, including those affecting bills, service levels or investment priorities, they are escalated to the Executive and Board with clear customer evidence presented.

This approach has been applied to major investment decisions, including our recent asset health cost adjustment submission to Ofwat. In this case, customer research highlighted support for investment to improve assets in poor condition, but with clear concerns about affordability. In response, we refined the programme to focus on areas delivering the greatest customer benefit while reducing the overall bill impact. The evidence and proposed changes were reviewed through our governance processes and considered by the Board, which approved a revised investment approach reflecting both customer priorities and affordability concerns.

Over the coming year, we will further strengthen how we identify decisions requiring customer involvement and demonstrate how customer feedback influences outcomes. This includes developing a dedicated online portal to provide greater transparency, sharing customer insight and clearly demonstrating how feedback has shaped our decisions.

We have a Board committee with a focus on the social purpose and public accountability of the organisation. We call this the Public Value Committee. We understand that we provide an essential public service, as well as playing a key role in the health, wellbeing and prosperity of the region. For more information on the Public Value Committee, please see the report in the ARFS: yorkshirewater.com/about-us/reports

Working in partnership with Yorkshire

As a major provider of services to the public, we work closely with place-based organisations and partners to maximise our positive impact on the region's environment, economy and social fabric.

Creating new connections, and working in partnership with others in a joined-up approach is key to delivering our environmental goals and is a core pillar of our corporate strategy. We are expanding our approach to partnership working across the region, and have recently embarked on a new partnership with the National Rivers Trust movement and the local member trusts, through which we will seek advice and expertise and work collaboratively to deliver solutions that incorporate a broader range of environmental benefits than we would have achieved working on our own.

Similarly, through our Yorkshire wide Common Cause partnership and our Landscapes for Water partnership programme in the South Pennines, we are working with the National Trust and other partners to improve upland habitats and make our landscapes more resilient to climate change.

As part of our undertakings to Ofwat, which were signed in March 2025, we have also committed to contribute £3.4m to the Great Yorkshire Rivers (GYR) Partnership to address the challenges posed by artificial barriers to fish passage. This is a partnership between Yorkshire Water, the Environment Agency and The Rivers Trust. This funding will be spent by the end of AMP8 and will support and build on GYR aims of reconnecting at least 510km of rivers across Yorkshire.

GYR was formed in 2022 with the 2043 Vision to have addressed all artificial barriers negatively impacting fish populations in Yorkshire, allowing recovery of our native fish species; helping rivers and their communities to thrive.

This highly ambitious initiative built on previous successes where collaboration at a catchment scale resulted in major wins for the environment, including the return of Salmon to the river Don. By expanding the scope to cover the whole of Yorkshire and bringing in all the relevant Partners, we aim to achieve historic environmental change to benefit our customers.

The Partnership now has 16 partners collaborating together to deliver on this Vision. Early successes include recruiting new staff into the partner organisations, growing their capability and capacity, and on the ground activities like catchment walkovers, mapping, barrier surveys, feasibility studies and design. Two barriers have also been addressed, and we are expecting many more in the years to come.

Yorkshire Water is the second biggest landowner in Yorkshire and as part of the Governments national major landowners group (MLG), we have known for some time that the management of our landholdings has a significant part to play in climate response and adaptation as well as aiding nature recovery.

Realising that anything we can achieve on our own will be magnified by collaboration with other institutional landowners, we regularly speak with other major landowners on issues of land change and best practice. Furthermore, we have a common cause partnership with the National Trust, which seeks to develop and implement environmental improvement initiatives. One such initiative is the landscapes for water project, which is a joint Yorkshire Water-National Trust five-year project, supported by the White Rose Forest, and the West Yorkshire Combined Authority, which aims to plant more than 300,000 trees and install 3,500 leaky dams, over an area of 5,500 hectares of National Trust and Yorkshire Water land, boosting climate resilience for local people and wildlife.

We continue to engage with the Yorkshire Leaders Board, which has played a significant role in the creation of our AMP8 (2025 to 2030) plan. The Leaders Board brings together the leaders and chief executives of Yorkshire's local and mayoral authorities, so this engagement delivers on the aspiration of the National Infrastructure Strategy for regional elected bodies to help set the priorities for water utilities. The Leaders Board recognises that investment in our network is a really important enabler for the growth ambitions of local authorities, particularly with regards to house building.

The Living with Water partnership has matured significantly over the period of AMP7 with dedication from all partners to ensure the vision, objectives and goals of the partnership are met. The AMP7 investment programme has benefited hugely from the advance in partnership relations and a series of model improvements and improved technical understanding. The partnership is now aligning programmes beyond water management and looking at opportunities to merge housing, highways and other regeneration projects with surface water management, all of which is visible now through the specific projects and outputs that the Living With Water partnership has delivered.

The Living with Water partners have developed a city water resilience approach and a joint blue green vision for the city which will be the framework within which future flood resilience investment will be delivered. In addition to investing in flood resilience infrastructure, the partnership focusses on improving resilience through education; community engagement and co-creation; and the effective planning for and responding to extreme weather incidents.

We have continued to play a leading role in developing the maturity of the Connected by Water partnership, working in partnership with four local authorities – Barnsley, Doncaster, Rotherham and Sheffield – as well as the South Yorkshire Mayoral Combined Authority and Environment Agency. Together, our South Yorkshire alliance is addressing the challenges and opportunities of flood risk, increasing the resilience of our communities, and improving the built and natural environment.

The flooding in November 2019 provided the catalyst for the creation of the alliance and our first Action Plan, with a joint commitment that resilience to flooding needed to be managed on a catchment wide basis with a single strategic plan and aligned investment from all the partners.

The Connected by Water team have created a vision and road map for the way that the Partnership will operate into the future. In addition to some of the shorter term projects being delivered, this has enabled the Partnership to secure external investment for new roles, in order to provide additional focus on delivering the ambitious objectives.

Relationships are being formed with other local authorities across the region about how we can replicate our partnership models to deploy mutually beneficial approaches more broadly across the region.

How we change and update our commitments

In October 2023, we published our PR24 Business Plan, setting out our priority investment areas for the period April 2025 to March 2030 (AMP8). While the plan was developed within the framework of statutory obligations and regulatory requirements, it was also shaped by extensive engagement with customers and stakeholders to understand their priorities for Yorkshire. This included more than 58,000 individual customer interactions. As an anchor institution within the region, we expect delivery of the plan to support employment for over 10,000 people across Yorkshire.

Although our regulatory performance commitments are established over a five-year planning cycle, we recognise that customer needs, expectations and external circumstances can evolve over time. It is therefore important that we regularly review emerging insights and adapt our plans where appropriate, while continuing to operate within the regulatory framework.

This may include refining how we deliver our commitments, for example by identifying opportunities to implement solutions that better meet the needs of local communities, respond to changing circumstances, or deliver greater value for customers and the environment. Through this approach, we seek to ensure that our commitments remain relevant, effective and aligned with the outcomes that matter most to our customers and stakeholders.

How we have performed in 2025/2026

In 2025/2026, we met the expected performance commitment levels for seven of our performance commitments. You can find more information on our performance within **Section 3** of the Annual Performance Report.

We and the other water companies in England and Wales provide information to a central hub so you can compare how we are performing against each other and how the water industry compares with other sectors. Visit **discoverwater.co.uk** to find the latest information on water quality, environmental performance, customer service and water bills.

Yorkshire Water is committed to working with the rest of the industry and our regulators to open up access to our data in a standardised and accessible way. We are an active part of an industry open data initiative called STREAM, where together with others from the industry, we are moving to make more of our data available to stakeholders.

How we balance the relationship between financial performance, rewards for executives and delivering our services

We believe in the importance of being open and transparent about paying our directors and we try to make sure we pay our directors fairly in relation to their experience, their performance, the demands and complexity of their role and the overall performance of the business. During the year we received criticism for not disclosing pay that our directors received directly from our parent company, Kelda Holdings Limited. Whilst this pay does not relate to their work for Yorkshire Water, in the interests of transparency we have now included details of this pay in our Yorkshire Water Directors' Remuneration Report.

We strive to ensure the reward received by our directors is market competitive, consistent, simple, value based and balanced, as well as ensuring it is set with consideration for the pay and employment conditions across the rest of the business. We want to ensure we remunerate fairly; we are able to attract and retain the right calibre of talent; and we want to ensure the reward structure drives the right behaviours, appropriately rewarding strong performance whilst not rewarding poor performance.

Our Yorkshire Water Remuneration Committee operates entirely independently from our executive directors and has always operated in accordance with best practice. In June 2025 the performance-related executive pay prohibition rule was published by Ofwat. This requires a binary adjustment to the performance-related pay outcomes each year, which can remove all performance-related pay because of one area of poor performance. The Committee has decided to continue with its own remuneration policy to reflect the measures that it believes best drive the desired outcomes for Yorkshire, but then will apply the prohibition rule as part of the Committee considerations of performance in the round each year, to reach the final remuneration outcome.

You can find full details of our directors' pay in our Directors' Remuneration Report, which is published in our ARFS **yorkshirewater.com/about-us/reports**

Statement approval

The Board approved this statement on 30 June 2026. The Board authorised the Company Secretary to sign this statement on behalf of the whole Board.

Signed on behalf of the Board



Kathy Smith
Company Secretary

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Introduction to our 23 performance commitments

We've aligned our priorities with shared, national commitments to make sure we deliver everything a water company should. Then, each year, Ofwat measures our delivery through 23 performance commitments.

These performance commitments are common to all water companies and cover the things that matter most to customers, like leakage, river health, pollution and customer services.

Our business plan for 2025-2030 (also referred to as AMP8)

Our business plan sets out how we'll meet our performance commitments, statutory and environmental obligations, efficiently and effectively. We consulted with over 54,000 customers and stakeholders so we could understand in detail what customers need, want and expect.

At the end of the day, we not only want to meet our obligations as a water company, we also want to realise our long-term vision for resilient, sustainable and innovative water services that deliver a thriving Yorkshire – right for customers and right for the environment.

How we tell you about each performance commitment

You'll find each performance commitment set out separately in **Our 23 performance commitments**. We tell you what the performance commitment is, how it's measured and if a low or high score is better. We also tell you why the performance commitment is important and the impact a low or high score can have on service, daily life or the environment. Finally, we describe our 2025/2026 performance – where this involves technical information, we've aimed to keep it as simple, yet informative, as possible.

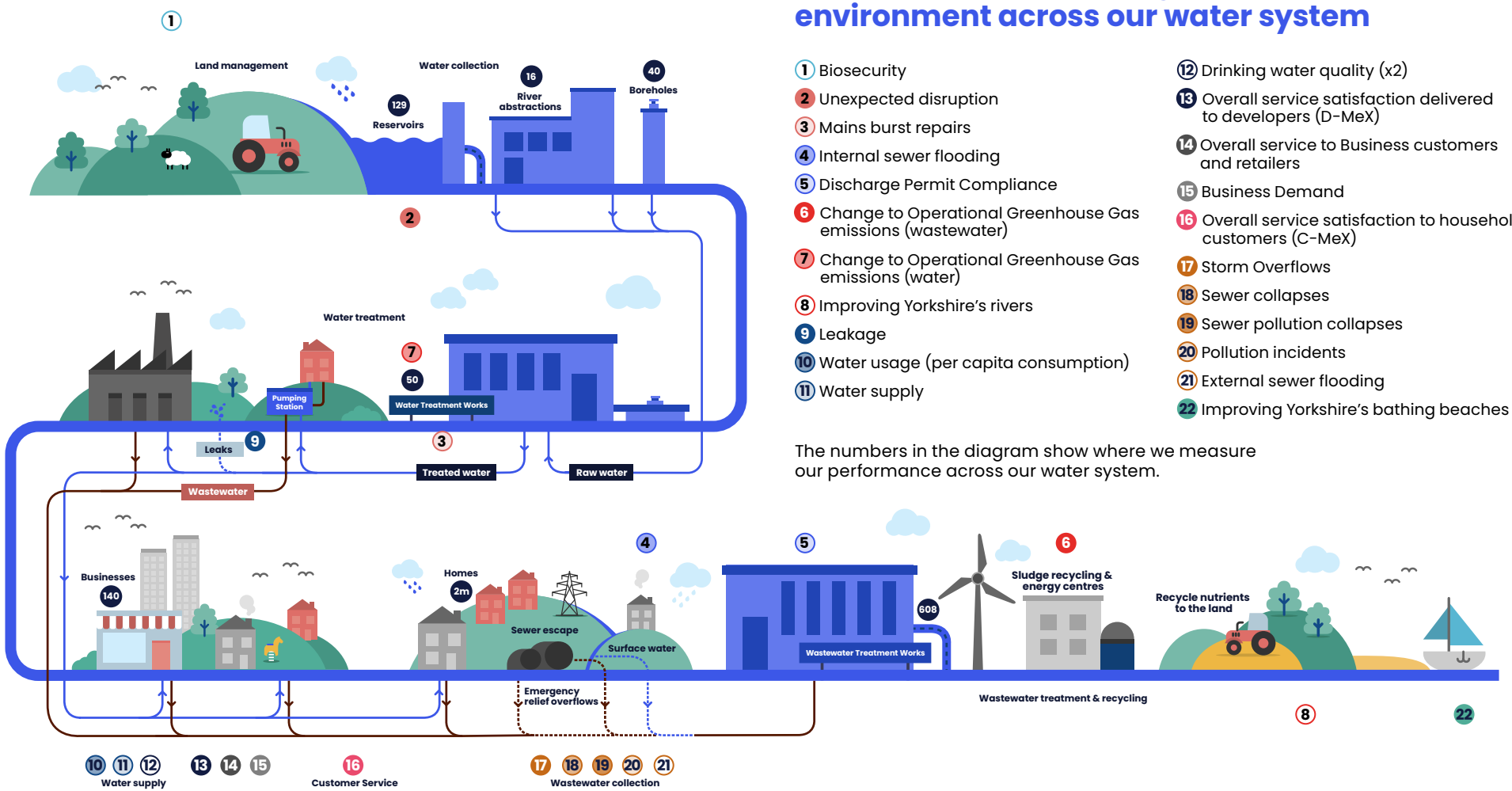
Find our 2025/2026 Business Plan (AMP8) at: **yorkshirewater.com/about-us/our-vision-and-plans/our-business-plan/**

We consulted with over 54,000 customers and stakeholders on our 2025-2030 business plan.



From source to sea

How water moves through our network, from rivers and reservoirs to customers and back to the environment.



These 23 performance commitments measure how well we're delivering for customers and the environment across our water system

1. Biosecurity
2. Unexpected disruption
3. Mains burst repairs
4. Internal sewer flooding
5. Discharge Permit Compliance
6. Change to Operational Greenhouse Gas emissions (wastewater)
7. Change to Operational Greenhouse Gas emissions (water)
8. Improving Yorkshire's rivers
9. Leakage
10. Water usage (per capita consumption)
11. Water supply
12. Drinking water quality (x2)
13. Overall service satisfaction delivered to developers (D-MeX)
14. Overall service to Business customers and retailers
15. Business Demand
16. Overall service satisfaction to household customers (C-MeX)
17. Storm Overflows
18. Sewer collapses
19. Sewer pollution collapses
20. Pollution incidents
21. External sewer flooding
22. Improving Yorkshire's bathing beaches

The numbers in the diagram show where we measure our performance across our water system.



What happens when we perform well - and when we don't

If we meet or exceed our performance targets, we may receive a financial reward. If we fall short, we may face a financial penalty.

Not all performance targets come with financial rewards. In some cases, going beyond the target isn't incentivised, and some measures don't have financial incentives at all. But all of them still affect our reputation.

We're financially incentivised to meet performance targets

The financial rewards and penalties we receive for our performance are called Outcome Delivery Incentives (ODIs). They exist so Ofwat can make sure customers are not paying for services, or a level of performance, they don't receive.

Performance commitment targets set by Ofwat are purposely challenging year on year – not just for us but for all water companies. They encourage focus and innovation in the water industry. And shape how we will deliver services going forward for better resilience, sustainability and customer service.

How we perform affects your bill

If we underperform, we may face a penalty, which reduces our 'allowed revenue' and affects how much we can collect through bills. If we outperform, we may receive a reward, which increases our 'allowed revenue'.

All areas of performance are reviewed every five years when customer bills are set. The most recent review was in December 2024, covering the period from 2025 to 2030.

Our assurance process and plan

Assurance is the process we use to ensure the work we do and the information we provide are accurate and reliable. It helps us identify potential errors, improve how we work, and monitor how effectively we operate. Maintaining high quality standards is essential to us, so our customers and stakeholders can have confidence in the information we publish.

To make sure our information is accurate and trustworthy, we use three levels of assurance. This approach is built into how we work day to day. It provides a clear framework for improvement and consistency, and supported by a risk assessment, helps us apply the right level of assurance at the right time.

Level 1
The first check takes place when the people doing the work confirm what they've done is correct. These checks can be during or after what they are doing.

Level 2
Teams carry out additional checks to make sure the work is correct and well supported. They also assess risks, check that we're following guidance, and report to the Board as evidence of their work.

Level 3
Internal Audit and external assurance providers review our overall processes and outputs to make sure we're compliant. They identify risks, carry out improvement plans, and report directly to the Board. For this APR, external Level 3 audit and assurance has been completed by Deloitte, AtkinsRéalis and PwC and their reports are published within Section 4 of this report.

The Audit and Risk Committee
The assurance process is overseen and approved by this committee.

The Board
The outcome of our audits are presented to the Board and they approve the information that we report.

Stakeholders
We ask our customers to give us feedback and our regulator, Ofwat, also assesses the information that we provide.

Our assurance plan for the annual performance report

We have specific assurance processes in place to ensure that the data within our APR is accurate and reliable. The steps within this process are outlined below.

1: Planning

We review the relevant guidance to understand the requirements for the new APR, as well as the expectations of our customers, regulators and other interested parties. We then develop a plan to ensure we can meet these requirements and deliver the APR by the publication deadline.

2: Risk Assessment

When planning our assurance activities, we recognise that different types of information require varying levels of assurance. We carry out a risk assessment of all data to identify processes that present a higher risk. These are processes where there is a likelihood of deviation from what was intended, which could impact the accuracy of what we report.

Using this insight, we develop a risk-based assurance plan. This approach enables us to focus our assurance efforts on higher-risk areas of reported information and prioritise improvements that are in the best interest of our customers.

3: Developing and completing our assurance

We carry out specific activities within our three lines of assurance to ensure that our data is complete and accurate. These activities and steps involved are detailed on the previous page.

4: Approval and publication

We present the outcomes of our assurance activities to our Audit and Risk Committee, which then reports to the Board. The Board is accountable for the quality of the information that we publish and is responsible for owning and approving the content of our APR. If the Board is satisfied that appropriate processes have been followed and that any findings from assurance have been addressed, it will approve the APR for publication. You can read more about the Board's role in assurance in the Board Statement of Accuracy and Completeness of Data and Information, included within **Section 2** of this APR.

5: Review

Following the publication of our APR, we review the assurance process we applied to identify areas for improvement. We gather feedback from our internal teams, customers, and other stakeholders, and assess what we could have done better. This insight is used to develop an improvement plan, which is then incorporated into our next risk-based assurance cycle.

Our 2025/2026 performance summary and results table at a glance

We have 23 performance commitments in total, 4 of which we do not have a regulatory target for. Out of the 19 performance commitments we do have a target for, we achieved 7.

We're pleased to have achieved/exceeded our performance targets in some key areas, including leakage, sewer collapses and unplanned outage. But we know we need to improve in other areas, including pollution incidents, bathing waters and water supply interruptions, so we can meet the expectations of our regulator and, importantly, our customers.

You can find the full performance results in the table on the next page.

Our plans for improvement don't stop

We meet with our regulator, Ofwat, regularly throughout the year to review performance and our plans to improve.

Assurance of our performance commitments

We have obtained external third-party assurance on all of our performance commitments. This assurance has been completed by AtkinsRéalis and PwC. Their reports are published within **Section 4** of this report.



Performance commitment	What it means	Unit (how it's measured)	High/ low is good	Target	How we did	Target met	Reward or penalty
Secure, safe, clean water supplies							
Compliance Risk Index (CRI)	How clean and safe our drinking water is	Sum of yearly individual numerical Compliance Risk Index (CRI) scores, to 2 decimal places	Low	0	3.15	✗	£2.432m penalty
Customer contacts about water quality	How happy customers are with their water	Number of customer contacts about the taste, smell and/ or appearance of drinking water, per 1,000 population	Low	0.84	0.95	✗	£433k penalty
Leakage	How we're doing at reducing the leaks	Percentage **reduction** in leakage, compared to our 2019/2020 baseline (average of the years 2017/2018, 2018/2019, 2019/2020)	High	18.4%	18.5%	✓	£275k reward
Water supply interruptions	Keeping homes and premises in constant water supply	Average time a property is without supply in hours: minutes: seconds	Low	00:05:00	00:11:58	✗	£6.127m penalty
Per Capita Consumption (PCC)	Supporting customers to use less water	Percentage **reduction** in average water usage, per person (litres per day), calculated as a three-year rolling average compared to 2019/2020 baseline (average of the years 2017/2018, 2018/2019, 2019/2020)	High	3.9%	1.4%	✗	£3.011m penalty
Business demand	Supporting businesses to use less water	Percentage **reduction** in average water usage, per person (litres per day), calculated as a three-year rolling average compared to 2019/2020 baseline (average of the years 2017/2018, 2018/2019, 2019/2020)	High	-3.1%	-3.6%	✗	£286k penalty

Performance commitment	What it means	Unit (how it's measured)	High/ low is good	Target	How we did	Target met	Reward or penalty
Modern and resilient infrastructure							
Internal sewer flooding	Minimising sewer flooding inside customer homes and properties	Number of internal flooding incidents, per 10,000 sewer connections	Low	1.54	2.53	✗	£14.285m penalty
External sewer flooding	Minimising sewer flooding on outdoor property	Number of external sewer flooding incidents, per 10,000 sewer connections	Low	23.05	21.23	✓	£6.912m reward
Repairs to burst mains	How well our mains system is operating	Number of repairs, per 1,000km of mains	Low	185.3	189.0	✗	n/a
Sewer collapses	How resilient our sewer system is	Number of collapses, per 1,000km of sewer network	Low	14.07	6.63	✓	£5.403m reward
Unplanned outage	Limiting interruptions to water production	Percentage **reduction** in lost water production, compared to peak-week performance	Low	2.85%	2.72%	✓	£275k reward
Discharge permit compliance	How many treatment works operate within their permits	Number of treatment works sites that have **not** failed conditions of their permit, expressed as a percentage of total sites	High	100%	99.04%	✗	n/a

Performance commitment	What it means	Unit (how it's measured)	High/ low is good	Target	How we did	Target met	Reward or penalty
A healthy, natural environment							
Total pollution incidents	How many pollution incidents we've had during the year	Category 1, 2 & 3 pollution incidents, per 10,000km of sewer length	Low	25.02	49.75	✗	£18.338m penalty
Serious pollution incidents	How many serious pollution incidents we've had during the year	Number of category 1 & 2 pollution incidents	Low	0	13	✗	£18.683m penalty
Storm overflows	How often we use storm overflows	Average discharges per storm overflow performance, assuming 100% monitoring	Low	26.04	24.35 (monitored)	✓	£2.998m reward
River water quality (phosphorus)	How healthy our rivers are for biodiversity	Percentage **reduction** in phosphorus emissions, relative to the 2020 baseline of total phosphorus discharged by all wastewater treatment	High	72.12%	72.44%	✓	n/a
Bathing water quality	What the overall quality of our bathing waters is	Overall average score for designated bathing waters classifications where Excellent=100%, Good=66%, Sufficient=33% and Poor=0%	High	66.4%	53.7%	✗	£9.732m penalty
Biodiversity	Making land we're responsible for better for nature and wildlife	Net change from 2022 baseline in biodiversity units, per 100km^2 of land	High	n/a	0	No regulatory target	n/a

Performance commitment	What it means	Unit (how it's measured)	High/ low is good	Target	How we did	Target met	Reward or penalty
First-class customer service							
Customer Measure of Experience (C-MeX)	How good our customer service is for domestic customers	Average customer service experience score, from 0 to 100	High	n/a	61.09	No regulatory target	£15.936m penalty
Developer Measure of Experience (D-MeX)	How good our customer service is for developer customers (property developers)	Average developer customer experience score, from 0 to 100	High	n/a	59.43	No regulatory target	£7.967m penalty
Business Customer and Retailer Measure of Experience (BR-MeX)	How good our customer service is for business and retailer customers	Average business customer and retailer customer service experience score, from 0 to 100	High	n/a	73.25	No regulatory target	£4.009m penalty
Net zero carbon emissions							
Operational greenhouse gas emissions (water)	Reducing carbon emissions from the clean water side of our business	Percentage **reduction** in GHG emissions from the clean water side of the business (expressed in tonnes CO_2e, carbon dioxide equivalent) from a 2024-25 baseline	High	1.74%	-14.62%	✗	£3.428m penalty
Operational greenhouse gas emissions (wastewater)	Reducing carbon emissions from the wastewater side of our business	Percentage **reduction** in GHG emissions from the wastewater side of the business (expressed in tonnes CO_2e, carbon dioxide equivalent) from a 2024-25 baseline	High	-19.15%	-5.53%	✓	n/a

Secure, safe, clean water supplies

Providing safe, clean, great tasting water while meeting future demand.

Our performance commitments in this section are:

- **Compliance Risk Index (CRI)**
- **Customer contacts about water quality**
- **Leakage**
- **Water supply interruptions**
- **Per capita consumption**
- **Business demand**

Compliance Risk Index (CRI)

Because we all want water that's clean and safe to drink

What is our Compliance Risk Index (CRI) performance commitment?

This is our score for how clean and safe our water is to drink. Throughout the calendar year (from the 1 January to the 31 December 2025) we test water samples from our water supply zones, treatment works and service reservoirs to see if we've met the safety and compliance standards for drinking water, set by the Drinking Water Inspectorate (DWI).

How we're measured
Our score increases with each quality risk detected by the tests and at the end of the year, all our scores are added together to provide one overall risk score.

A low score is better
A low score means we have had fewer events with risks of impacting water quality. All risks are defined in line with the DWI Compliance Risk Index and illustrate the range of risks arising from treated water compliance failures, taking the risk-based approach used by the DWI.

Why is our Compliance Risk Index (CRI) performance important?

Our score is an indicator for how confident Yorkshire Water customers can be in the drinking water we supply to their taps. And how effective we are operationally at limiting and resolving water-quality failures quickly and successfully.

Our customers' peace of mind
Customer assurance is everything when it comes to drinking water and one of our top priorities as a water company. We want our customers to feel they can trust us 100% to supply them with safe, clean water for healthy daily life. And that if something goes wrong, we'll do whatever it takes to put it right.

Good to know

Ofwat's zero target for Compliance Risk Index

All water companies in England and Wales are set a target of zero for water quality risk testing, because we all agree that **no** level of water quality failure is acceptable.

Where zero is an aspirational target, water companies work continually towards the target over the long term, identifying targeted areas for improvement.

Our 2025 performance – how did we do?

Although we **didn't** meet our target of **zero** for water quality risks detected in 2025, we improved in our performance from 2024, as well as achieved our lowest annual risk score since 2021.

The numbers
Our score was **3.15**, equating to **127** sample failures out of approximately 500,000 tests, where we tested water at our water treatment works and it was not compliant with the Drinking Water Inspectorate (DWI) standards. This is an improvement on last year's score of **3.61**, equating to **140** sample failures.

Areas where we improved

We achieved a reduction in coliform detection at our treatment works, from 12 in 2024, to 5 in 2025. While this type of bacteria is not considered a health hazard, we use these detections to confirm that the operation of our sites is meeting standards.

There was also a reduction in the number of occasions where we found taste or odour issues in our compliance sampling programme.

The challenges and what we're doing about them

Our main challenge in 2025 was a high number of failures in the standard for iron, which is one of the elements that can cause water to be discoloured. In 2025, we saw an increase in the number of samples failing the regulatory standard, from 16 in 2024 to 20 in 2025.

On examination, we found that most of these failing samples occurred during March to August when customer demand was very high, due to the warmer, drier weather.

Historic sediments in mains systems become more disturbed than usual during times of high demand, resulting in the failure for iron. Therefore, we are now using our investigations of every iron failure to bring forward targeted mains improvements.

Plans going forward for continuous improvements

Achieving improvements in CRI is a long-term process and the factors that affect our performance are well understood by us as a water company.

We're pleased to see the improvements that we have in 2025 – they're the result of continued interventions from previous years. Going forward, our future plans are intended to continue the positive trajectory of performance improvement.

- **Installing new monitors at high-risk sites** – this programme is now close to completion, with just two sites requiring completion. The new particle counter monitors provide advanced information, supporting our scientists to develop improved controls for drinking water quality.
- **New 'root-cause analysis' team dedicated to water quality issues** – new insight is already being gathered by the team into the underlying causes of quality issues, and for the sharing of best practice.
- **Addressing underlying risks of raw water deterioration** – several water treatment works are planned for site upgrades, which will further reduce potential risks on water quality in the coming years.
- **Using customer feedback on discolouration to inform sediment removal** – we are targeting mains systems for removal of historic sediment build up to address customer concerns.
- **Enhanced scheme of mains replacement for AMP8** – although this scheme is primarily to address mains bursts, the water system will become more stable, which will improve water quality.

Customer contacts about water quality

Happiness with every sip

What is our customer contacts about water quality performance commitment?

This is the number of times during the calendar year of 2025 (from the 1 January to the 31 December) customers contact us because they're unhappy with the taste, smell and/or appearance of their drinking water.

How our score is reported
Our score is reported per 1,000 population, which is the number of contacts we receive multiplied by 1,000, divided by resident population as reported to the Drinking Water Inspectorate (DWI).

A low score is better
The lower our score the less customers have contacted us about negative water quality.

Why is our customer contacts about water quality performance commitment important?

It's essential our customers are no less than completely happy with their drinking water, with no need to ever contact us with their concerns. Our performance score helps us monitor this and alerts us if something is going wrong.

We always want to know when drinking water isn't quite right
We don't underestimate how poor water quality negatively affects everyday life. We value and act on every contact we receive, however minor. Our aim is always for drinking water to never cause customers concern, distress or disruption.

Good to know

Last year (and last AMP) our score for customer contacts about drinking water quality was reported per 10,000 of the population. Now it's reported per 1,000.

Our 2025 performance – how did we do?

We **didn't** meet this performance commitment. Our 2025 score fell just short of the regulatory target of **0.84** customer contacts about water quality, per 1,000 of the population in the Yorkshire region.

The numbers
We received 5,500 contacts from customers about water quality in 2025, a 6.2% increase (323 contacts), compared to the 5,177 contacts we received in 2024.

This equates to a 2025 performance of **0.95** contacts about water quality per 1,000 of the population within Yorkshire.

Areas where we improved

We received fewer contacts in 2025 from customers about their water being discoloured than we did in 2024.

The drop in number of contacts about water discolouration is largely due to less 'near-miss' discolouration events in 2025 than we had in 2024, which indicates that our network is more resilient. 'Near-miss' events are operational incidents, like pipe repairs and mains bursts, which can disturb sediment.

The challenges and what we're doing about them

Our key challenges during 2025 stemmed from the warm, dry weather we experienced from March to August. During periods of drought and high demand, customer contacts about water quality increase.

The high demand on the mains system caused sediment disturbance, resulting in some customers needing to contact us about water discolouration. Added to this, we needed to move water supplies around the region to meet customer supply needs, which meant some customers experienced supplies from different sources, resulting in them contacting us about taste and odour.

We're addressing both these challenges with our ongoing commitment to improving the condition of our mains system, both with mains conditioning and mains flushing. Our programme of preventative works helps us reduce the often-significant impacts of near-miss events that would otherwise occur.

Altered disinfection arrangements in Pateley Bridge
In autumn 2025, we decided to alter disinfection arrangements in our supplies to Pateley Bridge in North Yorkshire and surrounding areas. This was to increase the effectiveness of disinfection. However, some customers did note the change of taste in their water and contacted us about this.

An example of our preventative mains condition work:

In October 2025, a large trunk main burst in an area of Sheffield with a history of significant discolouration issues.

However, extensive mains cleaning carried out earlier in the year meant the network was in a more stable condition at the time of the burst. As a result, the impact on customers was reduced, contributing to a **15% overall improvement in discolouration-related customer contacts** across the Sheffield area.

Plans going forward for continuous improvement

Improvement in our drinking water contacts performance is a long-term journey and we have many ongoing programmes of work to address water quality issues and reduce customers' need to contact us with concerns, including:

- **Continuing our rolling programme of trunk mains conditioning** – designed to complement our **local mains flushing programme** to maintain and improve our network – making it more resilient to shocks brought on by drought.
- **Utilising the effective approach applied to our three-year project of trunk mains conditioning in Sheffield**, to many other areas of work during the next five years.
- **An ambitious plan to implement trunk mains conditioning for supply to over 1 million customers in 44 Water Supply Zones (WSZs) between 2025 to 2030** – due to the scale of this activity, this is being carried out in phases with interventions for mains improvement in the first 18 WSZs already underway.
- **An enhanced scheme of mains replacement compared to previous AMPs (Asset Management Periods)** – although the primary need for this activity is to address mains bursts, one of the other important outcomes is a calmer, more stable network – which we expect to improve quality of water for our customers.

Leakage

Every drop counts – we won't stop stopping the leaks

What is our leakage performance commitment?

This is the amount of water we've lost, during the financial year (from the 31 March 2025 to the 1 April 2026), due to leakage. From treatment works to customer taps, water can be lost for many reasons, including corroded pipes, ground movement, freezing and bursts.

How we're measured
The water we lose from leakage is calculated in megalitres per day (Ml/d) and reported as a percentage **reduction** in leakage compared to our 2019/2020 reported baseline of **315.3 Ml/d** (calculated on three years of average leakage performance, reported for 2017/2018, 2018/2019 and 2019/2020).

Performance based on three-year rolling average
In line with Ofwat's AMP8 methodology, our 2025/2026 leakage figure is an average of our current year and the two preceding years (2023/2024, 2024/2025), calculated from annual average values.

A high score is better
The higher our score, the more effective we've been at reducing the leaks, compared to our baseline figure.

Why is our leakage performance commitment important?

Reducing leakage is vital for a resilient water system that serves our customers, the economy, and benefits the environment. The more water we save, the less hosepipe bans and water abstraction (extracting water from natural sources) we'll need during times of drought.

Reducing leakage is our top priority
Stopping the leaks is top of the list for all water companies and we're no different. We use our resources, like smart technology, data-driven insights and targeted fieldwork to plug losses quickly and make every drop count.

Our 2025/2026 performance – how did we do?

We have **met** our performance commitment target for leakage this year, continuing the success we achieved in AMP7 (Asset Management Period 2020-2025) of achieving our target every year.

The numbers
Our target for leakage – as a reduction against our 2020 baseline figure – was **18.4%** and we achieved **18.5%**. For this performance commitment, a high score is better as it means we've achieved greater reductions in lost water.

The table below shows our actual figures for leakage in year, and as a three-year rolling average, against our regulatory target.

Performance definition	Target	Performance	Target met
In year leakage Ml/d (megalitres per day)	251.7	**250.6**	✓
3-yr rolling average Ml/d (megalitres per day)	257.3	**256.9**	✓
% reduction (regulatory target)	18.4	**18.5**	✓

This next table shows our total annual leakage figures for the last five years, which shows that, except for a slight increase in 2024/2025, we have achieved an overall and steady reduction in leakage since 2021/2022.

Year	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Total annual leakage	**283.1**	**282.8**	**260.0**	**260.2**	**250.6**

Areas where we improved

Reductions in DMA (District Meter Area) and TM (Trunk Main) leakage
Since the start of the year, we focused significant effort on reducing leakage so we could meet the challenging water resource issues driven by dry and warm weather between March and August, that continued to pose operational challenges to November 2025.

Especially during Yorkshire's driest combined February, March, and April for almost 90 years, we faced increased pressure to protect our water supplies. So, we recruited to **80** additional leakage roles and increased our leakage repair team resource by **30%** to keep pace with additional leakage priorities and speed up repair times.

We also:

- Extended working hours on active leakage control from January through to October 2025.
- Escalated **15%** more leak repairs between April and September.
- Contacted over **7,000** smart metered customers about a leak at their property.
- Recruited a bespoke leakage night team.
- Upgraded **8,000** of our fixed network acoustic loggers to the newest technology to further improve network visibility.
- Invested in lift and shift loggers and resource to help us find leaks quicker.

Improved pressure management
Over the last 12 months, we continued investing in pressure management, with pressure reducing valve and smart controller installations to create a calmer, more resilient, controllable, water network.

For example, during the drought, we remotely reduced levels of pressure in our most vulnerable regions (predominantly at night to reduce customer impact), which reduced background leakage and helped to protect supply.

Ongoing improvement in calculation of night use allowances
We continued to refine our approach to calculating household night use (HHNU), which helps us be more accurate about the water consumption elements of our leakage calculation. We also use fast logging analysis and have increased customer category representation, as well as the number of district meter areas (DMAs), which helps us more accurately report leakage.

Good to know

DMA leakage is leakage from **District Meter Areas** (Yorkshire Water has approximately 3,200), which are specific geographical zones serving a number of properties. These zones can be isolated so we can pinpoint where the leaks are.

TM leakage is leakage from **Trunk Main Areas** – the large, primary pipelines that transport huge volumes of water from treatment plants and storage to the district meter areas.

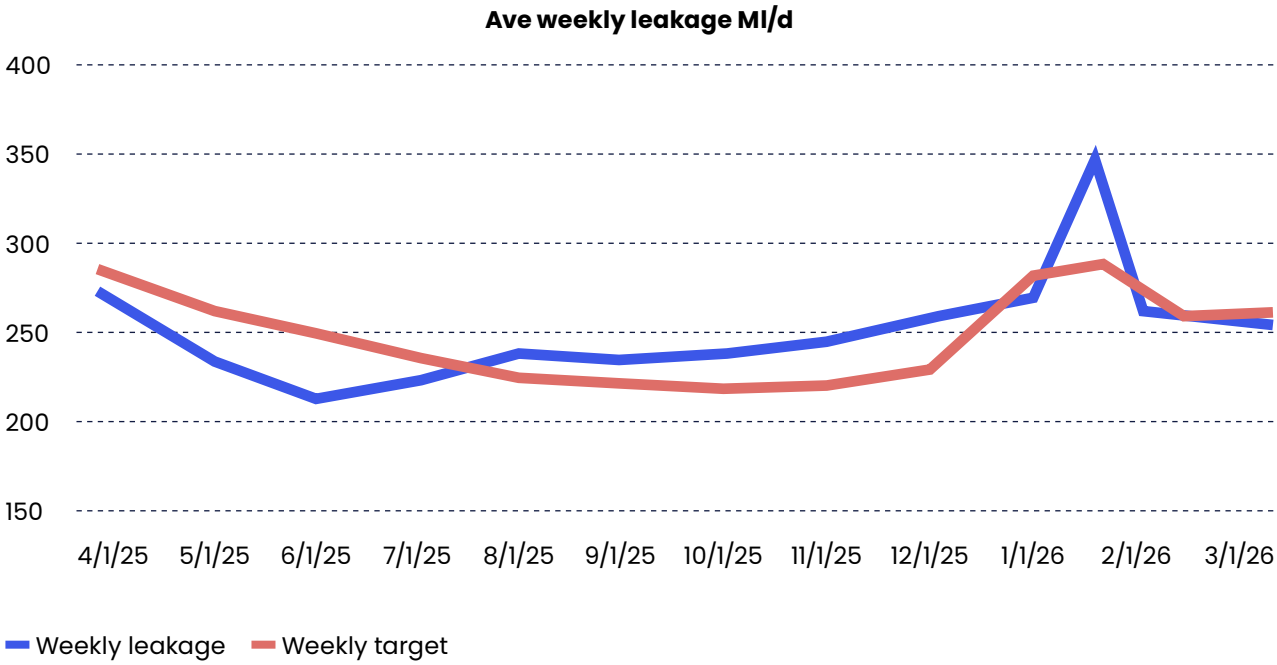
Background leakage is small continuous losses of water from a network. These are hard to detect even with leak-detection devices, but they can be lessened by adjusting system pressure.

The challenges and what we're doing about them

Drought and water resource management challenge
Although we improved leakage this year, with many areas of success as detailed above, mobilising and executing delivery under intense public scrutiny posed challenges, which impacted on our local operations and public co-operation.

We hope our continued focus on leakage and planned improvements throughout the AMP (Asset Management Period), will increase public trust that we are doing everything we can to improve performance and that we 'won't stop stopping the leaks'.

Winter leakage breakout
As seen from our leakage graph below, we experienced a severe winter breakout in January 2026. Daily leakage increased by over 100 Ml/d (megalitres per day), but recovery was strong, with repair and maintenance teams successfully keeping up with the volumes of leak repairs.



Increasing our locate and repair resource through 2025 was largely the reason for our recovery of performance during the winter breakout, which is an important lesson for us going forward.

Our water balance gap
A water balance gap, or Unaccounted-For Water volume, of between -2% and +2%, is considered good practice, but we are outside of this range at 3.81% for 2025/2026.

While adjustments, subject to audit in 2022/2023, have been applied and have impacted positively on our water balance gap, we have still seen it increase, which indicates we're not accounting for enough water through our key components. We have addressed this in our assurance process for this reporting period and it will be a key focus area for us in 2026/2027.

Plans going forward for continuous improvements

We are increasing our leakage response capability and investing in and adopting new technologies, with ambitions to build on the good progress we've achieved in this first year of AMP8 (Asset Management Period), and create a further **30Ml/d leakage reduction** over the remaining four years.

PALM (Prevent, Aware, Locate, Mend)
PALM is our multifaceted plan, to continually reduce leakage of water from our network and make our system increasingly resilient and fit for the future. Our PALM plan is to:

- **(P) prevent** leaks from occurring in the first place, with effective pressure management and continuing programme of mains renewal.
- **(A)** increase our **awareness** of where leakage is occurring on the network, with the rollout of smart meters at more homes and in all new developments.
- **(L) locate** leaks quickly, using early detection systems.
- **(M) mend** leaks efficiently, deploying increased, highly trained teams.

Reducing leaks by 50% by 2050
We're part way through our largest ever environmental investment in Yorkshire between 2025 and 2030, which will see us invest **£8.3 billion** across the region to upgrade infrastructure and improve services. Part of this commitment is to reduce leaks by **50% by 2050**. Our PALM plan above sets out our approach to protecting and tracking issues on our network but we're also focused on the innovation and modernisation of our network for robust future use.

From spray lining pipes – an innovative, cost-effective way to add 50 years of service – to replacing old, corroding cast iron with longer-lasting plastic, we're focused on working with the industry to use the latest innovations and best practice to reduce leakage – we mean it when we say, we don't want to lose a drop!



Water supply interruptions

Water on tap whenever when you need it

What is our water supply interruptions performance commitment?

This is the average length of time our customers experience disruption to their water supply in hours: minutes: seconds, as an average per property, throughout the financial year (from the 1 April 2025 to the 31 March 2026).

How we're measured
Interruptions to supply are measured from the point where there is no water available at the first cold tap (usually located at the kitchen sink of a property), equivalent to 3 metres or less pressure in the main, for periods of 3 hours or more.

Where a property is without supply on more than one occasion, each disruption is counted separately. Occupied and non-occupied properties are included, but not properties where supply is permanently disconnected.

A low score is better
The lower our score the less time our customers have been without water supply.

Why is our water supply interruptions performance commitment important?

Water supply interruptions are inconvenient to customers at best and can cause anxiety and distress, depending on individual circumstances. We understand this and how vital it is our customers have the water they need, when they need it.

Analysing supply performance in real terms
We're committed to reducing all instances of supply interruption. The measure helps us see how we're performing in real terms at providing the high-quality uninterrupted service our customers value. It also helps us to focus on areas of inefficiency and our operational ability to be proactive when it comes to preventing supply incidents.

Our 2025/2026 performance – how did we do?

We **didn't** meet the performance commitment for limiting water supply interruptions of 3 hours or more to our customers.

The numbers
We achieved an average time of **11 minutes: 58 seconds** for each time a customer property is without water supply (over 3 hours or longer), against a target of **5 minutes**.

This means we underperformed, or missed our target, by **6 minutes: 58 seconds** (418 seconds).

How large events contributed to our 2025 performance
Large events are defined as events that cause over 10 seconds of lost water supply. Unfortunately, we had **six** of these during the year, accounting for **5 minutes: 40 seconds** of our underperformance.

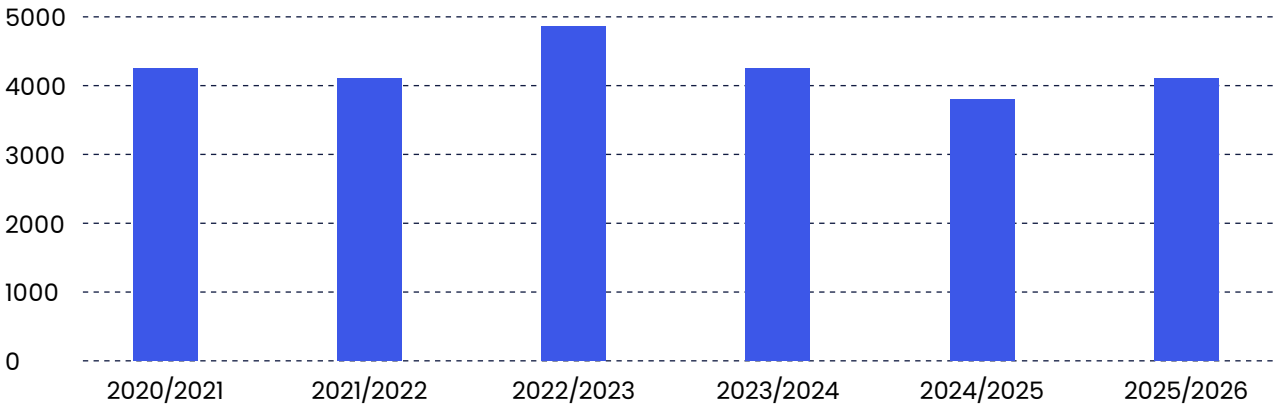
A power failure at our **Aughton** water pumping station, caused by a fault on the grid, was a particularly severe event. The two power feeds coming into this site, one meant as a backup in the event of a failure, both failed, resulting in 13,800 properties losing supply for over three hours. This one event alone contributed **3 minutes: 55 seconds** to our underperformance.

Areas where we improved

Although large-scale events affected our performance this year, the impact was less than we experienced from large events in previous years, due to the improvements we've made in our handling of large-scale incidents, and the work we have done to keep customer impact to a minimum.

Our **volume** of service events, which is a lead measure for interruptions performance, although slightly increased on last year, shows a reduction from the start of AMP7 (2020-2026), as can be seen from the graph below.

Total services events volumes 2020-2026



We've taken a more proactive operational approach
We've made some strategic changes to our operation, which have helped us better identify and tackle issues.

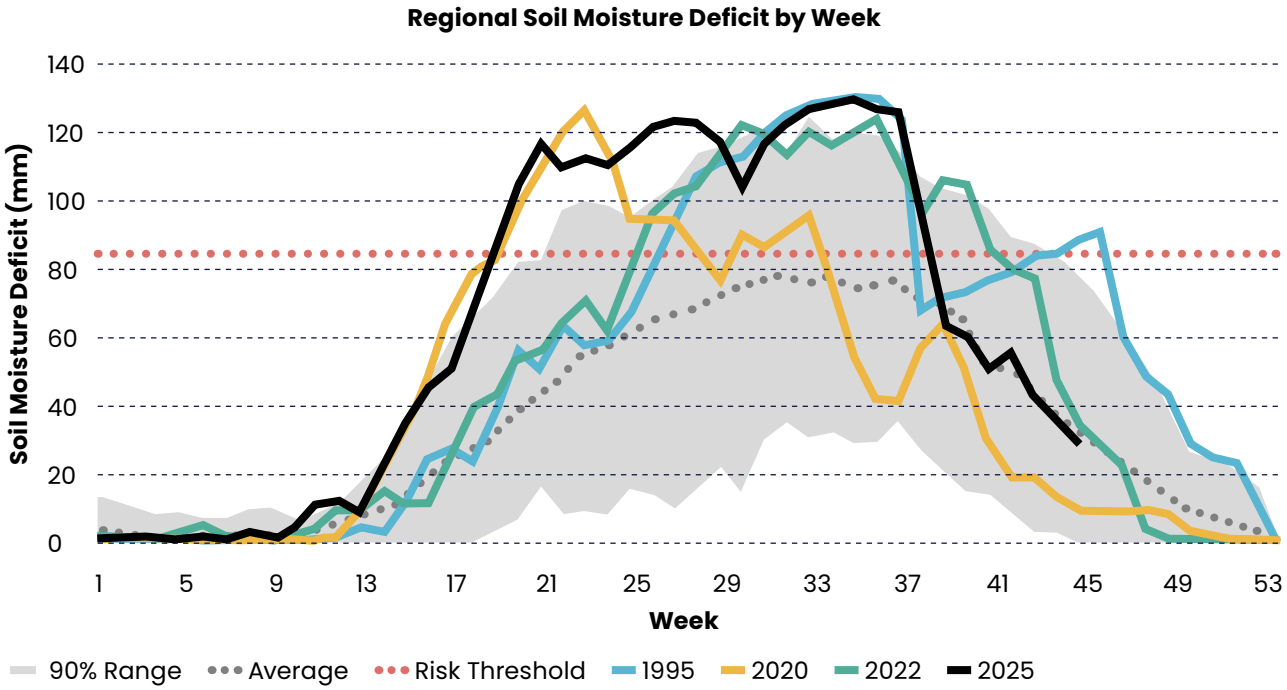
- **Improvements in reporting** – we've implemented a more robust and consistent way of reporting, with teams coming together to form a working group. Our interruption event findings are now more accurate as a result.
- **Implementing 'data only' reviews** – we adapted our process for reviews this year, due to the high number of reviews (these are our internal operational incident reviews we carry out following a supply interruption event). We switched to data-only reviews for those where an event affected one district metered area only. Keeping our methodology to maintain a high level of accuracy, we were able to complete reviews faster and more efficiently.
- **Quicker GSS payment for customer compensation** – we improved our process to now carry out early checks on full reviews and make payments in advance, to avoid late payment to customers for compensation due.
- **Progress of capital works** – we have made considerable progress with our capital works, including replacing 175km of our worst performing mains assets.
- **Supply response success** – our restoration teams who react to incidents on a daily basis to keep customer impact to a minimum, along with our new tanker contract with Water Direct, have both achieved excellent results, maintaining supply during interruption events to over 400,000 properties.

The challenges and what we're doing about them

Large-scale events
Our performance for average water supply interruption time this year was significantly outside of our target, and 40% over what we achieved last year. However, had we not experienced the power failure event at our Aughton site, our performance would have been our best since 2021.

There has since been a full investigation into how this event was able to occur, and we are looking at measures to ensure events like it, and other large-scale events, cannot happen again in future. This includes proactively maintaining our site generators, ensuring they are operational at all times.

Prolonged levels of low soil moisture
Due to the drought in 2025, we experienced prolonged periods of time when soil moisture levels were extremely low (also referred to as 'high deficit levels'), as can be seen from the graph below.



This was a significant challenge for water supply interruptions as the increased ground movement caused by low moisture causes more mains pipes – particularly those made of cast iron – to burst. Going forward, as we renew our older cast iron mains with newer and more robust plastic mains, this should become less of a problem in future drought periods.

Capital works result in interruptions
We have been undertaking our largest ever capital scheme to renew three percent of our entire water network during AMP8. In year one alone, we renewed 175km, more than we renewed in the whole of AMP7 (2020 to 2025), which shows the scale of our work and commitment to improving our network.

But replacing mains pipes inevitably impacts supply interruptions, for example, planned shutoffs in excess of three hours and missed connections. Ultimately, however, this work will provide a significant, long-term benefit to our customers and improve our performance.

Improving information from capital works
Despite the positives of our capital and smart metering works, this has led to information being outstanding in some areas, where more timely reporting could help us mitigate supply risks. Although the impacts are low, we plan to bring in a new process to improve reporting, including monthly meetings and training with project managers and contractors involved.

Staff turnover and working hours
Experienced technicians leaving our business or retiring will always present a challenge. We need to recruit and train, and help employees and less experienced technicians to progress, which we will be focusing on in the rest of AMP8. We also need to balance our shift patterns correctly, so we limit the need for out-of-area technicians to relocate.

Plans going forward for continuous improvements

We are taking a multifaceted approach to our plans, with a mix of renewing and upgrading assets, to deploying resource for learning, and remodelling/improvement of processes, so we are better positioned to deal with future challenges.

- We will be continuing, for the rest of this AMP (Asset Management Period), with our **mains renewal capital scheme**. Our plan is to renew **1,085km** by the end of year three (2027/2028), targeting our worst performing mains that have the most impact to customers when a failure occurs.
- Preparations are taking place to **upgrade** our worst performing/highest-risk water pumping stations.
- We are assessing the benefits and forming the operating model for an increase to our current fleet. This would ensure we're more resilient to large-scale events, as well as service events, and protecting customers' supply more effectively.
- We plan to **overhaul our IT** systems to enable better co-operation between systems, quicker reporting and clarity of information, which makes reporting quicker and easier to understand. One upgrade in particular will assist our field technicians and engineers, reducing room for human error, which can have a negative impact on customer supply.
- Implementing our **learning from past events** is a priority, so we can improve our processes, such as our winter escalation plans and contingencies for high-risk areas. Four of our managers are allocated to working in this area, exploring and assessing operating models and ways of working to identify improvements.

As a business, our aim is to be more proactive and **always** learn from previous incidents. Where our plans are high cost, and building long-term resilience, such as our capital delivery programme, it's anticipated we will see increasing improvements year on year.

Per capita consumption

Together we can be more water-wise

What is our per capita consumption performance commitment?

This is the average amount of water usage, per person (household customers), per day, measured across the financial year (from the 1 April 2025 to the 31 March 2026), compared to a baseline usage figure.

How we're measured
PCC is measured in litres per person, per day (l/p/d) using data for measured and unmeasured households and maximum likelihood estimations (MLEs).

The figure is reported as a percentage **reduction** compared to our 2019/2020 reported baseline of **128.2 l/p/d** (calculated on three years of average usage: 2017/2018, 2018/2019 and 2019/2020).

Performance based on three-year rolling average
In line with Ofwat's AMP8 methodology, our 2025/2026 PCC figure is an average of this current year and the two preceding years (2023/2024, 2024/2025), calculated from annual average values.

A high score is better
The higher our score the more efficient our customers have been with their water usage, successfully reducing their average consumption.

Why is our per capita consumption (PCC) performance commitment important?

We need to make sure there's enough water for everyone. And less pressure on long-term supply and the need for abstraction (extracting water from natural sources), especially in times of drought.

Promoting mindful usage
We're working to support and help customers understand why it's good to be water-wise. Even if they're not on a water meter! Promoting understanding of how water is supplied, treated and transported is essential, through an ongoing programme of awareness-raising in our community.

Our 2025/2026 performance – how did we do?

We **didn't** meet our target for reducing per capita consumption, as a three-year rolling average, compared to our 2019/2020 baseline.

The numbers
Our per capita consumption (PCC) performance improved in the year, with average household consumption reducing from **127.8 litres per person per day** (l/p/d) in 2024/2025 to **126.1 l/p/d** in 2025/2026 (calculated on 5,513,725 households).

The reduction within in-year performance can be seen for 2025/2026 (in the table below), compared to 2024/2025, stopping the trend on seeing consumption increase for the first time since 2022/2023.

However, performance on the three-year rolling average actually shows a slight deterioration due to higher per capita consumption in 2022/2023 no longer being included in the three-year average.

Our three-year rolling average per capital consumption of **126.4 l/p/d** is a **1.4% reduction from our baseline** of 128.2 l/p/d, which does not meet our reduction target of **3.9%**.

The table below shows our performance in-year and as a three-year rolling average for each year.

Per Capita Consumption (l/p/d)	19/20 (baseline year)	20/21	21/22	22/23	23/24	24/25	25/26
In-year performance	127.7	141.2	131.5	123.9	125.3	127.8	**126.1**
3-year rolling average performance	128.2	132.5	133.5	132.2	126.9	125.7	**126.4**

Areas where we improved

AMP8 Water Efficiency Programme
Our Water Efficiency Programme began last year, with a range of water efficiency activities, including, water efficiency visits to customers, a household communications campaign, water efficiency education for schools and flow regulation on household properties. Highlights include:

- **3297 household water efficiency audits** to evaluate customer use in their home, fit water-saving devices and educate on efficient use. We identified **221 leaky loos** from the 294 leaks we identified! We've repaired approximately 197 of these at the time of writing. We continue to monitor use too, using smart meter data where possible to identify continued reductions in consumption following visits.
- **Household communications about using less water.** We increased our presence and reach by using TV, radio and print. We also attended events throughout the year, including the Great Yorkshire Show and the RHS Event at Wentworth Woodhouse. Plus, we were in contact with local community groups countrywide, providing water butts to In Bloom groups and Incredible Edible.
- **Reactive communications during drought periods.** With the introduction of the temporary use restrictions from July 2025 as a result of the drought in Yorkshire, we also ran a large-scale reactive communications programme with messaging aimed at helping customers reduce consumption during this period.

AMI meter rollout for household customers
Moving customers from Automated Meter Reading (AMR) to Advanced Metering Infrastructure (AMI) supports reduction in water demand, largely because AMI meters provide continuous, near real-time data that enables automated leak detection, as well as empowers customers to actively change their consumption habits.

We began deployment of new AMI meters last year as part of the AMI retrofit programme. The meters are now standard on new developments, as well as when unmetered customers request to have a meter installed (DMO – Domestic Meter Optant).

We moved approximately **165,473** household customers to the new AMI meters, which provide up to 30 digital meter reads per day. This was ahead of our plan for 145,589 installs in year one, and a significant achievement operationally.

The smart data from these meters is now being shared with customers who have signed up to an online account and we're using the data so water efficiency initiatives can be offered appropriately.

Unmetered customers move to metered
Approximately, **35,000** unmetered household customers switched to a metered charge during the year. Metered household customers use, on average, 35% less water than unmetered household customers, further helping to reduce total customer demand.

The challenges and what we're doing about them

Implementing restrictions to steady demand
During periods of warm weather, household consumption of water generally increases, which was particularly the case in 2025 with the driest combined February, March and April we experienced for many years. However, we introduced a temporary usage restriction in July 2025, which our customers were extremely responsive to and proved effective in helping to steady consumption and reduce the summer demand. We're extremely grateful to our customers for playing such a positive part in this.

Retention and recruitment on our Domestic Consumption Monitor (DCM) scheme

The DCM is a representative sample of typically unmeasured household properties fitted with logging meters, used to measure and analyse water consumption to estimate average household demand for unmetered customers.

More unmetered customers have opted to a permanent meter charge instead of joining the sample. To generate more interest, we:

- refreshed the advert on our website where customers can sign up to join and receive a financial incentive,
- linked the scheme from our billing page, and
- issued internal communications about the scheme for employees and their family and friends.

Additionally, we're also working on an affordability pilot scheme for customers on one of our support schemes to take part, to help them monitor and manage their water use and save on their unmetered charge. The pilot aims to increase properties on the DCM scheme and help with our calculation of unmeasured consumption, while at the same time supporting financially vulnerable customers.

Customer uptake of water efficiency initiatives
Customer uptake for water efficiency initiatives last year was low. We completed 3297 household water efficiency visits, with an uptake of approximately 1%.

To combat the risk of low uptake across our AMP8 programme we are now offering usage audits to customers who have had an AMI meter fitted. We're also working closely with our data protection team to enable us to make calls to customers directly, following postal correspondence. And we're offering water efficiency visits to customer in our smart metering consumption pilot to help those with higher usage reduce consumption.

Plans going forward for continuous improvements

Continuing Water Efficiency Programme funding
This is our first AMP (Asset Management Period) with enhanced funding to conduct water efficiency initiatives for household customers to help drive reductions in water consumption.

This means we'll be continuing with our Water Efficiency Programme for household customers, including:

- Household water efficiency visits.
- Water efficiency school education visits.
- Household targeted media campaign.
- Flow regulator installations.

Wider industry working and progress
We're also supporting in cross-industry collaborative groups, focusing on data analytics and insights, demand resilience and industry best practice. As well as working together to help improve customer understanding of water, the need for change and the ways in which proactive choices can protect water supplies for the future.

We will see, within this AMP, the commencement of government initiatives too, including mandatory water labelling, the water efficiency national campaign and the water efficiency lab for innovation projects.

Utilisation of Smart Data
We now have approximately 300,000 AMI meters installed on customer properties, providing up to 30 readings per day. We have begun to utilise this data when selecting areas for water efficiency activities and when communicating with customers.

A pilot has now been established where we use customer cohorts, based on consumption, so we can send more targeted communications about reducing usage, following this up with analysis and further communications. We will continue to use our data smarter and more effectively to increase the effectiveness of our customer communication.



Business demand

Water efficiency as part of business sustainability

What is our business demand performance commitment?

This is the average business (non-household) demand for water, measured across the financial year (from the 1 April 2025 to the 31 March 2026), compared to a baseline business demand figure.

How we're measured
Business demand is measured in megalitres per day (Ml/d), using data for measured and unmeasured premises, and third-party audits to calculate maximum likelihood estimations (MLEs).

The figure is reported as a percentage **reduction** compared to our 2019/2020 reported baseline of **280.3 Ml/d** (calculated on three years of average usage, reported for 2017/2018, 2018/2019 and 2019/2020).

Performance based on three-year rolling average
In line with Ofwat's AMP8 methodology, our 2025/2026 Business Demand figure is an average of this year and the two preceding years (2023/2024, 2024/2025), calculated from annual average values.

A high score is better
The higher our score the more efficient our business customers (for who we are wholesale provider) are being with their water usage and reducing average demand.

Why is our business demand performance commitment important?

Using water efficiently makes sense for business sustainability and means our water supply is more resilient, particularly in times of drought and high demand. The more support, education and knowledge we can deliver to businesses, through third-party contractors, the more we hope to encourage businesses to use water more efficiently.

Practical help and support to businesses
From providing equipment, like tap aerators and cistern bags, to leakage advice, usage audits and continuous flow monitoring, we work in collaboration with retailers and third parties to support an increasing number of large and small businesses benefit from saving water.

Our 2025/2026 performance – how did we do?

We **didn't** meet our target for the new performance commitment of business demand (usage), which is the reduction in the three-year rolling average amount of water usage, compared to the 2019/2020 baseline.

The numbers
Although business **demand** reduced this year, with consumption decreasing from **291.6 Ml/d** (megalitres per day) in 2024/2025 to **288.4 Ml/d**, our three-year rolling average increased by **0.9%**, from **287.9 Ml/d** to **290.5 Ml/d**.

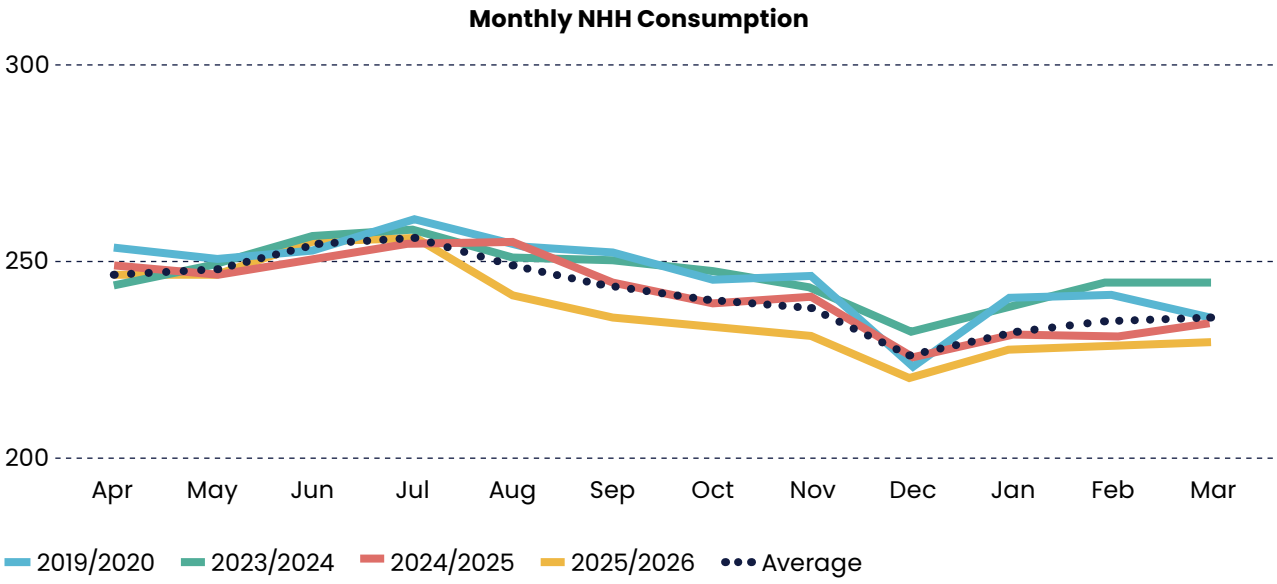
This means we did not meet the target reduction of **-3.1%** reduction from the baseline, as our performance was **-3.6%** reduction, with this minus figure actually representing an increase in consumption, which was expected.

The table below shows our performance in-year and as a three-year rolling average for each year, for actual demand.

Business usage (Ml/d)	19/20 (baseline year)	20/21	21/22	22/23	23/24	24/25	25/26
In-year performance	275.1	240.5	254.5	280.6	291.5	291.6	**288.4**
3-year rolling average performance	280.3	267.6	256.7	258.5	275.5	287.9	**290.5**

Areas where we improved

Temporary use restriction and household communications influences business demand
We began our water-saving brand activities to household customers earlier in the year than normal due to the dry weather experienced in 2025. While this activity, for example the temporary usage restriction, is targeted to households, not businesses, we saw a corresponding decrease in non-household (business) consumption throughout July, compared with previous years, as can be seen from the graph below.



During this time, we also received positive feedback from business customers and retailers in our BR-MeX surveys. Respondents said we had provided positive household customer communication throughout the drought. Customers who are also business customers were therefore generally more aware of usage, which had a knock-on effect on business demand.

AMP8 Water Efficiency Programme
We began our programme for business customers this year, including:

- Water efficiency visits to businesses.
- Launch of a non-household communications campaign.
- Opportunities for large non-household customers to collaborate on rainwater harvesting solutions.

Working more closely with retailers
We increased how closely we work with the retailers who manage our business customers. We introduced a new relationship management function, which has enhanced communication between us, allowing for more frequent conversations.

We've also set up collaborative **water efficiency sessions** with retailers who want the opportunity to discuss our current performance, water supply resilience and implement initiatives implementation.

Collaboration in the industry
In addition, we are a key contributor in Retailer Wholesaler Group (RWG) subgroups, including the group for water efficiency where we work collaboratively on industry best practice, innovative projects, and cross-industry projects to maximise strategy development and support for business customers in reducing demand.

The challenges and what we're doing about them

Programme delivery delays
We experienced some delays to our Water Efficiency Programme as we combined all our activities in one tender, which meant delays in a single activity stalled the programme. In addition, we also had challenges from some retailers, necessitating collaborative sessions where concerns could be raised and resolved, or retailers removed from the programme.

Our new relationship management function in our Wholesale Services team is now allowing us to work more closely with our retailers to collaborate on demand reduction options for their customers going forward. In addition, we are recruiting additional roles in this team to support on the 2026/2027 programme and maximise other demand reduction opportunities.

Delay on AMI meter installations for business customers
Although we transferred around **13,000** business customers from AMR (Automated Meter Reading) or basic meters to AMI (Advanced Metering Infrastructure) meters, this number was slightly behind plan. Non-household/business upgrades are challenging due to customer access. This is likely to remain a challenge throughout this Asset Management Period (2025-2030). To try and mitigate this, we have recruited a dedicated non-household member of the team to work with business customers and retailers to plan exchanges through to completion.

Plans going forward for continuous improvements

Continuing water efficiency initiatives for business customers
This is our first AMP (Asset Management Period) with enhanced funding to carry out long-term plans for targeted water efficiency initiatives for business customers and drive the reductions we're looking for in business demand.

Our planned activities throughout this AMP (Asset Management Period) 2025-2030 include:

- Business water efficiency visits for large users.
- Business water efficiency visits for domestic-like users.
- Targeted media campaign for non-household customers.
- Subsidised rainwater harvesting for large users.

Continuing to work with industry to apply best practice
We're supporting in cross-industry collaborative groups to focus on data analytics and insights, demand resilience and industry best practice, which will support our learning and progress in helping businesses to sustainably reduce their usage and understand the need for change.

Commencement of government initiatives in the near future will also impact on business demand, including mandatory water labelling, a national campaign for water efficiency and innovation projects for water efficiency.

Using our learning from year one's performance
This has been our first year of this new performance commitment and we are eager to apply what we've learnt so far to build progress and achieve sustainable reductions in business demand, including:

- **No one-size-fits-all for business customers** – all business customers are different – models of use cannot be applied as they can to household customers. We plan to work more closely with business customers to gain greater understanding of their usage and needs, so we can implement effective, appropriate water efficiency initiatives.
- **Work more closely with our retailer customers** – our retailers have a wealth of knowledge about our business customers. We need to engage with them earlier on projects and improve our engagement. We've introduced a new relationships management function in our Wholesale Services team to do this.
- **Increase customers' participation** – in year one we achieved approximately 9% customer uptake rate from our business customers. This is greater than the approximate 1% we achieved for household customer uptake. However, we need to increase this going forward by utilising customer interaction more effectively in our AMI meter deployment programme, stepping up our communications on business water efficiency and being more innovative in how we engage customers to inspire genuine sustainable change in water usage.

Modern and resilient infrastructure

We make sure everything runs smoothly and can handle changing weather, so you get a service you can rely on.

Our performance commitments in this section are:

- **Internal and external sewer flooding**
- **Repairs to burst mains**
- **Sewer collapses**
- **Unplanned outage**
- **Discharge permit compliance**

Internal sewer flooding

Keeping the inside of your property safe from harmful waste

What is our internal sewer flooding performance commitment?

This is the number of internal sewer flooding incidents occurring during the financial year (from the 1 April 2025 to the 31 March 2026), where sewage has entered a building and standing water, running water or deposits of silt or sewage is visible.

How we're measured
The number of internal sewer flooding incidents is recorded per 10,000 sewer connections (links that connect properties to the main sewerage system). Buildings include domestic residences, commercial and industrial buildings, and public and community buildings.

Where there is a sewer flooding incident that causes internal and external flooding, it is classed as an **internal** sewer flood as this is the most serious type of sewer flooding incident.

A low score is better
The lower our score the less internal flooding incidents have occurred, indicating increased resilience of our sewerage system to prevent incidents.

Why is our internal sewer flooding performance commitment important?

Internal sewer flooding is one of the most distressing, stressful experiences for a customer. Unfortunately, it happens for a variety of reasons, including overloaded sewers, severe weather events and instances of failing infrastructure. Preventing these incidents occurring is one of our top priorities as a water company.

Investigating internal flooding incidents
In the event of an incident, we'll investigate neighbouring properties where appropriate and possible. Our aim is to evaluate the full extent of any incident and put things right, including awarding any relevant compensation where valid.

External sewer flooding

Protecting your gardens and grounds so they're safe to enjoy

What is our external sewer flooding performance commitment?

This is the number of external sewer flooding incidents occurring during the financial year (from the 1 April 2025 to the 31 March 2026) affecting the grounds of domestic, business and commercial properties, where standing water, running water or deposits of silt or sewage is visible.

How we're measured
Just as for our Internal Sewer Flooding performance commitment, the number of incidents is recorded per 10,000 sewer connections (links that connect a property to the main sewerage system).

Any escape from the sewerage system, irrespective of size, is included. And, should flooding reoccur, regardless of whether we're working on it, it is counted as a further incident.

Flooding affecting external buildings
Sewer flooding to external buildings within the grounds of a property are also included, such as detached garages, storage units and sheds, where they're **not** accessible from the main building (sewer flooding to these would be classed as **internal** sewer flooding).

A low score is better
The lower our score the less external flooding events have occurred, indicating increased resilience of our sewerage system to prevent incidents.

Why is our external sewer flooding performance commitment important?

We want to carefully monitor how effectively we're working to keep external sewer flooding to a minimum and the associated damage it causes, including customer distress, financial impact and loss, risk to public health and the environment.

Finding out what's gone wrong – so we can put it right
Just as for internal sewer flooding incidents, it's our responsibility to investigate, as far as we're able, all external sewer flooding events to discover related incidents. So that we can fully assess what's gone wrong and put the right preventative measures in place.

Our 2025/2026 performance – how did we do?

Internal sewer flooding

Despite a sustained effort and focus, we **didn't** meet this performance commitment for reducing internal sewer flooding events.

The numbers
Our performance figure is **2.53** internal sewer flooding events, per 10,000 sewer connections (**610** in total), against a target of **1.54**.

External sewer flooding

We **met** and exceeded this performance commitment target, and improved performance on last year.

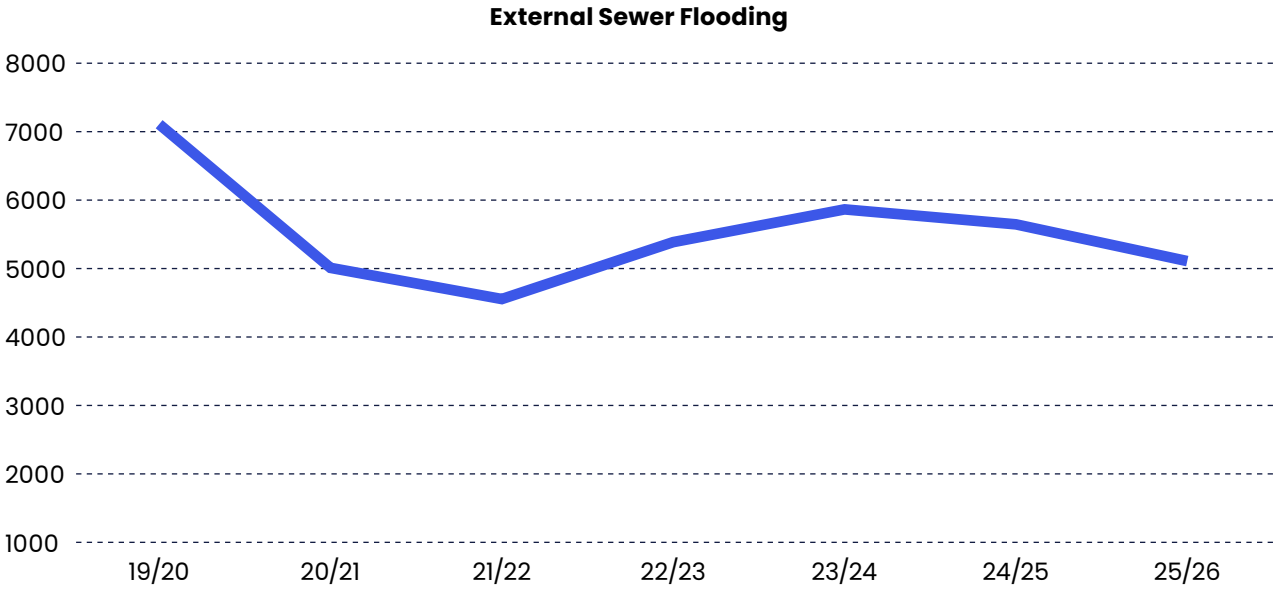
The numbers
Our performance figure is **21.23** external sewer flooding events, per 10,000 sewer connections (**5,110** in total), against a target of **23.05**.

Areas where we improved

Although this has been a challenging year, in which we're disappointed with our mixed performance, we have a **clear understanding** of the issues that affected our operations. We saw areas of improvement and many programmes of work making a difference, which give us a good basis to build on going forward.

External sewer flooding progress
We achieved a **10.1% reduction** in external sewer events compared to the previous year, going beyond the level of performance expected.

We have seen consistent improvement in external sewer flooding events since 2023/2024, as can be seen from the graph below.



Early-action and prevention priorities for Network Protection teams
We've focused on prioritising early action to stop problems before they occur, reducing sewer blockages, which are a leading cause of flooding. This includes working with customers to increase understanding of safe disposal of wastes, like fats, oils and other sewer-unfriendly items.

During the year, we have:

- Completed over **1,600** early interventions, such as investigating rising water levels, to stop problems before they escalated into flooding incidents.
- Carried out over **3,200** protection activities, such as inspections, targeted communications and direct customer engagement.
- Issued approximately **35,000** communications to households and businesses regarding safe disposal of waste.
- Visited over **2,500** customers to provide advice, carry out checks, and support correct use of the sewer system.
- Carried out **targeted treatments** at key locations to break down fats, oils and grease, helping to maintain flow in the network and reduce likelihood of sewer flooding.

Where issues do arise, we take targeted action - we carried out more than **6,000** visits to businesses where misuse was actively affecting the network, helping resolve problems quickly and prevent repeat incidents.

Blockages campaigns
In our third year of the Network Health team's blockages campaign, we took an intelligence-led approach to identify postcodes experiencing the highest frequency of blockages.

The campaign delivered a multi-channel approach, helping to drive behavioural change for reducing sewer-blocking materials into the network. Education programmes, press and social media activity, and colleague communications helped to reinforce consistent messaging and maximise reach. The campaign generated **91.7 million** opportunities to see and hear our messaging, an increase of 25 million compared to the previous year.

2025/2026 Customer Blockages Campaigns	Engagement Events	124
	Impressions	87,000,000
	Customer Recall	46%

Sewer Maintenance Programme prioritising at-risk properties
From postcode areas to identifying and prioritising individual properties most at risk, we increasingly targeted our work where it would have the biggest impact. This programme has significantly improved the reliability of our network to prevent incidents and deliver better for customers.

Where we identified properties for sewer investigation, we were able to gain access to 81.5% of them (**77,794** properties), showing a high level of improved engagement with customers regarding access and its critical nature in being able to identify and remedy issues in the sewer network.

Sewer Maintenance Programme Property Surveys	Property Surveys Completed	90,063
	Blockages Removed	3,012
	Defect Repairs Completed	5,144

Achieving sewer cleansing targets
Building on the previous year's success, we focused on areas of the sewer network where there was highest risk, exceeding our targets for material removed and blockages cleared, a leading cause of sewer flooding events.

Sewer Cleansing & Blockbuster	Sewer Length Cleansed (m)	418,050
	Blockages Removed	1,493
	Silt Removal (tonnes)	641

In-depth investigations by Proactive Delivery team
Our reactive investigations remain essential, but the value of the detailed, proactive investigations our specialist team carry out into sewer flooding events has strengthened our understanding of underlying causes, enabling us to further target action and significantly reduce repeat events. We focused on:

- Root cause and long-term, sustainable solutions.
- Interim measures and flooding diversion to reduce customer impact and distress.

In total, we investigated 170 high-impact properties, linked to 496 reported sewer flooding incidents. Following this work, only two further sewer flooding incidents were recorded across all investigated properties. This helps give us confidence in the accuracy of our reporting.

Monitoring devices and Intelligent Risk and Insight System
Over the last 12 months, we have expanded our monitoring capability across the sewer network, with over 10,000 monitoring devices (customer sewer alarms) deployed and plans to install an additional 35,000 over the next two years. This will build on the 40,000 devices already installed, providing coverage of approximately 75,000 assets for early identification of sewer flooding risks.

We've also introduced an Intelligent Risk and Insight System through the Storm Harvester platform, which increases our ability to predict and identify genuine blockages. We're able to more proactively manage our network and target blockages quickly as a result of this system.

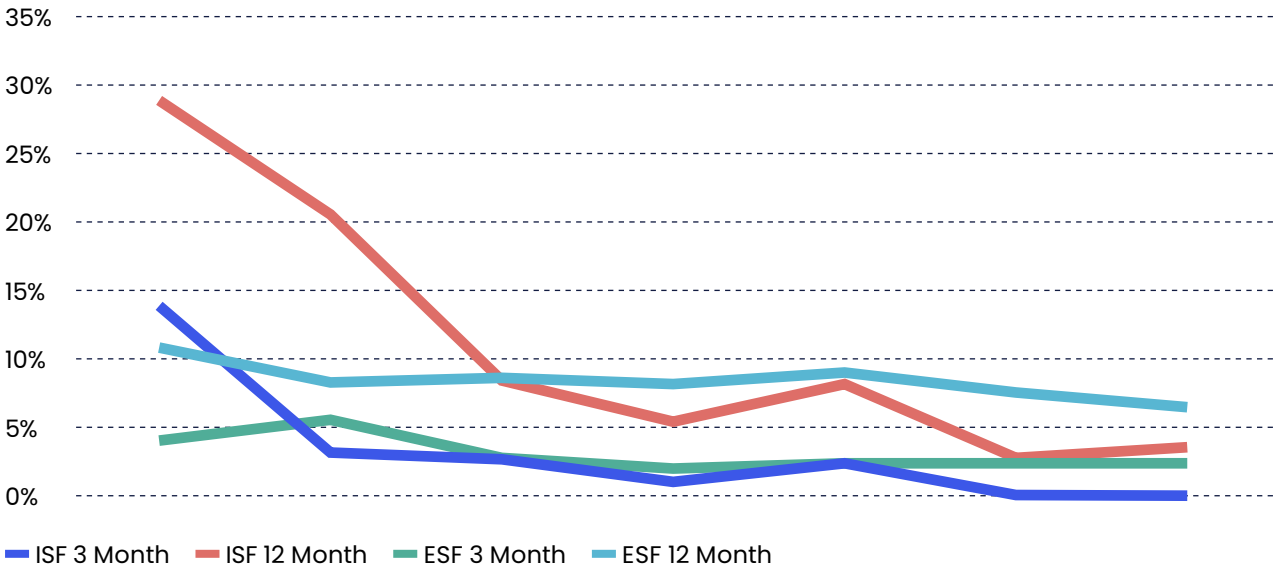
Monitoring Device Installations	Installations	11,496
	Device Availability	95%
	Positive Intervention	72%

Strengthening our customer field response
We've improved how we manage incidents when they occur. We've increased resource for conducting on-site investigations and enhanced technical support to frontline teams. We can respond more quickly, develop a clearer understanding of incident-cause and take more effective action to protect customers.

We've also increased our number of Escape Field Technicians and appointed a dedicated specialist who focuses on customer impact. These specialists ensure customer history and property level information are considered when deciding and implementing action, ensuring we're tailoring our response appropriately.

Targeting repeat incidents
We continued to drive zero-tolerance for repeat incidents, tracking repeated sewer floodings over the short and long term to gain insights for further investigation. All action is focused on minimising risk of reoccurrence, and, although we have more progress to make in this area, we continue to see overall continued improvement in reducing repeat incidents.

Repeat incidents



ISF: Internal sewer flooding
ESF: External sewer flooding

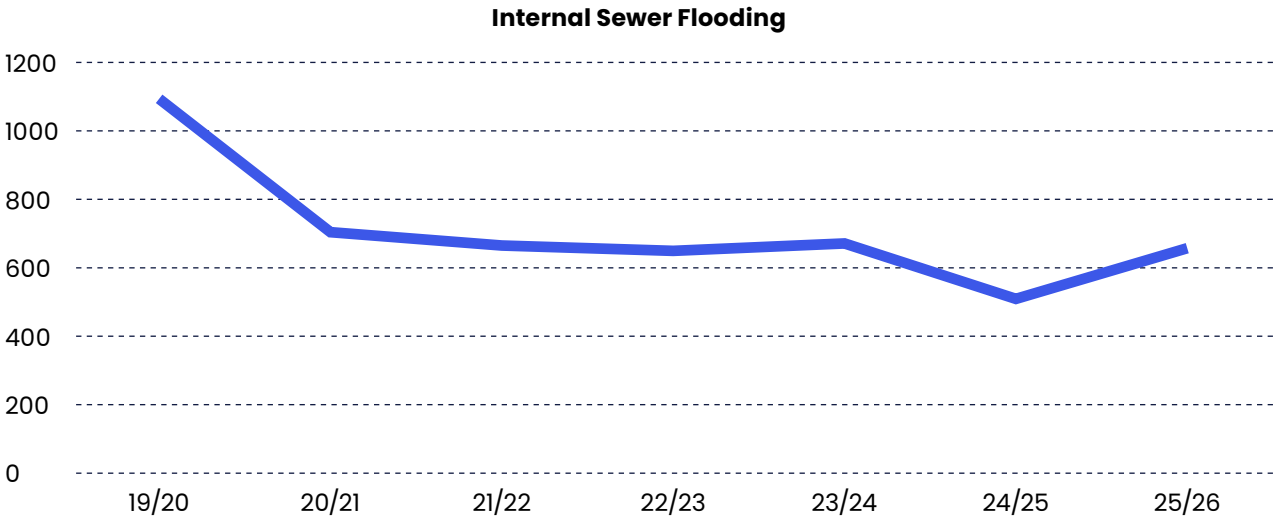
Close working with the Network Health team
We work closely to share data and reconcile sewer collapses and escape reports. These checks are important to correctly link sewer escapes to a reportable collapse. This improves our oversight, governance and data capture, including events involving third-party interference, which, although excluded from this commitment, contribute to our system intelligence.



The challenges and what we're doing about them

Internal sewer flooding performance
For internal sewer flooding, this year's performance has not matched the progress we achieved last year. The target set for this year was challenging, and while we set clear plans to meet it, we didn't achieve the level of performance we aimed for.

While our performance figure this year is disappointing, particularly following our strongest result to date last year (see graph below), we have taken valuable learning from it to strengthen our approach, drive improvement and do better.



Rapidly shifting wet and dry weather
We identified a clear link between both the extreme drought and extreme rainfall conditions we experienced in the year, and resulting blockages and issues in the network.

Resource and operational pressures at the same time reduced our ability to recover performance between these weather events and created a prolonged period of elevated risk to our sewer network performance and resilience.

Intense rainfall also presented risk to the high number of cellared properties we have in the region. This year, approximately 70% of internal sewer flooding incidents occurred in cellared properties, highlighting their increased vulnerability.

We acknowledge we need further work to strengthen resilience in this area, improve preparedness and target interventions. We continue to review and manage these risks to reduce customer impact, actively planning for weather impacts and undertaking proactive maintenance and targeted interventions.

Transition to new wastewater delivery partner
At the beginning of the year, we began working with a new delivery partner for wastewater repairs and maintenance. The transition was complex, with a high volume of work being transferred during a time of increased demand. The resulting resource issues impacted both urgent repairs and planned proactive work, which also increased the level of mitigation work we needed to carry out to reduce risks for customers and prevent repeat incidents.

We increased capacity across teams to lessen the impact of a lower operating performance in this area, and we continue to monitor and respond to this as a key driver for our performance. We've also put other enhancements in place, such as daily checks, improved oversight, targeted training, and strengthened escalation processes, to improve our control over performance, support recovery of our performance and reduce associated risks.

Changes to systems and processes
During the year, we introduced significant changes to our ways of working that will, in the long term, improve our service to customers. However, we experienced system issues and delays, which affected our ability to respond quickly to incidents, and impacted our follow-up work and data recording. Although we have strong checks in places and were able to identify the issues we needed to, this was a further demand on our resources.

We continue to operate temporary workarounds across our processes until these new ways of working are fully embedded, including the use of dual systems and manual data handling. We're also recruiting across our teams to mitigate resource issues.

Plans going forward for continuous improvement

The learning from successes and challenges this year will shape how we strengthen our network and operational resilience, improve sewer flooding performance, and deliver better outcomes for customers. As a result of our learning, we are prioritising:

- Improved **data integration** so it is not spread across multiple systems – this will help us view end-to-end risk, respond faster, target proactive interventions, better manage repeat incidents for those most at risk, and provide even more transparent reporting.
- Improvements in how we **identify and manage customers at risk** so we can contact and engage customers ahead of high-risk periods.
- A **focus on repeat incidents** with consistent investigations, robust root cause identification and timely follow-on work, as well as enhanced governance and performance reviews.
- Improvement of **process documentation** to ensure consistency, mapping of workflows and strengthened assurance, which all supports identification of inefficiencies and opportunities to improve service.

Strengthening our operational resilience
It is critical to our performance going forward that we understand how external factors, like workforce capacity, contractor performance and weather, impact our operational resilience.

For example, 40% of planned sewer monitoring installations could not be completed this year due to access issues, which take time and resource to resolve. In response to this, we are now improving our scheduling and how we work with customers.

Weather resilience remains a key focus. We're introducing tools to better understand the relationship between rainfall, groundwater, and network performance, enabling earlier intervention and improved preparation for weather-related risks.

We also know it is crucial to our performance that we maintain a capable and adaptable workforce. We're strengthening our **training programme**s, improving competency tracking, and working closely with our training academy to build capability. Within the Network Escapes team, we've introduced a structured coaching framework, which we expect to deliver measurable improvements in year two.

We've reinforced the importance of cross-functional learning and will expand our approach across all teams in year two. **Sewer Flooding Roadshows** provide targeted sessions on investigation quality, customer outcomes, and compliance expectations, which drive improved awareness and proactive working.

And we're increasing our collaboration with other water companies, Ofwat and partners to **share best practice, invite challenge and strengthen a targeted, aligned approach**. We remain committed to continuous improvement and will be actively participating in the National Flooding Assurance Group and wider industry forums.

Root cause prevention remains primary focus
Root cause prevention is top of our priority list, with approximately 90% of incidents attributed to blockages and collapse. We also recognise that internal sewer flooding is a key driver of customer dissatisfaction, and our plan is designed to reduce its impact and support improvements in C-MeX performance (see page 108).

£89 million investment throughout this AMP
We are investing approximately £89 million across four priority areas to deliver improvements throughout the AMP period, alongside longer-term benefits through network rehabilitation. These four areas are:

- Conducting **90,000** property inspections each year.
- Installing **16,700** new monitors each year.
- Carrying out cleansing and blockbuster (targeted, high-intensity interventions to remove severe or recurring blockages in the sewer network, often in known hotspot locations) activities in **460km** of pipe each year.
- Undertaking **50** customer campaigns in high-risk locations each year.



Repairs to burst mains

Building a resilient mains system so we get less bursts

What is our repairs to burst mains performance commitment?

This is how many proactive and reactive physical repairs we've carried out to burst mains in our treated water network, per 1,000km of mains, during the financial year (from the 1 April 2025 to the 31 March 2026).

What it doesn't include
The measure does **not** include routine maintenance, repairs and renewals to our mains network to pipes that are not burst, or any third-party repairs.

A low score is better
A low score is good. It means we've needed less repairs and had a lower number of bursts.

Why is our repairs to burst mains performance commitment important?

Burst mains are responsible for substantial water loss, directly impacting customers with interruptions to service and low pressure. The measure is important because it shows how resilient our system is by the number of repairs we've had to make.

More maintenance less bursts
Making sure our mains system has the right level of maintenance to prevent bursts from happening in the first place is a priority. **Plus** having a rapid service response for reactive repairs when something unexpected goes wrong.

Good to know

Proactive and reactive burst main repairs are two types of repairs that fix bursts in our mains system.

Proactive repairs are planned repairs we carry out as part of our active leakage control programme.

Reactive repairs are repairs we carry out in response to customers informing us of a leak.

Our 2025/2026 performance – how did we do?

We **didn't** meet this performance commitment for numbers of mains repairs carried out, per 1,000km of mains length.

The numbers
Our performance for total number of mains repairs per 1,000km of mains length was **189**, against a target of **185.3**, which means we underperformed by **3.7**.

Description	Number of actual repairs	Number of repairs per 1,000km of mains length
Mains repairs – reactive	4,327	133.1
Mains repairs – proactive	1,818	55.9
Total number of mains repairs	**6,145**	**189**

Higher number of burst mains than expected
The weather will always pose challenges to our mains water system, which we expect. The drought during 2025 led to an increased number of mains bursts over the summer. The drought was then followed by an extreme cold spell in January 2026. Combined, these two events resulted in a higher number of reported mains bursts than we forecasted.

Areas where we improved

Use of AI app to support mains repairs
Our use of the FYLD app, an AI-driven digital platform, which provides high-quality photography and video evidence of work undertaken onsite, has been successful and continues to play an important part in our mains repair assurance process.

Our repairs and maintenance partner also uses the app, enabling us to easily validate mains repairs in the field, providing us with real-time visibility and the ability to see site progress, as well as manage and connect relevant teams.

Repairs can be carried out faster by using app-based site surveys before teams arrive, resulting in reduced job delays and cancellations. Importantly too, we're able to log every aspect of a mains repair with the evidence we need to meet our regulatory standards.

Responsive improvement in detection and repair times
In response to the higher workload of repairing burst mains this year, both our Leakage team and our repairs and maintenance partner successfully improved their detection and repair times. Through the implementation of advanced acoustic loggers, smart network analytics, and expedited emergency highways permits, we have halved the time it takes to move from reporting to fixing.

Implementing regional pressure management
We implemented increased regional pressure management as part of our response to the severe drought we experienced in 2025. This was to reduce both system pressure and overall demand for water, without reducing service to customers. The pressure changes have worked well and will remain in place; with expectations they will help to reduce mains bursts in year two.

Plans going forward for continuous improvements

Mains rehabilitation schemes remain a priority
The more of our mains system we can replace, focusing on the mains that are assessed as 'poor condition' and prone to frequent bursts, the less proactive and reactive mains repairs we will need to carry out. And, importantly, the less frequently our customers will need to contact us due to service interruptions.

Good to know

Regional pressure management is where system pressure is lowered across the network. The decreased pressure lessens stress on the system, helping to reduce leakage and prevent bursts.

Rehabilitating poor condition mains therefore continues to be a priority and one of our most effective strategies for ensuring a robust mains network that can withstand challenges posed by extreme weather events.

Our £406 million upgrade has begun!
By 2030, we plan to have upgraded over a **1,000km** of our clean water infrastructure to improve services to customers and reduce supply interruptions. We're prioritising the mains areas that will benefit the most from prompt replacement, for example, where there have been repeat bursts and leakage.

In this first year of the new AMP (Asset Management Period), we replaced **170km** of clean water mains. This was mainly completed in the second half of this first year. Though we have yet to fully understand the potential reduction in mains bursts this work will make, we anticipate it will be significant in the coming years.

New clean water mains in Rotherham
At the end of the reporting year, we began the **£3.8 million project** to replace over **7.6km** of clean water mains in the Ryecroft area of Rawmarsh, Rotherham. The replacement will not only improve resilience against bursts and supply interruptions but the reliability of drinking water too.

It's all part of our largest ever investment programme
The upgrade to our clean water infrastructure is just one part of our largest ever investment programme of over **£8.3 billion** to upgrade our network and improve services to customers across the Yorkshire region over the next five years.

Sewer collapses

Strengthening our below ground assets for minimum failure

What is our sewer collapses performance commitment?

This is the number of sewer collapses occurring during the financial year (from the 1 April 2025 to the 31 March 2026) per 1,000km of sewer network.

What is a sewer collapse?
A sewer collapse is classed as a structural failure to a pipe resulting in service impact to a customer/s and/or the environment, necessitating replacement or repair of the pipe to reinstate normal service.

What's not included
This performance commitment is specifically to identify, measure and monitor unidentified structural weakness in our sewerage system. Where we've proactively identified a sewer collapse or there has been a collapse caused by a third-party, these are **excluded** from the count.

A low score is better
The lower our score the less sewer collapses have occurred, along with their associated negative impacts on customer service, network capability and pollution.

Why is our sewer collapses performance commitment important?

Sewer collapses cause, often significant, customer disruption, harm and pollution to the environment. They're also costly to repair and impact financial and organisational resources.

Preventative maintenance
Preventative maintenance, including identifying high-risk properties and weak spots aims to minimise sewer collapse events and their negative impacts. Our aim is to put issues right before they become or cause a major issue.

Our 2025/2026 performance – how did we do?

We **met** our regulatory performance commitment target for sewer collapses, per 1,000km of sewer length, as well as improved on our 2024 performance.

The numbers
We achieved **6.63** sewer collapses, per 1,000km of sewer length, (350 actual) against a target of **14.07**, which means we overperformed by **7.44**.

Sewer collapse type	Actual	Performance per 1,000km sewer length (52,753km total)
Gravity sewer collapses	263	4.98
Sewer rising main bursts	87	1.65
Total	**350**	**6.63**

This is 4.9% improvement on our 2024/2025 performance of **6.97** sewer collapses per 1,000km (367 actual).

Areas where we improved

The controls we have in place to support this performance are now well-embedded in our day-to-day processes.

We also have introduced a number of other new work areas and measures making a positive impact, including:

- Increasing our **Network Health Lead team** from one full-time equivalent member of staff to three – ensuring a continuing focus on sewer collapses, blockage data analysis, regular assurance checks and data alignment.
- Implementation of new systems and robust **on-site data collection** processes – improving quality of information on asset condition, which boosts our insight for early intervention opportunities and management of network risks.
- Weekly peer **consistency checks** by our Network Health Leads – acting as quality assurance reviews to ensure shared learning, continuous improvement and transparency.
- Weekly **reconciliation checks** between verified collapses and escape reports – these checks confirm all verified collapses, where appropriate, are correctly linked to a sewer flooding escape report (exceptions, such as third-party interference, are applied but remain reportable as escapes, in line with regulatory definitions and requirements).

Sewer Maintenance Programme (SMP)
Our sewer maintenance programme has continued to strengthen its targeted approach with enhanced methodology and operational delivery. We are already seeing, in this first year of AMP8, improvements in identifying sewer defects.

- Using weighted factors, rather than postcode risk, we identified **90,000** properties at risk of internal/external sewing flooding.
- We achieved sewer investigations at **90,063** properties, accessing 77,794 – an access rate of 81.5%, an increase on last year and above our target of 80%.
- We said we would find 1,802 blockages in year one – we found **3,012 blockages**, an increase of 177% from last year. 39.4% of the blockages were found to be surcharged upon arrival (full and under pressure).
- We said we would find and fix 2,702 defects over year one – we found **7,364** defects and repaired **5,144**, the remainder will be carried over to year two.

The challenges and what we're doing about them

Teething issues with new systems
We experienced some early-stage challenges with our new ways of working, relating to generation of forms and system/user issues with new devices. However, we mitigated the risks to ensure data integrity was maintained, strengthening our cross-team collaboration and response to emerging issues.

Transition to new service partner
We experienced some operational disruption at the start of the year, during the transition to a new service partner. Work in progress inflated and service level agreement timescales exceeded. However, additional assurance activity was applied to ensure validation of records and accurate reporting.

Sewer Maintenance Programme (SMP)
Mobilisation of new ways of working took longer than expected, particularly building subcontractor capacity. We experienced complexities in progressing more challenging cases, which took longer to resolve. As a result, some of this work has been carried forward to year two, and the full benefits will be realised as this is completed. Our insights from this period have helped us strengthen our planning processes, which will, ultimately, improve delivery and build resilience as the programme moves forward.

Plans going forward for continuous improvements

Overall, we have strong confidence our commitments are being met, risks are being managed effectively, and foundations are in place that are robust and sustainable as we move into year two of AMP8. However, we plan to remain proactive and adaptable to demand and emerging challenges, continuously learning and strengthening our planning and response.

Unplanned outage

Keeping our above ground assets running for the water we need

What is our unplanned outage performance commitment?

This is how much water production we lost, during the financial year (from the 1 April 2025 to the 31 March 2026), due to unexpected breakdowns or problems with our water treatment works or production facilities, often referred to as our 'above ground water assets'.

How we're measured
When an asset fails, our reduction in water production is measured, in megalitres per day (Ml/d), per site, and reported as a percentage drop compared to our 'peak-week' production capability.

Peak-week production is the maximum amount of water we can produce when all assets are fully operational.

What's not included
Any **planned** outages of assets, for carrying out maintenance or inspections, for example, are not included in the measure.

A low score is better
The lower our score the less water production we've lost, and the better our above ground water assets are working to produce the water we need.

Why is our unplanned outage performance commitment important?

We want to achieve uninterrupted, clean water supply for our customers. Measuring the water we lose through asset failure, relative to our total production capability, helps us see what's going wrong and where, so we can put it right.

Aiming for peak-week production
It's essential our above ground water assets are resilient enough to achieve as near peak-week production as possible. Constant monitoring of our assets means we can put appropriate improvements and maintenance programmes in place promptly.

Our 2025/2026 performance – how did we do?

We have **met** and exceeded our performance target for unplanned outage.

The numbers
We achieved a **2.72%** reduction in lost water production compared to our peak-week performance, against our Ofwat target of **2.85%**.

Performance in 2025/2026 saw a small deterioration compared to 2024/2025. This is due to a change in reporting methodology for AMP8, where the regulatory guidance no longer exempts the removal of capacity due to water quality issues. The table below shows an overall improving trajectory for this performance commitment.

Year	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Outage Ml/d	63.66	62.59	53.28	48.54	40.92	46.80
Unplanned outage %	3.87%	3.82%	3.25%	2.95%	2.48%	2.72%

Areas where we improved

Increased focus on at-risk sites
During the drought, we successfully focused on ensuring as many sites and their assets as possible were capable of their full output, to ensure no customers lost supply.

Although we saw 44 drought permits granted by the Environment Agency, it meant we were able to expedite decision-making to carry out work on those assets at risk of an outage. This worked well and our drought-related escalations drove unplanned outage down with quicker decision-making and emergency capital schemes to increase production and resilience.

Lessons learned sessions from the drought kept up momentum and an agreed funding pot for teams to request work to further protect assets, on top of agreed capital schemes, was established.

Smarter spares locations and network enable quicker fix times
We introduced satellite sites across Yorkshire so that both common and site-specific spares are kept on the shelf closer to the assets that need them. Automatic restock functions are also in place, which means we spend less time moving parts around and fix assets quicker.

We also have a smarter, faster and more reliable logistics network across the region for parts. Our technicians now use an app to view and update parts and asset information straight from their smartphone.

Successful root cause analysis of asset failure
In last year's Annual Performance Report, we stated that one of our largest failures was due to the hardness of the metal used in gearbox parts manufactured for our wastewater clarification system at the Eccup site.

Root cause analysis confirmed this was the issue, so we implemented a material specification for the parts with the result that we have seen no further outages linked to the problem. We will carry out further root cause analyses where outage volumes/duration are raised.

'Pink tags' protect critical parts
Within clean water production we have introduced a new 'critical spare' tag – which is pink. The physical tag alerts users that the part is only to be fitted where the part was purchased for, so we don't leave ourselves short when a critical asset fails and the part is required. The tags also allow us to track usage, giving us greater insight into our supply needs.

The challenges and what we're doing about them

Delays to maximum flow trials
The drought created challenges for us in completing our maximum flow trials, since many reservoir sites were purposefully run at lower flows through the summer to preserve dwindling stocks. This meant many sites were delayed in evidencing their ability to meet peak week production capability. However, we completed these trials as soon as we could in autumn and winter.

Water quality outages at borehole sites
Two borehole sites with ongoing water quality issues contributed substantially to our outage figure this year. We overcame issues at both sites following emergency schemes, one capital scheme to repair the borehole and an emergency scheme to mobilise granular activated carbon filters.

We have subsequently increased the size of our drinking water safety catchment team, with the team doubling in size to ensure they can take a more proactive approach and help mitigate these issues in the future.

Removal of water quality exemptions
The latest Ofwat guidance removes water quality exemptions from unplanned outage reporting. However, we were already working on projects to reduce these outages, which has mitigated negative performance. For example, our Tophill Low water treatment site (see image opposite) has had a £34 million capital scheme delivered to install new filters, removing taste and odour compounds, which in previous years has led to reduced flows.



The new GAC (Granular Activated Carbon) filters plant at Tophill Low.

Plans going forward for continuous improvement

We've learnt many lessons from the last year and have plans in place to further improve our unplanned outage performance and serve future generations to come with uninterrupted clean water supply.

Growing our team, knowledge and engagement

- We've grown our **unplanned outage reporting** and **continuous improvement teams**, which is driving our performance in line with Ofwat guidance, ensuring we're compliant at all times.
- We went '**on the road**' with our **water production events** to get feedback from our teams on the ground. Teams told us they want to be kept more informed about performance, so we now run weekly team hubs as standard, increasing awareness that has led to more **proactive raising of issues**.
- **One-to-one sessions for new starters** are now rolled out, to increase awareness and understanding of unplanned outage and in-role knowledge.

AMP8 investment programme

AMP8 (Asset Management Period 8) brings an extensive list of capital works to target assets most in need of improvement. We want to make sure this investment supports what's right for customers and for the environment so funding is spread across a wide range of projects, many of which will improve unplanned outage performance, including:

- **£178 million** – base maintenance to maintain the operation of existing assets.
- **£57 million** – DWI (Drinking Water Inspectorate) enhancement schemes to enhance the performance of existing assets or deliver new assets to meet water quality requirements.
- **£36 million** – water resource management plan (18 rapid gravity filter refurbishments, a full works rebuild and 11 chemical dosing process refurbishments).
- **£6.7 million** – allocation for emerging risks.
- **£500,000** – clean water resilience to improve raw water and treatment works resilience.

New Operational Support Centre at Valley Park, Leeds

Our new Operational Support Centre in Valley Park, Leeds, will open in 2026. This new shared space will support operational delivery and create stronger connections, bringing teams under one roof to enable better ways of working.

We're also investing in a new improved central storage facility, so we'll be able to store more critical spares, reducing lead times and supporting faster repairs.

Discharge permit compliance

Only clean seas, rivers and streams will do

What is our discharge permit compliance performance commitment?

This shows how effective we've been during the 2025 calendar year (from the 1 January to the 31 December) at meeting the legal quality standards for the water we release from our many treatment works (often referred to as our above ground wastewater assets), back into the environment.

Keeping within environmental permit standards
All our wastewater and water treatment works have environmental permits setting out strict quality standards for the water we release into watercourses, like coastal seas, rivers and streams. The quality standards are set by the Environment Agency (EA), and we're robustly tracked with thorough testing carried out to ensure we're meeting them.

A high score is better
Our score is the percentage of our treatment works sites that have not failed the conditions of their environmental permits. A single treatment works site is classed as failing even if it fails the conditions of its permit once.

Why is our discharge permit compliance performance commitment important?

Monitoring our discharge permit compliance helps us keep a check on our above ground assets to ensure we're not contributing to contamination or operating outside of our legal permit limits.

Single fails aim to protect our waters
By setting a compliance standard of fail for single occasions of permit breaches, we're alerted to **every** need for improvement, supporting us in our aim for 100% clean water bodies in Yorkshire, 100% of the time.



Our 2025 performance – how did we do?

Although we **didn't** meet the performance target of full compliance with discharge permits at our treatment works, we received the highest possible rating from the Environment Agency (EA) of '**Green**' for achieving **over 99%** compliance.

The numbers
We achieved **99.04%** compliance with discharge permits at our treatment works, against a target of **100%**. We are pleased to have improved our performance from last year, which was **98.4%**.

Three of our treatment works were classed as 'failing' this year (please see the table below), compared to **five** in 2024.

Treatment works	Number of discharges	Number of treatment works	% performance
Water treatment works	22	0	100%
Wastewater treatment works	292	3	98.97%
Total	**314**	**3**	**99.04%**

Areas where we improved

Improved focus on individual sites
One of the main reasons our performance this year has improved is our restructuring of operational catchments, from 10 to 12, enabling us to have greater focus on each site's compliance.

Operational catchments are our designated land areas where rainwater, surface runoff, and/or groundwater drain into rivers, reservoirs or boreholes. These are vital zones of raw water collection and by managing these land areas, or 'catchments', we can better ensure water reaching its treatment works is cleaner, prior to treatment.

Stepping up our internal operational standards
We strengthened our assurance processes through enhanced internal audits and performance excellence measures to track our operational targets, verify data and ensure accuracy. These measures helped us to identify underperforming treatment plants and resolve issues quickly.

We also targeted our 'Toolbox Talks' to support operational staff and engineers in their adherence to operational standards. Toolbox Talks are brief, focused training sessions on subjects such as, environmental compliance, safe operating and pollution prevention methods, delivered to our colleagues directly involved with this measure.

The challenges and what we're doing about them

We haven't had a permit failure caused by multiple **lower limit sample failures** (sometimes called 'lookup' failures), since 2022. These are failures where a wastewater treatment works fails to meet the minimum number of sample limits within its permit. Our high performance for these types of failures shows we're successfully identifying the right issues early and putting corrective actions in place before they cause a failing works and environmental pollution.

Most of the failures we have seen since 2022, however, have been **upper-tier failures**, where a single sample causes a site to fail because it has breached the limit set in its environmental permit. These are more severe failures, difficult to predict and occur most often as one-off events, caused by a variety of events, for example, equipment failure or capacity overload from excessive storm flows. Preventing upper-tier failures remains a priority focus for us going forward so we can put effective, preventative measures, and ongoing monitoring, in place.

Plans going forward for continuous improvements

New Root Cause Analysis team
We have created a new environmental Root Cause Analysis team to thoroughly investigate all failures. Their work is vital to improving our understanding of the causes of complex upper-tier failures particularly. With resource dedicated to this analysis, we hope to be able to put increasingly effective, targeted measures in place.

Continuation of our WINEP (Water Industry National Environment Programme) investment
While investment is not directly allocated to this performance commitment, the **£2 billion** we are investing in the Water Industry National Environment Programme over the next five years will indirectly improve our performance for discharge permit compliance, since measures tackle environmental water quality directly, including:

- **£1.1 billion to £1.4 billion** to address wastewater discharges and improve sewer resilience, with a target of reducing storm overflow discharges by **43%**.
- **£67 million** to lower chemical nutrients at treatment plants and **£560 million** environmental investment in wastewater non-infrastructure, with a target to reduce phosphorus levels in our treatment works by **75%** and from entering our rivers at **45** treatment works across the region.
- Catchment management projects where we work directly with **landowners and communities** to prevent agricultural phosphorus from entering our watercourses as run off from land.

Our WINEP programme is part of our **£8.3 billion**, 2025-2030 investment programme to upgrade infrastructure and improve water quality, with plans to significantly reduce sewer overflows, remove harmful chemicals from rivers, and ensure reliable, clean water supplies across the region.

A healthy, natural environment

Reducing pollution and sewer flooding, improving river quality and enhancing biodiversity across the region.

Our performance commitments in this section are:

- **Total pollution incidents and serious pollution incidents**
- **Storm overflows**
- **River water quality**
- **Bathing water quality**
- **Biodiversity**

Total pollution incidents

Doing more to protect our environment

What is our total pollution incidents performance commitment?

This is the **total** number of pollution incidents during the 2025 calendar year (from the 1 January to the 31 December), per 10,000km of the sewer length we're responsible for.

What is a pollution incident?
A pollution incident is classed as any unpermitted discharge or escape from wastewater assets that causes harm to the environment and/or wildlife. The measure includes categories 1, 2 and 3 of pollution incidents as defined by the Environment Agency (EA), with category 1 being the most serious through to category 3, which is classed as 'minor', with 'limited or short-term damage'.

A low score is better
The lower our score the more effective we've been in limiting the number of pollution incidents and managing our assets to this effect.

Why is our total pollution incidents performance commitment important?

We want to – and our customers want us to – do what's right for the environment so we can all enjoy healthy rivers and coastlines. The measure helps us see how we're achieving that. If we're being successful, or not, at minimising environmental harm caused by our wastewater operations.

Learning from all incidents
Even one pollution incident is one too many. The inclusion of **all** incidents in this performance measure, even category 3, provides us with an accurate picture of our total impact. This helps us learn from every single incident however small, be transparent about performance and understand where we need to drive improvements.

Serious pollution incidents

Zero tolerance for significant pollution, whatever the weather

What is our serious pollution incidents performance commitment?

This is the number of **category 1 and 2** pollution incidents during the calendar year of 2025 (from the 1 January to the 31 December).

What are serious pollution incidents?
Serious pollution incidents are when there has been discharge or escape from our wastewater assets, classed by the Environment Agency (EA) as a category 1 or 2 incident.

Category 1 pollution incidents are defined as 'major', involving serious, extensive harm to people or the environment. Category 2 are defined as 'significant' with substantial impact.

A low score is better
We aim for zero serious pollution incidents, so the lower the score the better. There are **no** exceptions or allowable weightings for adverse conditions.

Why is our serious pollution incidents performance commitment important?

We take every pollution incident extremely seriously. Root Cause Analysis (RCA) of our significant incidents provides us with valuable learning, and can help to drive large-scale improvements through our pollution incident reduction plan, such as programmes of additional monitoring and maintenance.

Future-proofing our below ground assets
We are committed to ensuring our wastewater system is fit for purpose, whatever adverse weather comes our way. Our priority is to reduce serious pollution incidents to zero.

Our 2025 performance – how did we do?

Good to know

Category 1 'major' pollutions – incidents with severe or widespread impacts on the environment, people, or property.

Category 2 'significant' pollutions – incidents that have a notable but localised impact on the environment or community amenities.

Category 3 'minor' pollutions – incidents that result in minimal or localised impact, such as minor, short-term aesthetic water quality.

Total pollution incidents

We **didn't** meet the 2025 performance commitment target of fewer than **25.02** category 1, 2 or 3 pollution incidents per 10,000km of sewer length.

The numbers
We recorded **49.75** total pollution incidents per 10,000km of sewer length (**260 incidents in total**), which is a 72% increase in reportable pollution events compared to 2024, a performance we are extremely unhappy with.

Serious pollution incidents

We **didn't** meet the 2025 performance commitment target of **zero** serious pollution incidents (category 1 and 2).

The numbers
We have seen the number of serious pollutions in the 2025 calendar year remain the same as in 2024, at **13**, all **category 2** incidents. We are disappointed with this performance as we recognise the only acceptable number of incidents is zero.

A disappointing pollution performance this year
We understand how important clean rivers, healthy water environments and reliable wastewater services are to the communities we serve, and we recognise our performance needs to improve.

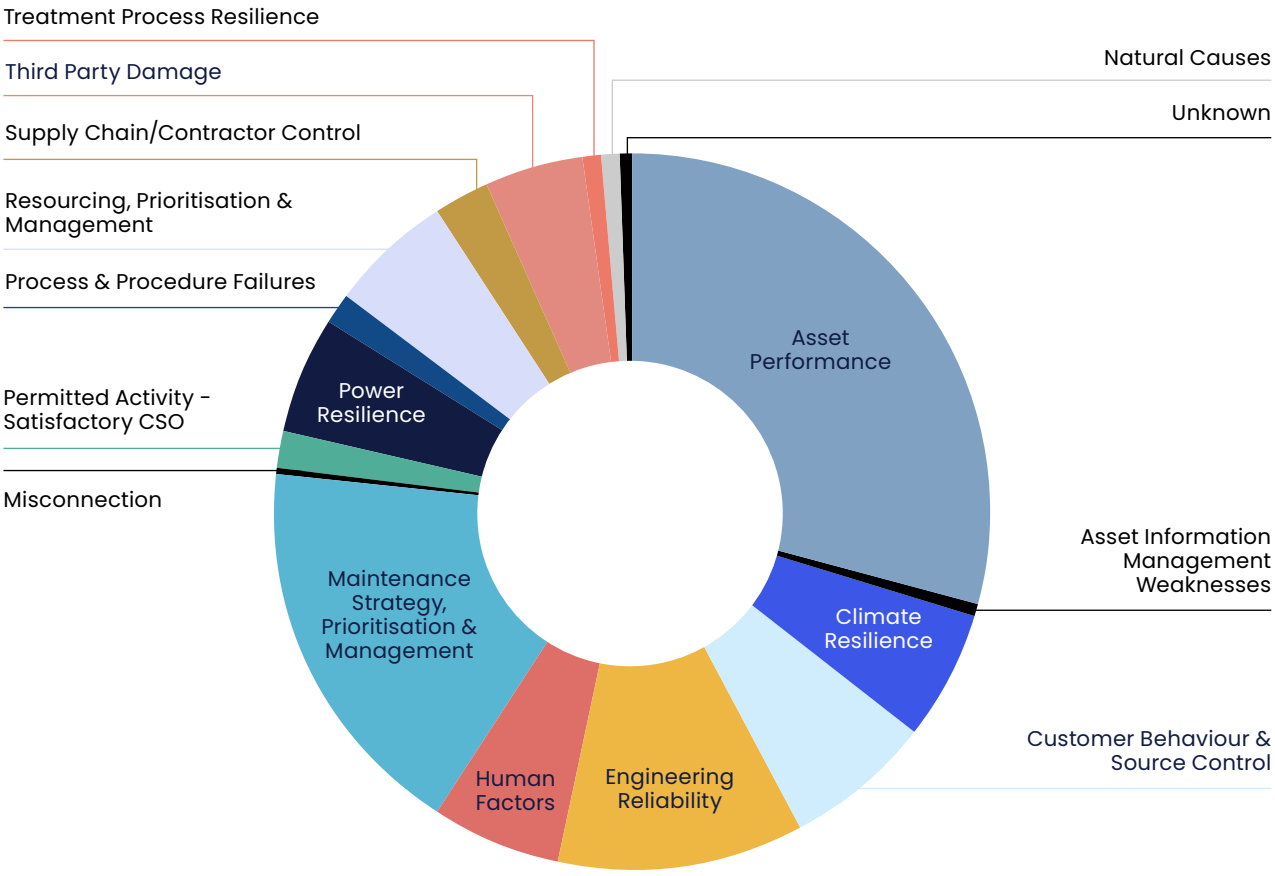
In 2025, performance challenges were compounded by extreme weather conditions, including a prolonged period of drought and several named storms. The drought created significant issues for our smaller wastewater treatment works (sometimes referred to as 'descriptive works'), which typically serve rural communities of fewer than 250 people and often discharge into small watercourses. Reduced flows in these watercourses, which often become dry ditches during drought conditions, mean that even routine discharges have a greater environmental impact than usual because there is less rainwater to dilute the discharge. This resulted therefore in a greater number of pollution incidents.

Customers place trust in us to manage their water and wastewater services, and we have heard clearly from them that they expect higher standards and faster action to protect the Yorkshire region's rivers and waterways. We understand these feelings and take them seriously, recognising that restoring confidence means being **transparent about our performance** and **investing in improvements**.

The challenges and what we're doing about them

Understanding root cause
Last year, our CEO, Nicola Shaw, personally led investigations into 2024 pollution incidents to understand the root causes. By determining whether the cause lies in asset condition, operational practices, customer behaviour or external influences, we can implement targeted corrective actions and long-term preventative measures, reducing repeat issues.

2025 Root causes



Increasing our resource
Several of the actions required have taken time to implement, for example, increasing resource through recruitment, but, between April 2025 and January 2026, we recruited 80 additional colleagues into our Customer Field Services team who, amongst other important priorities, respond to potential pollutions. We also recruited a dedicated **Pollution Investigation team**.

Increasing our focus and vigilance on pollution
Throughout the year we have ensured we have everything in place to actively monitor environmental health and assess pollution in our waterways, to ensure **all** pollutions are recorded and nothing is missed. We have:

- Refreshed training with colleagues on recognising pollution,
- Improved incident investigation processes, and
- Embedded robust monitoring methods and new governance.

Plans going forward for continuous improvements

Reducing pollution events continues to be one of our top priorities – we know we need to do better and go further to protect our much-loved environment.

Our new Pollution Incident Reduction Plan (PIRP)
In 2026, we published our new **Pollution Incident Reduction Plan (PIRP)**, which is designed to drive consistently excellent environmental performance, and reflect our commitment to protecting the environment, strengthening trust and delivering the high standard of service that customers expect and deserve. The plan utilises our root cause analysis to identify targeted improvements around three key themes: Asset Performance, Operational Intelligence and Enhanced Operational Effectiveness, and sets out detailed improvement plans for each type of asset which may cause pollution and the action we will take.

We're serious about eradicating the problems and achieving zero serious pollutions
We are taking many other steps to improve our pollution performance, including specific initiatives and investments that directly target issues identified as root causes of pollution incidents. Poor asset performance is our greatest cause of incidents, so we are:

- Moving from cyclical maintenance to predictive monitoring, using AI algorithms and electrical signature analysis on critical motors and pumps to detect potential failures before they happen.
- Increasing our monitoring capability across the sewerage network so we can identify potential issues earlier to prevent pollution incidents. We've installed 5,000 level sensors and added new pressure monitoring and SMART air valves across our network. We've focused installation on areas most at risk of pollution to prevent them from becoming environmental incidents.
- Using innovative technology to help us with our monitoring, such as SewerBall® (a tennis ball-sized device that floats through and inspects sewer pipes) to identify issues in the sewer before they develop into incidents.
- Carrying out targeted sewer renewals, utilising hotspot mapping to identify and replace deteriorating sewer pipes prone to collapse or blockages.
- Aspects of customer behaviour also lead to poor asset performance, so we're investing in public awareness campaigns to not flush wipes - a leading cause of blockages - and upgrading screens at our wastewater treatment works.
- To address `human factors' and process and procedural controls contributing to asset failure, we're rolling out compliance training across the organisation, so all colleagues understand our environmental permit obligations and are empowered and enabled to also spot issues early on, to help prevent incidents.

We're making changes now for a better future
Although we made significant investments throughout 2025, both financially and through strengthening our teams, we are yet to see the full impacts from these improvements.

What we do know, is that important foundations for better outcomes are now firmly in place, for example, we saw positive improvement in our Serious Pollution performance in the latter half of the 2025 calendar year as a result of our interventions.

Storm overflows

Weathering the storms to keep discharges to a minimum

What is our storm overflows performance commitment?

This is the average number of discharges per operational storm overflow during the 2025 calendar year (from the 1 January to the 31 December). The figure includes **all** discharges from storm overflows – including those within permitted legal limits.

What are storm overflows?
Storm overflows act as 'safety valves' in our sewerage system. During heavy rainstorms, they protect households and properties by releasing rainwater and sewage directly into rivers and seas. We always aim to reduce the number of times our storm overflows operate, either by ensuring our assets are working as designed, removing surface water, or utilising additional capacity through an enhancement project. They should only be used in **exceptional** circumstances as any discharge impacts the environment and public health.

How we're measured
For **monitored** storm overflows, we use near real-time data to measure the discharges. The first 12 hours of a discharge counts as 1, then 1 for every 24 hours that the discharge continues until 24 hours passes without a discharge.

For each **unmonitored** storm overflow, an assumption of 100 discharges per 12-month reporting period is used.

A low score is better
The lower our score, the more effective we've been at limiting the number of discharges.

Why is our storm overflows performance commitment important?

Public health and that of the environment are our top priorities. Our commitment to reducing storm overflow usage involves both working hard to operate and maintain our network, assets and equipment to best effect and providing adequate storage in the network to prevent overflows operating.

Monitoring and analysing all discharges
Our aim is to work across our network to understand the performance of all storm overflows and all contributing factors. By monitoring, recording and analysing **all** discharges, we get vital insight, which informs our infrastructure improvement plans.

Our 2025 performance – how did we do?

We **met** our target for our use of storm overflows in 2025.

The numbers
Our average number of discharges per overflow, assuming 100% availability of monitoring, is **24.35**, against our regulatory performance commitment target of **26.04** discharges.

However, not all storm overflows will have monitoring equipment working at all times and not all storm overflows have monitoring. The availability of our monitoring sensors, also called 'uptime', was 96.2% (please see Good to know on the next page about EDM uptime). For our monitored sites, our average number of discharges per overflow was **23.43**.

Overall, this reflects a positive start to the current performance period and evidences our commitment to reducing storm overflow use and improving environmental outcomes.

What contributed to our performance?

Between 2023 and 2025, we completed our delivery of a **£180 million investment programme** focused on upgrading 100 storm overflows across Yorkshire.

Highlight achievements of the programme include:

- **75% reduction** in storm overflow discharges into the River Esk near Whitby following completion of a £1.3 million scheme that separates surface water from wastewater.
- **95% reduction** in storm overflow discharges (from 170 to 7) in Selby following a £2.3 million investment in a new sewage pumping station and storage tank.
- **85% reduction** in storm overflow discharges (2024 and 2025) in Sheffield following storm overflow upgrade work.
- Launch of our live storm overflow map giving a real-time view of storm overflows, aiding oversight and transparency for colleagues and customers alike.
- A 9% reduction in storm overflow performance due to lower rainfall experienced during the year.

Getting our planned AMP8 capital projects programme off the ground
2025 saw us making significant progress. We mobilised the Yorkshire Storm Alliance and commenced work on several enhancement projects, as well as many others that will reduce discharges.

Here are some of the things we've done so far:

- **Mobilised our flow and discharge team** – who analyse, operate and optimise our wastewater network to reduce frequency and duration of storm overflow discharges into rivers and seas.
- **Began the early base interventions projects** – cleaning and removing silt build up and blockages at the most active overflows to reduce the strain on the sewer network during heavy rain.
- **Began our silver compliance exercise** – we enhanced our management oversight of activities for improving storm overflow performance, including root cause analysis at sites of concern, upgrades, increase of storage tanks, and separating sewer systems/diverting rainwater, to prevent overflows.

Good to know

Water companies use EDMs (**Event Duration Monitors**), which are sensors in sewer pipes to record the frequency and length of time a storm overflow discharges.

Why EDM 'uptime' matters
It's important to know the 'uptime' or availability of EDMs so we know the data is reliable.

Uptime means how long the monitors were working and functioning correctly.

For example, an **EDM uptime** of 96%, means the monitors functioned correctly for 96% of the year, leaving a 4% deficit. For this reason, our regulator, Ofwat, track our **EDM availability**, as well as our data about discharge discharges.

The challenges and what we're doing about them

- The regional drought we experienced in 2025 did impact the number of discharges and therefore affected our ability to accurately assess the impact of our £180 million programme as it was not a typical year for Yorkshire weather. However, normalising 2025 data and using year-round data analysis, which included the above-average wet-weather periods, we were able to assess that the capital programme resulted in a **24% reduction** in the number of discharges and a **33% reduction** in total discharge duration compared with 2024.
- We ended 2025 with around **96.2% availability** of installed monitors on storm overflows, which measures the percentage of monitors which function, record and transmit data correctly to the Environment Agency. As this availability is less than 100%, additional discharges are added to our performance figures. However, it's our aim to increase to **97.25% availability**, which is an ambitious but achievable target, and we've set up a team specifically to drive this improvement.

Plans going forward for continuous improvement

From 2025 through to 2030, we're making our biggest-ever investment in upgrading our infrastructure, of which **£1.5 billion** is for investing in our assets so they reduce discharges from storm overflows. We've had a positive year one so far, but we plan to see yet more far-reaching improvements in reducing storm overflow discharges to enhance the quality of water in our rivers and seas.

We are:

- Investing on average **£2 million** every day between 2025 and 2030 in upgrading treatment works, storm overflows and pumping stations.
- Building on our **Storm Overflow Reduction Plan** to ensure we remain on track with our target of reducing storm overflow discharges to an average of just **16** per year by 2030.
- Mobilising significant activity across our major construction frameworks, with Yorkshire Storm Alliance having delivered **£50 million of projects** in 2025 (year one of the AMP), progressing 175 schemes to their outline design and seeing 18 projects mobilised to site.

Within the regulatory reporting guidance for this performance commitment, we are required to provide some additional information. This can be found within the below table:

Reportable information	Our stated 2025 value
Identified or newly permitted by the appropriate agency during the reporting year but will be included in the following reporting year.	**8**
Added to the reporting year because they were identified or newly permitted in the previous reporting year and are: (i) confirmed as being connected to its system, or (ii) under investigation after initially being identified by the company or another stakeholder.	**(i) 2** **(ii) 13**
Now confirmed as not being connected to its system after it was previously reported as a storm overflow that had initially been identified by the company or another stakeholder in the previous reporting year.	**6**
Closed but remain subject to a permit during the reporting year.	**1**
Closed and the appropriate agency has confirmed a permit is no longer required in relation to those storm overflows during the reporting year – with supporting evidence provided by the company to Ofwat.	**2**

River water quality (phosphorus)

Reducing phosphorus in our rivers to improve biodiversity

What is our river water quality (phosphorus) performance commitment?

This shows how effective we've been at reducing phosphorus emissions to rivers from wastewater treatment works and other sources, during the 2025 calendar year (from the 1 January to the 31 December).

Phosphorus stops our rivers being 'good'
Excess phosphorus is one of the main reasons our rivers fail 'good' classification under the Water Framework Directive. The mineral acts as a fertiliser, stimulating excessive plant growth that depletes oxygen, causing harm to fish, aquatic life and general river health.

How we're measured
Phosphorus is measured as a percentage **reduction** in emissions, relative to our 2020 baseline figure of total phosphorus emissions discharged by our wastewater treatment works during that year.

The measure includes emission reductions we've made directly at wastewater treatment works as well as reductions we've made as a result of catchment/partnership working.

A high score is better
The higher our score, the more reductions we've made in phosphorus emissions to rivers.

Good to know

Phosphorus is a normal element of domestic sewage, entering our sewer from domestic homes and also running off agricultural fields when fertilisers dissolve into soil.

But too much can be damaging to the environment. Excessive phosphorus can cause algae to grow very quickly. These 'algal blooms' result in falling oxygen levels in the water which can impact fish and other aquatic life.

Why is our river water quality (phosphorus) performance commitment important?

We want our rivers to teem with healthy plant and aquatic life. The performance commitment ensures our continued delivery of the chemical and biological treatment processes, as well as nature-based solutions, which keep phosphorus concentrations at the right level.

How phosphorus enters our system
Phosphorus enters our rivers from a range of sources, including agriculture, riverbank erosion, and the use of detergents in homes and businesses. Which is why all water companies have a statutory obligation to work to Water Industry National Environment Programme (WINEP) targets for reducing environmental impact.

Our 2025 performance – how did we do?

We **met** our Ofwat target for reducing the percentage of phosphorus emissions from our wastewater treatment works.

The numbers
We achieved a **72.44%** reduction in phosphorus emissions against our target of **72.12%**, relative to a 2020 baseline of 3,041 tonnes of phosphorus per year.

Areas where we improved

We're pleased to report our overperformance in reducing phosphorus in 2025. The drought conditions we experienced during the year meant this was an expected result as the metric uses measured flow data for phosphorus levels, which is sensitive to rainfall.

Although this is the **first year** of this performance commitment, we have achieved year-on-year reduction in phosphorus levels in our rivers since 2020.

With our continued largest-ever ongoing programme of capital expenditure (£378 million) at our wastewater treatment works and implementation of **phosphorus removal schemes**, we are optimistic about achieving our aim of removing **75%** of phosphorus load from wastewater treatment works by **2030**.

For example, our successful **£60 million phosphorus removal scheme** at Knostrop wastewater treatment works, serving around one million people in the Leeds area, achieves an average of 0.25 mg/l (milligrams per litre) of phosphorus emissions, compared to a previous average of between 3 mg/l and 4 mg/l.

The challenges and what we're doing about them

One of our main challenges is **measuring our performance** in reducing phosphorus. The metric is based on measured phosphorus data, which means it will be subject to fluctuations, caused, for example, by the weather and changes in our own operational performance.

While we know that year-on-year improvements are challenging to reliably predict, we also know improvements are, in addition, highly reliant on our schemes being delivered on time, as per our WINEP regulatory programme, which we are making progress with through our capital investment programme.

Good to know

The **Water Industry National Environment Programme (WINEP)** is a £22.1 billion regulatory framework requiring England's water companies to deliver over 20,000 environment improvements by 2030.

Every water company has its own **WINEP**, which is refreshed every five years and developed in collaboration with the Environment Agency and Natural England to make sure current environmental legislation is implemented and we all do our best to protect the environment.

Plans going forward for continuous improvements

We've already made significant progress over the last five years, reducing phosphorus at **80** of our treatment works. But we have far-reaching ambitions to go further, so that by 2030 we will have removed **75%** of the phosphorus load from our wastewater treatment works discharges compared to the 2020 baseline.

We plan to achieve this through a mixture of chemical and biological treatment processes, plus nature-based solutions. Some of our planned projects – 45 in total before 2030 – include:

- **Leyburn wastewater treatment works** – a £3 million upgrade involving single-point ferric dosing and a new sludge tank to reduce the amount of phosphorus entering the River Ure.
- **East Yorkshire wastewater treatment sites** – a £15.9 million investment in improvement works at the five sites: Leven, Watton, Cherry Burton, Leconfield, and Easington, to include implementation of mechanical, electrical, instrumentation, control and automation (MEICA) systems, installation of ferric dosing kiosks, ferric storage tank kiosks and chemicals off-loading area.

Overall, our capital programme will see **£378 million** invested between **2025 and 2030** to improve our impact on the environment for better river health in our Yorkshire region and beyond.

Bathing water quality

Making splashes with clean water for swimming

What is our bathing water quality performance commitment?

This shows how we're performing, for the financial year (from the 1 April 2025 to the 31 March 2026), for the water quality of our region's 21 designated bathing sites, which are tested throughout the bathing season from the 15 May to the 30 September 2025.

Monitored by the Environment Agency
The quality of all designated bathing waters throughout England is monitored and measured every year by the Environment Agency, in line with Bathing Water Regulations 2013.

How we're measured
Up to 20 water samples are taken from each bathing site throughout the bathing season, with a classification for each site awarded, based on a four-year rolling average of test results (the current year plus three preceding years, from 2022 to 2025). Our performance is reported as a single overall average percentage score for bathing water quality, with each site weighted according to its classification: 100% for Excellent, 66% for Good, 33% for Sufficient, 0% for Poor.

A high score is better
The higher our score the higher quality classification we've achieved for bathing water quality.

Excluded from this measure

- Designated bathing waters that **cannot** be impacted by Yorkshire Water.
- Newly designated bathing waters that have not yet undergone four years of testing.

Good to know

You can find out detailed information about each designated bathing site and related water sampling data by visiting the Environment Agency website: **Swimfo**

Yorkshire's 18 designated coastal bathing waters

- Flamborough South Landing
- Danes Dyke, Flamborough
- Bridlington North Beach
- Bridlington South Beach
- Wilsthorpe
- Fraisthorpe
- Skipsea
- Hornsea
- Withernsea
- Runswick Bay
- Sandsend
- Whitby
- Robin Hoods Bay
- Scarborough North Bay
- Scarborough South Bay
- Cayton Bay
- Filey
- Reighton

Yorkshire's three designated inland bathing waters

- Nidd at the Lido, Knaresborough
- Wharfe at Cromwheel, Ilkley
- Wharfe at Wilderness car park, Wetherby

Why is our bathing water quality performance commitment important?

Not only do our region's bathing waters enhance our profile as a coastal and inland tourist destination, but they also contribute to our wider economy, social opportunity, and people's mental and physical health. Not to mention enjoyment!

Public health our top priority
We want designated bathing sites in Yorkshire to be safe, clean, inviting bodies of water. But safety comes first – from managing pollution risk from storm overflows to working in partnership with others on water quality. Data from testing gives us insight into where we need to do better as well as learn from those sites with the highest ratings.

Our 2025/2026 performance – how did we do?

Despite a significant reduction this year in combined sewer overflow (CSO) discharges, progress made with our Bathing Water Partnership and many other positive improvements in bathing water quality, we **didn't** meet the performance target for bathing water quality.

The numbers
We achieved an overall bathing water quality performance score of **53.7%** against the target of **66.4%**.

Bathing water performance compared to 2024, using the new methodology
This is a **new** common performance commitment for all water companies. We've moved to a new reporting methodology as required by Ofwat. This methodology differs to the Defra (Department for Environment, Food & Rural Affairs) and Environment Agency reporting of bathing water quality, which we previously used to report our performance in 2020 to 2025.

Good to know

Ofwat and EA variations in bathing site classifications

Following the correct guidance for pollution risk forecasting, the Environment Agency can discount samples taken at certain bathing water sites where water quality is predicted to be poor, for example due to short-term environmental factors, such as rainfall, tidal conditions, sunlight, etc.

Under Ofwat guidance, these samples **must** be included, so a bathing water can have **two** different classifications. For example,Bridlington South is currently reported as 'poor' under the Ofwat methodology, but the Environment Agency (EA) designate as 'sufficient' and Sandsend is reported as 'good' under Ofwat, but 'excellent' under the EA.

To create a clear comparison, we have recalculated our 2024 performance using the Ofwat methodology, which shows our performance has remained stable, with no variation from the 2024 level of **53.7%**. This is due to Flamborough South moving from good to excellent, while Reighton unfortunately dropped from excellent to good. All other bathing waters maintained their Ofwat classification level despite a positive season of sampling results.

Each of our 21 bathing sites were given a designation by Ofwat, shown in the table below:

Bathing water quality designations	Number of sites	Sites
Excellent	**6**	Whitby; Cayton Bay; Flamborough South Landing; Danes Dyke; Hornsea; Withernsea
Good	**7**	Sandsend; Runswick Bay; Reighton; Filey; Wilshorpe; Skipsea; Bridlington North
Sufficient	**2**	Scarborough North; Fraisthorpe
Poor	**6**	Bridlington South; Scarborough South; Robin Hoods Bay; Wharfe at Cromwheel Ilkley; Wharfe at Wilderness car park Wetherby; Nidd at the Lido Knaresborough
Total number of sites	**21**	

Areas where we improved

Growing team delivers more projects and wider engagement
In preparation for AMP8 (Asset Management Period 8), so we can deliver more improvements and wider engagement across Yorkshire's bathing beaches, the bathing water team resource increased significantly from one to **eight** roles.

While we continue to focus on operational excellence across our bathing water sites, additional resource in the team allows us also to focus on **reducing pollution sources** from non-Yorkshire Water assets.

We're using innovative **aerial mapping technologies** to investigate the drainage network across key coastal and inland locations to identify potential misconnections, surface water removal opportunities and third-party pollution sources. To support the aerial mapping, on the ground investigations use inter-stage sampling techniques and microbial source testing at Scarborough and Robin Hoods Bay.

We have also partnered with the Yorkshire Dales Rivers Trust to recruit an **Agricultural Advisor**, who is working with landowners to raise awareness of farming best practice and reduce agricultural pollution impacts on bathing waters.

On track for reducing storm overflow discharges at seven bathing sites
Throughout AMP8 we plan to continue investing in **reducing storm overflow discharges** at Runswick Bay, Robin Hoods Bay, Scarborough, Bridlington, Ilkley, Wetherby and Knaresborough. During the year, we've been undertaking extensive planning and design work for these large infrastructure projects, planned for delivery by the end of AMP8.

Our Bathing Water Partnership
Resolving bathing water quality requires significant collaborative work in partnership with, for example, local authorities, the Environment Agency and many key stakeholders across the region, to investigate and address the multiple sources of pollution that impact our bathing waters.

Our Bathing Water Partnership has continued to mature throughout 2025, with a renewed vision and purpose adopted, as well as enhanced governance structure to create greater focus on delivering the broad range of outcomes we need to improve bathing water quality.

Reaching hundreds of customers to build understanding of shared responsibility
Our engagement work within bathing water catchments has been a great focus for us in 2025, working with customers and stakeholders through attendance at various local events. We've increased our schools education offering through our dedicated coastal education advisor, delivering a variety of LEGO based coding lessons, water safety education, and the installation of SuDS planters (Sustainable Drainage System planters) in schools, which slow the flow of surface water entering combined sewerage systems and help to reduce storm overflow discharges, as show in the picture below.



A SuDS planter (Sustainable Drainage System planter) we installed at Cayton Bay School, in Cayton, Scarborough.

The challenges and what we're doing about them

A number of pollution sources must be managed to ensure bathing waters meet the required standard, many of which are outside Yorkshire Water activities, including:

- **Agricultural runoff** – coastal and inland bathing waters are impacted by bacteria from animal slurry, including Robin Hoods Bay, Ilkley, Knaresborough and Scalby Beck in Scarborough.
- **Third-party discharges** – private septic tanks and trade effluent impact watercourses, such as Auburn Beck, which leads to Fraisthorpe beach, and Scalby Beck discharging to Scarborough North beach.
- **Misconnections of foul drainage** – typically these occur as mistakes during home renovations where properties connect foul drainage into the surface water system, which is detrimental to bathing water quality. Investigations in Scarborough, Wetherby, Reighton, Ilkley and Knaresborough have allowed the **Bathing Water Partnership** to identify and resolve misconnections. Further investigations at more locations are ongoing.
- **Bird and animal bacteria** – a naturally occurring pollution source present in bathing waters, as evidenced in Environment Agency investigations at Bridlington South and Scarborough South.

These sources of pollution are quite diffuse. Identifying the sources and understanding the scale of the impact requires in-depth partnership working with relevant stakeholders over time to resolve. We're committed to remaining focused on this work, which we hope in the long term will see positive improvements in bathing water quality results.

Today's improvements slow to show in classifications

Because calculations for bathing waters classifications are based on **four-year** rolling averages, the impact of interventions delivered today will not immediately translate in beach classifications improving. It is not possible to see the results of improvements made in bathing water quality straight away.

Despite 2025 being a generally **positive** year, previous results at key bathing locations were still impacting the overall calculation and classification. This also means the bathing water quality benefits associated with our AMP8 capital investment will also not immediately impact classifications.



Risk to clarity for customers where site classifications differ
The new methodology for this performance commitment varies from the official Defra and Environment Agency method we have used previously. We have been working to understand how the difference in methodologies impacts our customers and the work of the Bathing Water Partnership.

Differing classifications are confusing for customers. We shall continue to work with our Bathing Water Partnership and through our outreach and education projects to inform and educate customers about how and why this happens.

The official bathing water classifications for 2025, as reported by Defra and the EA, are published online but included in the table below for your information and completeness:

Bathing water quality designations	Number of sites	Sites
Excellent	**8**	Whitby; Cayton Bay; Flamborough South Landing; Danes Dyke; Hornsea; Withernsea; Sandsend; Wilsthorpe
Good	**4**	Runswick Bay; Reighton; Filey; Bridlington North
Sufficient	**4**	Bridlington South; Scarborough North; Fraisthorpe; Robin Hoods Bay
Poor	**4**	Scarborough South; Wharfe at Crombwheel; Wharf at Wilderness Car park; Nidd at the Lido Knaresborough
Closed/Un-assessed	**1**	Skipsea
Total number of sites	**21**	

Plans going forward for continuous improvements

Over the last 12 months the variety of our work and focus has laid firm foundations for ongoing continued improvements in Yorkshire's bathing water quality.

We've conducted a variety of investigations at a number of our bathing waters that will continue to guide our future investment and tactical interventions. And we've seen how collaborative efforts through partnership working drive improvements, which we look forward to continuing.

We have committed to reducing permitted discharges into bathing waters to two per season at Scarborough, Bridlington and Robin Hoods Bay by 2030. Our planned investment at inland locations includes more than £100m to reduce storm overflows from our assets within 5km of the newly designated inland bathing waters at Knaresborough and Wetherby to one per season.

Here's some more of what's included for our year ahead and beyond:

- Working with the Ofwat innovation fund, Unifai Technology and Socotec on a 2-year **water quality prediction project** aiming to create near real time water quality prediction tools.
- Actively looking to **share knowledge** with other water companies to improve bathing water across the country, for example, participating in the UKWIR project 'Improving near real time bathing water quality information'.
- Continuing to **improve visibility and performance** of Yorkshire Water's assets, through enhanced technology and internal governance, ensuring that these assets do not impact bathing water quality.
- Continuing the **strong stakeholder relationships** that are so critical to delivering overall bathing water quality improvements. Our reinvigorated bathing water partnership sees each partner contributing to the collaborative effort to identify, investigate and address diffuse sources of pollution.
- Engaging with **customers and community** who continue to be at the heart of everything we are doing. We know how much our waters mean to the people of Yorkshire and we will continue to increase the visibility of our work, and communications at our bathing locations to bring customers with us as we invest in infrastructure. Our education programme will play a key role in this.

Despite continued environmental pressures across both coastal and inland catchments, our ongoing work above, along with our largest ever investment into wastewater assets over the next five years to reduce storm overflow discharges, means we are well-positioned to see improvements in bathing water quality outcomes across the region in 2026 and beyond.

Biodiversity

Creating a wilder future and supporting our land's natural heritage

What is our biodiversity performance commitment?

This is the net change in the number of biodiversity units on nominated land per 100km^2 of land in Yorkshire Water's operational area, whilst ensuring no deterioration across the wider estate. Companies nominate land, either company owned or other land influenced by their activities, for inclusion in the metric.

How we're measured
Land is surveyed and its biodiversity units measured every four years by biodiversity experts, in line with Defra's (Department for Environment, Food and Rural Affairs) *The Statutory Biodiversity Metric User Guide*. The units are reported per 100km^2 of land.

Other land we improve
We can also nominate non-company land to be included where we have improved natural habitat in the process of carrying out our statutory water operations.

What's our target?
This is a new performance commitment we don't have a target for yet. For years 1 to 3 of AMP8, the target is set at zero. This is because measurement is based on ecological surveys so performance changes will not be recorded until years 4 and 5.

However, our biodiversity work to preserve natural habitats has been continuing as an ongoing programme and now includes establishment of our baseline so we can assess our progress against this commitment in four years' time in 2030.

Good to know

What are biodiversity units?

Biodiversity units are a way of measuring an area's value to wildlife.

The bigger the area and better quality the land is for natural species and wildlife to thrive, or if it's an area of strategic significance for nature, the greater number of units.

Why is our biodiversity performance commitment important?

Biodiversity supports all life on Earth. It's essential for ecosystem resilience, air and water purification, pollination and natural pest control. Protecting diversity of species also supports food security, climate regulation and our own physical and mental health.

National and industry commitment
This new way of measuring water companies' impact on operational land aligns with national biodiversity goals for Biodiversity Net Gain (BNG) and wider environmental programmes, such as the Water Industry National Environment Programme (WINEP) and those of the Environment Agency.

Our 2025/2026 performance – how did we do?

This is a brand-new performance commitment, introduced by Ofwat for the 2025–2030 AMP (Asset Management Period). Our target for this commitment for years 1 to 3 is **zero**. This does not mean we are not delivering interventions and improvements, but due to the cyclical nature of the ecological surveys required to measure performance, this will not be measured until year≈four and five, which have set targets.

The numbers
Both our target and performance figures are **zero** as we need to establish our baseline of biodiversity units before we can record any changes against it.

In four years' time, we will report on the changes we have made from that baseline.

Our preparations for this new commitment are underway
We have already begun work in earnest, beginning with large-scale programmes of moorland restoration and wetland habitat creation.

We have also completed most of our detailed ecological baselines to enable us to evidence and measure the resulting changes to biodiversity, four years from now.

Changes worth waiting for – view our work
Because there's a significant gap between improvements we make in biodiversity and reporting, you won't see any results reported through this performance commitment until 2028/2029. This makes sense because changes in biodiversity levels don't happen overnight.

The good news is you don't need to wait four years to find out about the work we're doing in the region to make our land and waters healthier and richer for nature. Our biodiversity pages on our website detail everything we're doing, along with all relevant ecological information, which you can view here: **Biodiversity**.

What we did in 2025 – key areas

- We began work on a transformative **£20-million peatland restoration programme**, which will help to improve the status of our legally protected sites, and bring Yorkshire's moorland bogs back into good ecological health. These form part of our reservoir catchments, naturally treating water and locking in carbon, which mitigates the need for investment in energy- and chemical-intensive treatment processes in the future.
- We started working with partners across the Derwent catchment, a 2,050km^2 area in north Yorkshire, **restoring floodplain wetland sites** to help make a healthier and more resilient river, which will not only improve biodiversity but mitigate the impacts of our abstractions.
- We progressed our **habitat restoration** work to over 25 hectares, which we continue to observe and assess.
- We continue to **map and baseline our estate and projects** to make sure we are focusing resources on the right work in the right place to improve biodiversity and do what's best for the environment. Fundamental to this work is also transparently sharing information with partners, local groups and authorities on our website.

The challenges and what we're doing about them

This new performance commitment requires that we work in a different way to how we have previously worked with our biodiversity work programmes. We face a number of challenges in relation to this, that we are tackling strategically, for example:

- We want to make sure we're consulting widely with our environmental stakeholders so we can **learn the pathways and processes** Ofwat request we follow in the most efficient way.
- We know we face a big task in making sure we can **evidence improvement** in biodiversity across a land area of over 26,000 hectares and across our Yorkshire-wide operations. So, we need to make sure we use our resources rigorously to deliver the benefits and correctly measure and report, ensuring that we maintain a focus on deliver on the ground, whilst ensuring robust recording and reporting.
- We recognise there's a balance to strike between using our land for other benefits, such as renewable energy, as well as making improvements in biodiversity, so we're putting processes in place to help us make the right **assessments and decisions** in the right place.
- The four-year gap between intervention and reporting means we need to balance the need for delivery within a five-year window with **doing the right thing for nature and biodiversity**. To help us in this, and get the balance right, we have consulted with our external Biodiversity Advisory Group, which includes representatives from Rivers Trusts, Wildlife Trusts and CaBA Partnerships (community-led collaborations for protecting and restoring water environments) across our operational area.

Plans going forward for continuous improvement

Sharing our data for wider insight and targeted delivery
We're generating a huge amount of ecological data as a result of this performance commitment, which has the potential to help us and our partners we work with target delivery of the right outcomes in the right places. We are, and will continue to, share data as transparently and as freely as possible so that data management and insight can inform project delivery.

Accelerating improvement of our wildlife sites
Over the next four years, we will be ramping up our moorland restoration programme, as well as delivering further on wetland habitat creation, chalk stream restoration and fish passage. Our in-house ranger teams will also be improving our wildlife sites for conservation purposes, all of which will help us deliver well against this commitment.

By 2030, we plan to:

- Protect and restore over 15km of chalk streams.
- Re-wiggle rivers and restore floodplain connectivity across over 100km of our catchments.
- Working with Natural England and other partners, continue to re-wet and restore our upland Sites of Special Scientific Interest (SSSIs), with a target of moving at least 80% to favourable status.
- Integrate biodiversity in our approach to land management, directly at our local wildlife sites, and indirectly through our work with farmers and landowners, generating at least 200 Ofwat biodiversity units.

Continuing to play our part as a responsible Yorkshire landowner
As a major landowner, we're committed to doing what's right for the environment, from responsible stewardship and conservation to fulfilling Biodiversity Net Gain obligations.

Some of this work may not be measured under this performance commitment, or may not be measurable within the time window, but we continue to work in consultation with external experts to build other positive biodiversity outcomes for the future. For example:

- As part of our **Nature First Solutions** commitment, we will continue to deliver nature-based solutions, like constructed wetlands. By 2030, we plan to create, restore and enhance wetland habitat at over 200 hectares of our catchment.
- We work with partners to drive direct conservation action around **protected and endangered species**, like bats, water vole, crayfish and swifts, to play our part in halting species extinction.

Delivering excellent customer service

Making sure our service is easy, reliable and works in the way our customers prefer.

Our performance commitments in this section are:

- **Customer Measure of Experience (C-MeX)**
- **Developer Measure of Experience (D-MeX)**
- **Business Customer and Retailer Measure of Experience (BR-MeX)**

Customer Measure of Experience (C-MeX)

Every smile counts when it comes to customer experience

What is our C-MeX performance commitment?

This is our score for how satisfied our household customers are with their experience of us as their water company, measured across the financial year (from the 1 April 2025 to the 31 March 2026).

Independently assessed
Ofwat's appointed research agency, BMG Research, carries out two independent quarterly surveys (Customer Service and Customer Experience Surveys, detailed below) of randomly selected customers and residents.

A high score is better
We don't have a set target for our C-MeX score but the **higher** our score the better. Our incentive financial payment/penalty is calculated on our point of variance from the UKCSI (UK Consumer Satisfaction Index) all sector and water industry averages.

Customer Service Survey
From contacting us with a bill query to needing an operational response for a blocked drain or leak, a sample of recent customers are asked to rate their experience of the service we provided.

Customer Experience Survey
A sample of residents within the region who **haven't** contacted us are also asked to rate their experience of us.

Water company ranking for C-MeX
All 17 water companies are ranked in order of their C-MeX performance, with 1 being the highest.

Calculation of our C-MeX score

Our average scores, per survey and type of customer contact, are weighted and added together to give us a total score out of 100:

- Customer Service Survey billing contacts – **33.3%** weighting.
- Customer Service Survey operational contacts (50% water/50% wastewater) – **33.3%** weighting.
- Customer Experience Survey – **33.3%** weighting.

Why C-MeX matters

We want our customers to feel safe, happy and cared for by the service we provide. This independent measure of customer experience gives us an indication of whether we're achieving that.

Improving our service in line with customer needs
Customers and residents are at the heart of our operational and service decisions, but we don't assume we always get it right. We take responsibility, learn and listen to feedback so we can improve in the way customers want us to.

Our 2025/2026 performance – how did we do?

Despite all our work during the year to improve our customer experience, we're disappointed our C-MeX rating has fallen from 10th to **12th**, out of 17 water companies (17 being the lowest).

This is not where we want to be and we're taking action to change things.

The numbers
Our customer experience score for the full year, out of 100, is **61.09**.

Customer measure of experience survey scores for C-MeX	2025/2026
Annual customer satisfaction score for the customer service survey (comprises 67% of our score)	58.68
Annual customer satisfaction score for the customer experience survey (comprises 33% of our score)	65.91
Annual total C-MeX score	**61.09**

What we're doing to improve things
Our ambition is to perform much better in our household customer experience measure and we have made significant changes to address the recent decline in service satisfaction levels. This includes increasing our capacity for dedicated customer case management, both in our contact centre and in our field-based teams. This ensures that priority and complex issues are given the focus required to deliver the right outcome for our customers.

We are also investing in improvements to contact channels and communication, to ensure customers are kept updated about their issue, and we have recruited significant numbers of new colleagues to increase our capacity to reduce response times.

The challenges and what we're doing about them going forward

The year has seen a unique combination of challenges, including:

- **New customer survey methodology,** leading to a re-baselining of scores across the industry.
- **Negative media and public attention,** with pollution, fines and executive pay remaining in the headlines, impacting public perception of their water services provider.
- **An increase in the annual bill,** causing a high level of dissatisfaction, with comments on bills feeding into their satisfaction on the service they received.
- **Operational service delivery challenges,** particularly in the final quarter of the year with a workbasket peak amount.

In November 2025, we restructured the organisation to bring together all customer-facing colleagues into **one team**. Customer delivery and customer insight, now together, mean we can work cohesively to improve experience, and focus on the things that really matter to customers.

Our plan for AMP8 (Asset Management Period 2025-2030)
Building on what we've learnt so far in the first year of AMP8, we continue to listen to our customers and take action to ensure we provide the service and experience expected. We have a programme of improvement initiatives in place covering resources, training, processes and case management. We are also looking at overall customer trust and the actions we can take to reach more of our customers and communicate our key messages to them via our engagement campaigns.

Developer Measure of Experience (D-MeX)

Looking after developer customers with the right service levels and standards

What is our D-MeX performance commitment?

This is our score for how satisfied our developer customers are with their experience of us and our service standards, measured across the financial year (from the 1 April 2025 to the 31 March 2026).

Who are developer customers?
Developer customers are primarily those undertaking property, housing or construction projects that require connection to our public water and/or sewerage networks.

Independently assessed
Ofwat's appointed research agency, BMG Research, carries out independent, quarterly Developer Satisfaction Surveys of a sample of developer customers we've recently interacted with. In addition, we're assessed against Ofwat's set levels of service metrics for developer customers.

A high score is better
We don't have a set target for our D-MeX score but the **higher** our score the better, with our incentive financial payment/penalty calculation based on the distance between our D-MeX score and the median D-MeX score of all 17 water companies.

Developer Satisfaction Survey
Small and large developers need different services, so this survey is split 50/50 across the services needed for these customers.

Levels of Service Metrics
These metrics tell us how good we are at meeting set timescales for developer customers. For example, how long we take to answer a query, provide a service pipe connection, etc.

Water company ranking for D-MeX
All 17 water companies are ranked in order of their D-MeX performance, with 1 being the highest.

Calculation of our D-MeX score

Our average scores of surveys, for small and large developers, and service metrics are weighted and added together to give us a total score out of 100:

- Developer Satisfaction Survey (50% small developers) – **33.3%** weighting.
- Developer Satisfaction Survey (50% large developers*) – **33.3%** weighting.
- Levels of Service Metrics – **33.3%** weighting.

*Includes self-lay providers and limited companies providing water and/or sewerage services.

Why D-MeX matters

Our economy moves quickly, so it's important we keep up with what developers need.

By doing that, we help support the growth and innovation that new homes and businesses bring.

Keeping response times on track
Whether we're answering questions or improving the network, we stick to clear timelines so developers can plan and deliver projects with confidence.

Our 2025/2026 performance – how did we do?

Despite an improvement in the last quarter of the year in our service metric scores, our rating is **17th** out of 17 water companies and is not where we want our performance to be.

The numbers
Our developer experience (D-MeX) score for the full year, out of 100, is **59.43**.

Developer measure of experience survey scores for D-MeX	2025/2026
Qualitative annual developer (small developers) **satisfaction survey** score (comprises 33% of our score)	38.90
Qualitative annual developer (large developers) **satisfaction survey** score (comprises 33% of our score)	52.07
Quantitative annual developer satisfaction **service metric** score (comprises 33% of our score)	87.51
Annual total D-MeX score	**59.43**

The challenges and what we're doing about them going forward

Our performance in D-MeX is disappointing for us and our customers, but it has reinforced our need for a change in how we operate. We have a transformation plan in place and are listening to what our developer customers are telling us they want and need.

We have increased our engagement with developer customers, gathering more insight to understand their issues, including holding in-person developer days across Yorkshire.

Based on the intelligence we received, we formed our transformation plan and are in the first stages of implementation, which we're pleased to say, has received **positive customer engagement and feedback**.

Here are some of the things we've done so far:

- We've begun updating our operational design and restructuring our teams to align to customer segments, so we can deliver tailored services for small and large developers.
- We've launched the first phase of ConnectMe – an application portal to improve application and payment processes, which is already receiving good feedback.
- We've increased communications to customers and are more proactive with regular feedback on their work areas.

Our plans to keep improving

There's more to do and we're continuing to work hard to improve processes and controls, including our digital tools to support customers and colleagues, which will be rolled out throughout 2026.

We're applying the lessons learnt from the challenges we experienced from our contract partner appointment at the start of the year, which impacted our developer satisfaction levels with increased waiting times and communication challenges. We are addressing these issues and working closely with our delivery partner to support.

We believe we have a stronger foundation for sustained improvements in developer experience going forward. We have a team structure that is completely aligned to customer segmentation and reporting metrics, empowered operationally to act on specific customer feedback, including new case management capabilities, and working specifically to initiatives customers tell us they need.

We intend these changes will set a secure foundation for this AMP (Asset Management Period) and we hope to demonstrate measurable progress in our customer service metric and experience scores in 2026/2027.

Business Customer and Retailer Measure of Experience (BR-MeX)

Because good customer experience benefits our whole market

What is our BR-MeX performance commitment?

This is our score for how satisfied business (non-household) customers and retailers are with their experience of us as their wholesale provider of water and sewerage services, measured across the financial year (from the 1 April 2025 to the 31 March 2026).

Independently assessed
MOSL (Market Operator Services Limited) carries out two separate independent surveys of our business customers and retailers, randomly selected. In addition, we're assessed against the industry's Market Performance Framework Metrics.

A high score is better
We don't have a set target for our BR-MeX score but the **higher** our score the better, with our incentive financial payment/penalty calculated on how far we are from the industry median.

Business Customer Experience (B-MeX) Survey
A random sample of business customers in recent contact with us are asked to rate their experience of the service we provided.

Retailer Experience (R-MeX) Survey
Twice a year, retailers of our water and sewerage services are asked to rate their experience of us as their wholesale provider.

Market Performance Framework Metrics (MPF)
These are set by the industry's Market Performance Framework and measure whether we're meeting various target timescales for our processes. They also measure the quality of the data we hold about supply points, which we primarily use for billing, network management and regulatory compliance.

Water company ranking for BR-MeX
The 15 water companies reporting the BR-MeX performance commitment are ranked in order, with 1 being the highest.

Calculation of our BR-MeX score

Our average scores, per survey and type of customer contact, are weighted and added together to give us a total score out of 100:

- Business Customer Experience (B-MeX) Survey – **50%** weighting.
- Retailer Experience (R-MeX) Survey – **25%** weighting.
- Market Performance Framework (MPF) Metrics – **25%** weighting.

Why BR-MeX matters

We manage the infrastructure and data for approximately 140,000 business premises so it's easy to see how our service-quality affects not only local commerce, but the water services market and wider economy.

Taking responsibility in the market
Our BR-MeX performance helps us understand if we're meeting business customer and retailer service need. And if not, where we need to do better so we can contribute to a healthy market functioning that delivers for the region.

Our 2025/2026 performance – how did we do?

This is a new performance commitment for this AMP (Asset Management Period). We achieved a lower rating than we had hoped for, ranking **14th** out of 15 water companies measured for BR-MeX.

The numbers
Our business customer and retailer experience (BR-MeX) score for the full year, out of 100, is **73.24**.

This is our first year of measuring for BR-MeX. Our scores in the table below will provide a benchmark going forward for changes in our performance.

Business customer and retailer measure of experience scores for BR-MeX	2025/2026
Annual business customer experience **satisfaction survey** score (comprises 50% of our score)	63.15
Annual retailer experience **satisfaction survey** score (comprises 25% of our score)	74.23
Market Performance Framework (MPF) metrics (comprises 25% of our score)	92.43
Annual total BR-MeX score	**73.24**

Understanding the issues and what we're now doing to move forward

B-MeX – business customer experience

We carried out extensive and multiple customer insight activities to provide us with a clear understand of what **business customers** need and the gaps in our current provision. The Customer Insight team provided us with regular intelligence from a 'shadow' replica B-MeX survey, which provided a real understanding of the drivers for dissatisfaction. We also engaged with Yorkshire businesses and retailers on other insight gathering activities to understand our service from their point of view. From this we were able to identify the issues driving our scores, which were:

- Unresolved issues and repeat visits,
- Lack of ownership between our teams and retailers, and
- Inconsistent communication.

On the back of this insight, we have introduced **'close the loop'** communication to ensure customers always remain informed and we now follow up to obtain confirmation from a customer that they are satisfied with the resolution. With our ongoing work in this area, we have seen a 25% increase in satisfaction scores. Our aim is to keep driving in this direction with a customer communications strategy for all the elements supporting customer satisfaction: resolving issues quickly, doing things right the first time, keeping customers informed and ensuring commitments are met.

Good to know

Bilateral requests from retailers to their wholesale provider of water services are formal service requests for things like, repairing meters, fixing network leaks, disconnection/ supply arrangements or updating charging data on behalf of a customer.

R-MeX – retailer customer experience

We carried out a detailed root cause analysis of our **R-MeX** results, which revealed the specific expectations **retailers** have of us as their wholesale supplier of water services. First and foremost, they expect excellent experience in dealing with bilateral requests (see Good to know above) and financial policies that are customer friendly.

We have implemented a new **relationship management** function that has allowed for dedicated account management support for all retailers. We've also carried out a thorough review of all our **financial policies**, actioning significant changes that benefit retailers. We've implemented a new settlement system to avoid future financial disputes and are chairing an industry group to develop a 'good practice guide' for ensuring a better service to retailers across the industry.

Our plan for AMP8 (Asset Management Period 2025-2030)
We have taken a lot of insight from our engagement over the past year and from thorough data analysis and root cause analysis.

The investment in our C-MeX resources, processes, and communication plans will also help improve the experience for business customers. On the water retailer side, we are seeking to provide improved support, retailer events, better market engagement, customer focussed financial policies and enhanced collaboration. Our ambition is to reach the top quartile for BR-MeX by the end of AMP8.

Net zero carbon emissions

Reducing carbon emissions so we can move towards net zero across our business and supply chains.

Our performance commitments in this section are:

- **Operational greenhouse gas emissions (water and wastewater)**

Operational greenhouse gas emissions (water)

Supplying clean water along with a cleaner future

What is our operational greenhouse gas emissions (water) performance commitment?

This shows how much we've reduced our GHG emissions from the **clean water** side of our business in the financial year (from the 1 April 2025 to the 31 March 2026). Our water operations are everything we do to supply clean water to our customers throughout the region.

How we're measured
Our GHG emissions are measured and recorded across every aspect of our clean water operations. From vehicles and fossil fuel usage to indirect electricity emissions of pumping, treatment, abstraction and infrastructure as well as direct emissions from the chemicals we use. Raw data is taken on our consumption and inputted to the UK Water Industry Research (UKWIR) Carbon Accounting Workbook (CAW)*, which is the industry standard tool for reporting operational emissions.

A high score is better
A high score is what we're aiming for and is the percentage **reduction** we've achieved in GHG emissions (expressed in tonnes CO_2e, carbon dioxide equivalent) from a 2024/2025 baseline 111,475 tCO2e.

Why it matters

It's vital the water industry does better for the planet and works increasingly in alignment with nature. This new uniform performance measure, monitoring GHG emissions reductions in line with UK statutory targets for net zero, creates the shared goal we welcome.

Insight and scrutiny
From working in partnership developing nature-based processes, to scrutiny of our operations to identify opportunities, this performance commitment provides important insight and focus for our GHG reduction work programmes.

Operational greenhouse gas emissions (wastewater)

Reducing carbon emissions one flush at a time

What is our operational greenhouse gas emissions (wastewater) performance commitment?

This shows how much we've reduced our GHG emissions from the **wastewater** side of our business in the financial year (from the 1 April 2025 to the 31 March 2026). Wastewater operations are everything we do to collect and treat wastewater (sewage).

How we're measured
Our GHG emissions are measured and recorded across every aspect of our wastewater processing. From the fuel we put in our vehicles, electricity used to collect wastewater to emissions from the treatment processes themselves, such as sludge treatment processing and disposal. Raw data is taken on our consumption and inputted to the UK Water Industry Research (UKWIR) Carbon Accounting Workbook (CAW)*, which is the industry standard tool for reporting operational emissions.

A high score is better
A high score is what we're aiming for and is the percentage **reduction** we've achieved in GHG emissions (expressed in tonnes CO_2e, carbon dioxide equivalent) from a 2024/2025 baseline 171,567 tCO2e.

Why it matters

We want our business and the water sector as a whole to help the environment not harm it. We face challenges, like adverse weather conditions, increased population and demand, but mitigating our impact on climate change and transitioning to net zero remain our urgent priorities.

Supporting UK carbon budgets
This new performance commitment for measuring GHG emissions from wastewater operations, (along with our similar performance commitment for reducing operational emissions from **clean water** production - see opposite), are objectives shared by the water industry and support the UK's statutory carbon budgets and government's wider net zero targets.

*Version 20 incorporating version 17 published in 2023.

Our 2025/2026 performance – how did we do?

Our two Greenhouse Gas (GHG) performance commitments
We have two regulatory GHG performance commitments for this Asset Management Period 2025-2030. One for our water operations and the other for our wastewater operations. Our performance is tracked against the percentage change compared to our 2024/2025 baseline year (the final year of AMP7) for both the performance commitments, using fixed emission factors*.

Our GHG emissions performance for water

We **didn't** meet our performance commitment target for reducing greenhouse gas emissions from the water side of our business.

The numbers
Our target of a **1.74%** reduction in emissions from baseline was not achieved. Our emissions **increased**, resulting in a percentage performance of **-14.62%** reduction from the baseline, as shown in the table below.

GHG water emissions	2025 baseline year (tCO_2e)	2025/2026 performance (tCO_2e)	% target reduction in GHG from baseline	% performance reduction in GHG from baseline
	111,475	127,768	1.74%	-14.62%

Underperformance in water GHG emissions
One of the main reasons for our increase in GHG emissions for water was the extreme dry weather and drought we experienced in 2025.

Low reservoir water levels meant our ground and river extraction and pumping activities increased so we could ensure uninterrupted supply throughout the region, which increased our energy use and related emissions to a higher-than-normal level. Added to this, low water levels led to availability of raw water of lower quality than typical and the need for increased chemical dosing during part of the year, which also increased emissions.

Maturity of data reporting associated with our chemical use was another key reason for increases. Scope 3 emissions associated with chemicals was a new inclusion in our AMP8 reporting. Since forecasting our emissions, we have improved systems for the collation and reporting of chemical data, which has led to an increase in the quantity of chemicals used and reportable emissions.

In summary our performance level this year for water will result in a penalty for underperformance.

Our GHG emissions performance for wastewater

We **met** our performance commitment target for reducing greenhouse gas emissions for the wastewater side of our business.

The numbers
We performed better than target by circa 13,000 tons.

Ofwat set a target allowing emissions to **increase** by up to **19.15%** compared to the 2025 baseline for 2025/2026 (please see information below explaining why our Regulator expects an increase in emissions for this year). Our actual increase was only **5.53%**, meaning we remained within the target and outperformed the allowed limit, as shown in the table below.

GHG wastewater emissions	2024/2025 baseline year (tCO_2e)	2025/2026 performance (tCO_2e)	% target reduction in GHG from baseline	% performance reduction in GHG from baseline
	171,567	181,049	-19.15%	-5.53%

Our achievement in reducing wastewater emissions can be attributed to the energy efficiency measures and increased renewable energy generation and use of private-wire solar renewables we implemented this year. However, we experienced some delays on the programme, in particular, a planned export of biogas to grid, which removed a forecast increase in emissions.

While we bettered our performance commitment level, our wastewater emissions increased from our baseline year as expected due to installation of new chemical treatment systems. As we did not better our baseline, our improved performance against our plan will not result in a reward payment for outperformance.

Why Ofwat target allows for an emissions increase for wastewater
Ofwat permits a **short-term** increase in our operational emissions for the 2025/2026 wastewater performance commitment because we need to increase our chemical and energy usage to meet other statutory obligations.

We must meet the stricter Water Industry National Environment Programme (WINEP) standards, requiring us to improve river health using energy-intensive and chemically treated advanced wastewater processing, which increases our emissions. Similarly, removing phosphorus and nitrogen at treatment works, and capturing more stormwater, requires additional power and chemical use.

Our allowable increase is calculated by Ofwat using different factors, including our operational carbon footprint, population levels, and the energy and chemical intensity required to meet statutory targets, such as phosphorus removal at wastewater sites.

*Our performance commitment reporting uses a consistent methodology, including fixed emission factors and the same categories of emissions as those used to prepare our baseline reporting in 2022, in accordance with Ofwat's requirement for complete comparability. This means certain categories have been excluded from our 2025/2026 performance commitment reporting to ensure consistent reporting with our baseline reporting, with details included in our companion reporting methodology document found here yorkshirewater.com/about-us/reports) This does, however, lead to overstatement of our emissions for some categories and understatement in others, and so is not directly comparable to our wider GHG emission reporting as a company.

Setting out our strategic plans in this first year

We've made great progress with our planning this year, including our carbon reduction strategy – it's a huge step forward. But it means we remain in the early stages of delivery. Over the next two years our plans are to scale up both our energy efficiency and energy self-generation, which will make the progress we're aiming for in reducing both our Scope 2 and related Scope 3 emissions.

Our large investment programme to deliver wider environmental performance places significant upwards pressure on our GHG emissions. We are therefore also placing emphasis on reducing the impact of new and upgraded assets and considering how less carbon intensive solutions can be delivered. We will also be implementing targeted solutions to reduce our Scope 1 process emissions.

Location-based reporting
We have realigned our wider net zero reporting to **location-based** reporting for emissions rather than **market-based**. This means the way we calculate, and report annual emissions will be aligned better with:

- Our AMP8 (2025-2030) business plan, which uses location-based emission reporting.
- Our **science-based** targets, which are set out to 2050 and reflect a need for absolute reductions in emissions.
- Our planned pathway to net zero focusing early on emission reductions rather than use of market-based adjustments or carbon offsets.

Net Zero Strategy Plan finalised
The year has been a pivotal one for our carbon reduction strategy. Our first Net Zero Transition Plan (NZTP) has been set out, up to 2050, and endorsed by our Public Value Committee.

Our baseline greenhouse gas (GHG) emissions across all scopes have also been independently verified by BSI and we've set out our aims, to achieve:

- A **43% reduction** in operational greenhouse gas emissions by 2031.
- A **90% reduction** in greenhouse gas emissions across all scopes (and material sub-categories) by 2051.

Good to know

Scope 1 emissions are those we directly release to the atmosphere, like, fossil fuels used in boilers or generators, company vehicles, and process emissions of methane and nitrous oxide (potent GHGs) from our treatment works.

Scope 2 emissions are those indirectly released and associated with our purchased electricity, used to pump and treat water and wastewater.

Scope 3 emissions are all other indirect emissions, verified across the wider categories for the first time this year, including for purchased goods and services, capital goods, fuel and energy, transport and waste.

Non-purchase of REGOs
We're continuing with our strategic decision to not purchase certificate-backed green energy, or REGOs (Renewable Electricity Generation of Origin) or gas equivalents (RGGOs). This means our Scope 2 purchased electricity emissions reported on a market-basis have significantly increased, as well as their associated Scope 3 emissions.

Good to know

REGOs (Renewable Energy Guarantee of Origin) are digital certificates that prove a specific unit of electricity was generated from a renewable source, like wind or solar.

Energy companies and businesses buy, sell, and trade these certificates in the UK to legally prove that the electricity they sell or use is renewable.

Progress we've made already

Increasing our electric fleet
We've increased our owned EV (electric vehicle) fleet by 33% in year, as part of our transition to a zero-emission fleet.

We've also continued to focus on expanding charging capacity on site, as well as rolling out home charging installations throughout the year, which has progressed colleagues' smooth transition to EVs.

Energy Reduction team
Following the submission of our identified energy saving opportunities under the government's ESOS (Energy Savings Opportunity Scheme) our Energy Reduction team will progress plans under the scheme, including using experts to ensure best value for customers in reducing our Scope 2 and 3 emissions. Upcoming projects include:

- Use of variable speed drives.
- Upgrades to motors, blowers and lighting.
- Consideration of asset maintenance and operation methods.

Converting one of our largest consuming sites to natural gas
We've successfully completed the process for one of our largest fossil fuel consuming sites to be converted from gas oil powered to natural gas powered, via steam boilers in the thermal hydrolysis process. Natural gas emits 27% less CO_2e (carbon dioxide equivalent) per kWh (kilo watt hour) of energy consumed.

Emissions-reducing projects approved
Following the 2024 price review several projects have been successfully approved, representing a step-change in how we monitor, understand and process emissions. These include:

- Real time control to monitor and reduce N^2O emissions at our largest wastewater treatment works.
- Methane reduction using vacuum degassing at major sludge treatment facility.
- Low carbon heating.
- Increased EV charging infrastructure.

The challenges this year affecting GHG emissions

More sludge, more process emissions
There has been an increase in sludge volumes at our sludge treatment facilities this year, resulting in increased process emissions. Increased chemical dosing, to control phosphorus discharge under the Water Industry National Environment Programme (WINEP) has played a significant role. Increased chemical dosing leads to increases in sludge volumes and we've seen a Total Dried Sludge (TDS) increase from our base line year.

The impact of WINEP compliance and increased focus on FFT (Flow to Full Treatment) means water companies need to treat the maximum possible volume of sewage before allowing excess to discharge to storm overflows and the environment. As increased chemical dosing affects sludge amounts, and therefore process emissions, this will continue to be an area of focus for us.

Drought response
Our response to the 2025 drought conditions directly impacted our water operations, resulting in increased energy-use to protect vulnerable water stocks:

- **Additional raw and treated water pumping** - rainfall for seven months (February to August) was below 60% of the long-term average (LTA), which resulted in reservoir levels dropping to lower levels than in 1995. A Temporary Use Ban (TUBs) was imposed in July 2025, with multiple drought permits and drought orders put in place. However, reservoir levels remained below normal control lines (NCL), resulting in significant additional raw and treated water pumping to maintain supplies, preserve reservoir stocks and ensure demand was met. Raw water stocks began to recover through October, going above NCL in late November, which allowed for a switch back to lower energy consuming wastewater treatment works.
- **Chemical consumption** – at the start of the financial year chemical consumption was below anticipated levels due to excellent raw water quality with the dry, warm spring weather. This changed in the summer months however when continued very warm conditions lead to rapid increases in activated carbon dosing to combat taste and odours due to algal blooms in the raw water reservoirs. There were also several peaks in production due to rising demand which increased chemical usage.

Increases in process emissions
While our APR performance commitments use fixed emission factors, our wider emissions reporting uses updated emission factors published by the Government and other industry adopted factors. These can change both positively and negatively. We feel it is important to highlight a significant change in the emission factor for nitrous oxide process emissions calculation. This has increased reportable emissions by 180,000 tCO_2e/year. Our process has not changed; this has been based on updated science and careful review, by Government, the water sector and our regulator.

Building on strong foundations

- Senior management continue to lead our decarbonisation efforts, supported by strong governance through our **Net Zero Committee**, chaired by our Chief Executive Officer.
- We will be publishing a detailed and summary version of **Net-Zero Transition Plan** later this year, including the most up-to-date, best practice methodologies, setting out our interim and long-term goals to 2050.
- Our monthly capital and operational carbon hubs remain in place to track performance and support the ongoing delivery of our **Carbon Reduction Plan**, helping us stay on course to meet our targets.
- We will continue to roll out our EV (Electric Vehicle) charging infrastructure and EV deployment.

Future risks and opportunities

We recognise the potential for the increased frequency and severity of extreme heat events and hotter drier summers; for raw water quality deterioration and increased strain on treatment processes, which will necessarily result in heightened chemical use and GHG emissions.

However, there are also opportunities for carbon reduction, which our strategies aim to capitalise on. For example, our longer-term investment plans include investment that addresses and achieves a science-based reduction pathway for our wider Scope 3 emissions. In particular, purchased goods and services, capital goods, fuel and energy related emissions, and emissions associated with upstream and downstream transport and waste disposal.

We're also maximising our potential for self-generation and use of renewables, looking to optimise chemical use and reduce the impact of new assets by taking a nature-first approach. There are wider sustainability opportunities associated with land management for biodiversity enhancement and flood mitigation measures that we hope to explore, working with industry and partners to develop.

Our ultimate aim is to deliver carbon emission reductions at an efficient cost that's right for customers and drive a transition to net zero that's right for the environment, aligns to a science-based reduction target and meets government and regulatory expectations.

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Regulatory information

We publish this regulatory financial information to help stakeholders understand how our official accounts (prepared under the Companies Act) translate into the income, costs, assets, liabilities and cash flows of Yorkshire Water Services Limited's water and wastewater business, in line with regulatory accounting rules.

What's in this section

This section includes the financial and performance information we're required to publish under Ofwat's Regulatory Accounting Guidelines (RAGs).

It covers:

Financial reporting
Our regulatory financial results, based on our published accounts, with adjustments to reflect regulatory accounting rules (UK GAAP). Where new standards apply, we report using the most relevant option.

Price control reporting
Financial information broken down by price controls and the key activities behind them.

Performance summary
A summary of how we've performed against our commitments.

Additional regulatory information
Any extra information required by Ofwat.

Cost breakdowns
Details of how we spend money across different types of investment, along with what drives those costs. Where needed, we include extra explanation and technical notes.

When we refer to specific tables or lines, we'll label them clearly (for example, "Table 1A" or "1A.1").

All tables are also available in Excel alongside this report at:
yorkshirewater.com/about-us/reports

Summary of our overall financial performance

The information on this page is as per the Annual Report Financial Statements (ARFS). Click here for a link: **yorkshirewater.com/reports**

Our revenue (the income we receive for the services we provide) has increased by £340.4m for the year (26.2% increase), driven largely by higher regulatory revenues allowed as part of our AMP8 Final Determination, offset by lower usage as a result of the Temporary Use Ban in place from July to December 2025 as a result of the drought.

Operating costs have increased by £200.4m from £975.2m to £1,175.6m in the year (21% increase). Excluding depreciation, impairment and amortisation of £418.0m (2025: £362.2m – see note 3 of the Financial Statements at the link above), our underlying operating costs have increased from £613.0m in 2025 to £757.6m. This increase includes higher staff costs (25% increase) due to additional headcount and increased hired and contracted services (53% increase), driven by significantly increased investment in the network for AMP8, alongside standard inflationary rises on business as usual services. We continued to strengthen our cost control across the business throughout the year which has mitigated additional operational pressures resulting from the drought conditions experienced over the year.

Overall, the net impact of the above movements is an increase to EBITDA (earnings before interest, taxation, depreciation and amortisation) of £195.8m (29% increase) and an increase in operating profit of £140.0m year on year (43% increase). A reconciliation between EBITDA and Operating Profit can be found in our ARFS at the link above.

AMP8 will see high levels of investment, with £8.3 billion to be spent across the five years. 2026 has been the first year of the AMP with £989.8 million (2025: £889.8 million) spent on capital programmes across the county, which has resulted in increased wastewater storage, reduced discharges to rivers, and improved water resilience.

Yorkshire Water continues to evaluate proposals and opportunities for the business in accordance with our "Six Capitals" decision making framework. The framework helps us make more informed decisions with a fuller understanding of their wider environmental and social implications, both now and in the future.

The Water Industry National Environment Programme (WINEP) is a programme of work that water companies are required to undertake to fulfil their obligations arising from environmental legislation and UK Government policy. Each programme covers a five-year period, with the latest WINEP beginning in April 2025. For 2025/2026, we have invested £221m through our WINEP to improve the environment in Yorkshire across over 55 WINEP obligations. In addition, we have also completed delivery of an additional 31 obligations from AMP7.

Revenue

This is the income received for services provided.

2025/2026: £1,639.8m
(2024/2025: £1,299.4m)

Operating profit

Profit, before interest and tax.

2024/2025: £464.2m
(2024/2025: £324.2m)

Financial auditor's opinion

Independent Auditor's report to the Water Services Regulation Authority (the WSRA) and the Directors of Yorkshire Water Services Limited

Opinion

We have audited the sections of Yorkshire Water Services Limited's Annual Performance Report for the year ended 31 March 2026 ("the Regulatory Accounting Statements") which comprise:

- the regulatory financial reporting tables comprising the income statement (table 1A), the statement of comprehensive income (table 1B), the statement of financial position (table 1C), the statement of cash flows (table 1D), the net debt analysis (table 1E), lines 1F.1 to 1F.8, , 1F.11 to 1F.14, 1F.20 1F.23 to 1F.24 of the statement of financial flows (table 1F) and the related notes; and
- the regulatory price review and other segmental reporting tables comprising the segmental income statement (table 2A), the totex analysis - wholesale (table 2B), the cost analysis - retail (table 2C), the historical cost analysis of fixed assets (table 2D), the analysis of developer services income (table 2E), the residential retail (table 2F), the non-household water revenues by tariff type (table 2G), the revenue analysis (table 2I), the infrastructure charges reconciliation (table 2K), the analysis of land sales (table 2L), the revenue reconciliation for wholesale (table 2M), household affordability support (table 2N), historical cost analysis of intangible assets (table 2O) Third party services revenue (table 2P) and Analysis of diversions income by price control (table 2R) and the related notes.

We have not audited lines IF.8, IF.9, IF.10, 1F.15 to 1F.22 and 1F.25 of the statement of financial flows (table 1F), the cash collection performance rates (table 2H), the Outcome performance table (tables 3A to 3J) or the additional regulatory information in tables 4A to 4AD 5A, 6A to 6F, 7A to 7L, 8A to 8D, 9A and 11A to B.

In our opinion, Yorkshire Water Services Limited's Regulatory Accounting Statements have been prepared, in all material aspects, in accordance with Condition F, the Regulatory Accounting Guidelines issued by the WSRA (RAG 1.10, RAG 2.10, RAG 3.16, RAG 4.14 and RAG 5.07) and the accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.16, 3 appendix 2), set out on page 167.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800, and applicable law, and having regard to the guidance contained in ICAEW Technical Release Tech 02/16 AAF (Revised) 'Reporting to Regulators on Regulatory Accounts' issued by the Institute of Chartered Accountants in England & Wales.

Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the Regulatory Accounting Statements within the Annual Performance Report section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Regulatory Accounting Statements, including the Financial Reporting Council's (FRC's) Ethical Standard as applied to public interest entities, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – special purpose basis of preparation

We draw attention to the fact that the Regulatory Accounting Statements have been prepared in accordance with a special purpose framework, Condition F, the Regulatory Accounting Guidelines, the accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.16, appendix 2) set out in the statement of accounting policies and under the historical cost convention. The nature, form and content of the Regulatory Accounting Statements are determined by the WSRA. As a result, the Regulatory Accounting Statements may not be suitable for another purpose. It is not appropriate for us to assess whether the nature of the information being reported upon is suitable or appropriate for the WSRA's purposes. Accordingly, we make no such assessment. In addition, we are not required to assess whether the methods of cost allocation set out in the accounting methodology statement are appropriate to the circumstances of the Company or whether they meet the requirements of the WSRA.

The Regulatory Accounting Statements are separate from the statutory financial statements of the Company and have not been prepared under the basis of [United Kingdom Generally Accepted Accounting Practice ("UK GAAP") or United Kingdom international accounting standards ("UK IASs"). Financial information other than that prepared on the basis of UK IASs does not necessarily represent a true and fair view of the financial performance or financial position of a Company as shown in statutory financial statements prepared in accordance with the Companies Act 2006.

The Regulatory Accounting Statements on pages 136 to 197 have been drawn up in accordance with Regulatory Accounting Guidelines with a number of departures from UK IASs. A summary of the effect of these departures in the Company's statutory financial statements is included in the tables within section 4.

Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

In auditing the Regulatory Accounting Statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the Regulatory Accounting Statements is appropriate.

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- obtaining an understanding of financing facilities including their maturity, compliance with interest cover ratios and other covenants, and obtaining confirmation of undrawn facilities;
- testing the going concern model for consistency with the business model and the forecasts used for infrastructure asset valuation;
- testing the accuracy of the model and assessed the historical accuracy of forecasts prepared by management;
- assessing the key assumptions used in the forecasts, such as revenue levels and both operating and capital expenditure; this included consideration of the current and forecast economic environment and financial pressures on households;
- performing sensitivity analysis including consideration of contradictory evidence, latest third-party economic forecasts, latest ratings agency reports, Ofwat financial resilience measures and 2027 results to date;
- evaluating management's assumptions that the intercompany loan will be repaid and further new borrowings will be raised in the next year with reference to the procedures above;
- involving our debt advisory specialists to assist in our evaluation of the above; and

- assessing the risk of any management manipulation of key financial metrics that would impact covenant calculations.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises all of the information in the Annual Performance Report other than the Regulatory Accounting Statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Performance Report. Our opinion on the Regulatory Accounting Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Regulatory Accounting Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Regulatory Accounting Statements, or our knowledge obtained in course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the Regulatory Accounting Statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report based on these responsibilities.

Responsibilities of the Directors for the Regulatory Accounting Statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 449, the directors are responsible for the preparation of the Regulatory Accounting Statements in accordance with Condition F, the Regulatory Accounting Guidelines issued by the WSRA and the Company's accounting policies (including the Company's published accounting methodology statement(s), as defined in RAG 3.16, appendix 2).

The directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Regulatory Accounting Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Annual Performance Report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the Audit of the Regulatory Accounting Statements within the Annual Performance Report

Our objectives are to obtain reasonable assurance about whether the Regulatory Accounting Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance

but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Regulatory Accounting Statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- Had a direct effect on the determination of material amounts and disclosures in the Regulatory Accounting Statements. These included Regulatory Accounting Guidelines as issued by the WRSA, UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the Regulatory Accounting Statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's operating licence, regulatory solvency requirements and environmental regulations.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC and WSRA.

A further description of our responsibilities for the audit of the Regulatory Accounting Statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of this report

This report is made, on terms that have been agreed, solely to the Company and the WSRA in order to meet the requirements of Condition F of the Instrument of Appointment granted by the Secretary of State for the Environment to the Company as a water and sewage undertaker under the Water Industry Act 1991 ("Condition F"). Our audit work has been undertaken so that we might state to the Company and the WSRA those matters that we have agreed to state to them in our report, in order (a) to assist the Company to meet its obligation under Condition F to procure such a report and (b) to facilitate the carrying out by the WSRA of its regulatory functions, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the WSRA, for our audit work, for this report or for the opinions we have formed.

Our opinion on the Regulatory Accounting Statements is separate from our opinion on the statutory financial statements of the Company for the year ended 31 March 2026 on which we reported on 6 July 2026, which are prepared for a different purpose. Our audit report in relation to the statutory financial statements of the Company (our "Statutory audit") was made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our Statutory audit work was undertaken so that we might state to the Company's members those matters we are required to state to them in a statutory audit report and for no other purpose. In these circumstances, to the fullest extent permitted by law, we do not accept or assume responsibility for any other purpose or to any other person to whom our Statutory audit report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Deloitte LLP
Leeds, United Kingdom
09 July 2026

Statement as to disclosure of information to auditors

Each director confirms that, to the best of their knowledge:

- There is no important audit information that the company's auditors are not aware of.
- They've taken all reasonable steps to make sure they know about any relevant audit information and that the auditors are aware of it.

This statement is made in line with section 418 of the Companies Act 2006.

Table 1: Regulatory financial reporting

Introduction

The information in this section details 'Regulatory financial reporting' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following tables.

Pro forma 1A Income statement for the 12 months ended 31 March 2026

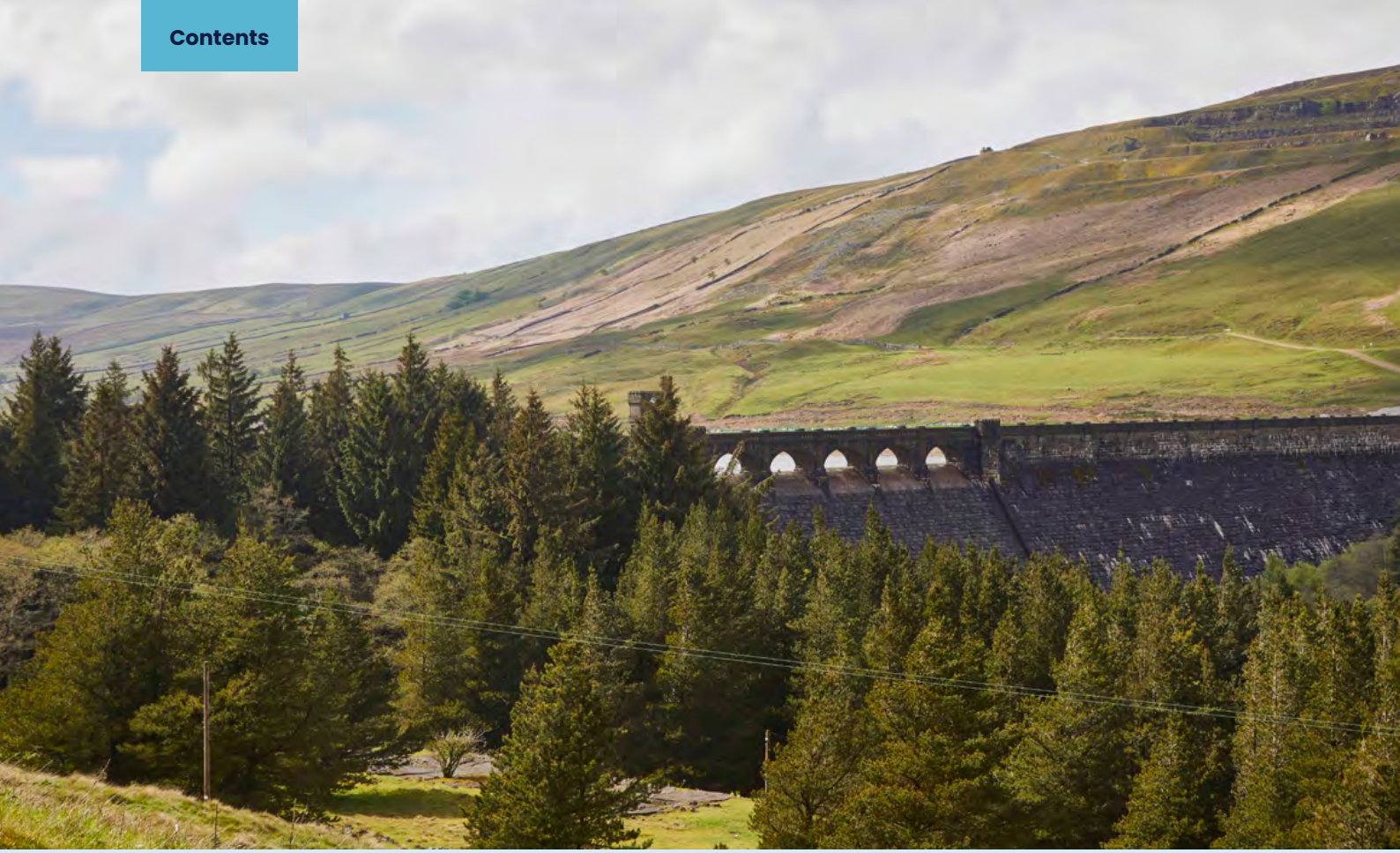
Pro forma 1B Statement of comprehensive income for the 12 months ended 31 March 2026

Pro forma 1C Statement of financial position for the 12 months ended 31 March 2026

Pro forma 1D Statement of cashflows for the 12 months ended 31 March 2026

Pro forma 1E Net debt analysis at 31 March 2026

Pro forma 1F Financial flows for the 12 months ended 31 March 2026 and for the price review to date



Statement on differences between statutory and Regulatory Accounting Guidelines (RAG) definitions

Differences between statutory and regulatory definitions for Tables 1A, 1B, 1C and 1D has been provided under Table 1. We have also provided a narrative explanation on the significant differences and what they relate to. We have provided a reconciliation of borrowings between Table 1E and Table 1C and an explanation of the reasons for the differences.

Table 1A

Income statement for the 12 months ended 31 March 2026

				Adjustments				
Line description	Units	DPs	Statutory	Differences between statutory and RAG definitions	Non-appointed	Total adjustments	Total appointed activities	RAG 4 reference
Revenue	£m	3	1,639.792	27.858	16.345	11.513	1,651.305	1A.1
Operating costs	£m	3	-1,175.619	-27.008	-12.678	-14.330	-1,189.949	1A.2
Other operating income	£m	3	0.000	2.687	0.000	2.687	2.687	1A.3
Operating profit	£m	3	464.173	3.537	3.667	-0.129	464.043	1A.4
Other income	£m	3	0.000	13.506	0.045	13.462	13.462	1A.5
Interest income	£m	3	63.481	0.000	0.000	0.000	63.481	1A.6
Interest expense	£m	3	-315.458	-68.845	0.000	-68.845	-384.303	1A.7
Other interest expense	£m	3	0.000	0.000	0.000	0.000	0.000	1A.8
Profit before tax and fair value movements	£m	3	212.195	-51.801	3.711	-55.512	156.683	1A.9
Fair value gains/(losses) on financial instruments	£m	3	-98.526	0.000	0.000	0.000	-98.526	1A.10
Profit before tax	£m	3	113.669	-51.801	3.711	-55.512	58.156	1A.11
UK Corporation tax	£m	3	0.171	0.000	-0.933	0.933	1.104	1A.12
Deferred tax	£m	3	-35.035	12.950	0.000	12.950	-22.085	1A.13
Profit for the year	£m	3	78.805	-38.851	2.778	-41.629	37.175	1A.14
Dividends	£m	3	-85.100	0.000	0.000	0.000	-85.100	1A.15
Tax analysis								
Current year	£m	3	0.000	0.000	0.933	-0.933	-0.933	1A.16
Adjustment in respect of prior years	£m	3	-0.171	0.000	0.000	0.000	-0.171	1A.17
UK Corporation tax	£m	3	-0.171	0.000	0.933	-0.933	-1.104	1A.18
Analysis of non-appointed revenue								
Imported sludge	£m	3			0.000			1A.19
Tankered waste	£m	3			6.343			1A.20
Other non-appointed revenue	£m	3			10.002			1A.21
Revenue	£m	3			16.345			1A.22

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1A - Commentary

Table 1A takes information from the statutory accounts and captures the adjustments needed to show the regulatory income statement for the appointed business. Adjustments include both differences between UK Generally Accepted Accounting Principles (UK GAAP) and Regulatory Accounting Guidelines (RAG), and the removal of non-appointed income and costs.

The appointed business is defined as the regulated activities of the appointee: that is, those activities necessary to fulfil the functions and duties of a water and sewerage undertaker. The non-appointed business encompasses those activities where we are not a monopoly supplier, or the activity involves the optional use of an asset owned by the appointed business (examples include shared services to the Group and the treatment of tankered waste).

Financial Performance

Appointed revenue has increased to £1,651.3m (2024/2025: £1,302.2m). This increase reflects the significant AMP8 Final Determination increase allowing for planned environmental investment, particularly to meet regulatory requirements on storm overflows and wastewater treatment.

Non-appointed revenue of £16.3m (2024/2025: £15.5m) is made up of £6.3m from imported tankered waste, £3.6m from Safemove (provides drainage and water searches for property buyers), £2.1m from Homeserve, £1.5m from Kelda Non-Regulated companies, £1.0m related to meter reading and £1.8m of other income relating to various intercompany recharges such as car leases.

Operating costs totalling £1,189.9m (2024/2025: £986.6m) have increased by £203.3m in the year. Excluding depreciation, impairment and amortisation of fixed assets, underlying operating costs have increased in the year. The increase includes higher staff costs (25% increase) due to additional headcount and increased hired and contracted services (53% increase), driven by significantly increased investment in the network for AMP8, alongside standard inflationary rises on business as usual services. We continued to strengthen our cost control across the business throughout the year which has mitigated additional operational pressures resulting from the drought conditions experienced over the year.

As in prior years, an adjustment has been made as requested in the information notice 22/01 1.7 in relation to the Innovation Fund. The adjustment removes operating costs of £9.9m (2024/2025: £4.5m) relating to provisions made to pay future Innovation Competition winners from revenue collected from customers for the Innovation Fund. This includes the remaining AMP7 funds, year one of the increased AMP8 programme and the new AMP8 Water Efficiency Campaign and Water Efficiency Lab programmes. A further adjustment has been made to reverse the operating cost impact of the £4.2m (2024/2025: £3.8m) cash paid to competition winners and for administrative fees in 2025/2026. We have presented this as an adjustment to other income on line 1A.5 in order to maintain the correct cash figure on **Table 1C** and to minimise the impact on other tables (in line with discussions with other WaSCs in the prior year). These adjustments result in an overall increase to the profit before tax of £5.6m (2024/2025: £0.7m increase to profit before tax). The reversal of the £12.1m provision relating to these amounts and associated tax impact can be seen in **Table 1C** (line 1C.25). The retained earnings and other reserves impact of these adjustments (line 1C.33) relates to the current year impact, plus the brought forward cumulative impact of the equivalent adjustments for prior years since 2020/2021.

Other operating income of £2.7m (2024/2025: £1.2m) relates largely to Yorkshire Water's share of profits from the sale of land by our commercial arm, Keyland Developments Limited.

Other adjustments to reclassify revenue, operating costs, other operating income and other income as required by RAGs are detailed below.

Interest income has increased to £63.5m (2024/25: £52.5m) as a result of higher cash on deposit and interest expense has increased to £384.3m (2024/2025: £321.6m), largely as a result of new debt issued in the year and part-way through the prior year, with a further impact as a result of increased inflation rates.

Interest expense of £384.3m comprises:

- Interest payable on intra-group borrowings of £326.3m. This is interest on back-to-back loans with external borrowings raised by subsidiary financing companies;
- Interest charged on external borrowings, excluding those relating to direct procurement for customer arrangements of £33.6m;
- £8.4m relates to amortisation of debt issuance costs;
- Interest payable in relation to other leases under IFRS 16 of £3.4m; and
- Other financing costs/interest costs of £12.6m.

Yorkshire Water holds £1,088.6m (2024/2025 £1,088.6m) notional value of inflation linked swaps. There are three cash flows associated with these inflation linked swaps:

- six monthly interest receivable linked to SONIA;
- six monthly interest payable linked to RPI; and
- an RPI-linked bullet that is payable on maturity of the instruments or at certain predetermined dates over the duration of the swaps.

In addition, a proportion of the inflation linked swaps also receive six monthly interest amounts based on a fixed rate.

Fair value losses on financial instruments during the year of £98.5m (2024/2025: £309.6m gain) reflect the impact of market movements on the current portfolio.

Our dividend policy

We have a dividend policy, in compliance with Condition P31 of the Yorkshire Water Instrument of Appointment, which requires that distributions will only be made after an appropriate financial resilience analysis has been undertaken, and that dividends will be adjusted to reflect and recognise company performance and benefit sharing from service and efficiency performance. The policy ensures that delivery for customers and the environment is not just considered but factored into any amounts that are to be paid as dividends. Whenever a dividend is considered by the Board, a paper is prepared for the Board's consideration, which sets out the purpose of the dividend and how it complies with the dividend policy and Condition P31 accordingly.

Our dividend policy has been reviewed during the year and the Board has considered that there have been no events during the year, or additional guidance provided by Ofwat, that warrant a change to the dividend policy.

When approving dividends to be paid in a financial year, the Board assesses both company performance to date within the year, together with performance expected across the full financial year in question and that expected for the whole of the AMP. As such, dividend payments are considered within the longer-term context of the business and not just on the basis of the previous 12 months. There is explicit consideration of the ability of the business to be able to deliver into the future.

During the financial year, Yorkshire Water paid dividends totalling £85.1m (2025 £52.5m). All dividends paid during the year were compliant with the current Board approved dividend policy and Condition P31, which was modified in May 2023 with the clause number subsequently being updated in August 2025.

Yorkshire Water paid two interim dividends of £42.6m and £21.3m in May 2025 and November 2025 respectively, together with a final dividend of £21.2m in March 2026. As noted above, when assessing each of the dividends paid during the financial year the Board has assessed a combination of company performance to the date of the dividend, performance anticipated in the financial year in question, and that which is expected for the whole of the AMP. No dividends have been proposed post year end in relation to the year ended 31 March 2026.

The company's approach to recommending the dividend included the following steps:

- Determining an appropriate base dividend level reflecting the company's actual capital structure;
- Applying an 'in-the-round' adjustment to reflect the wider considerations required by our dividend policy and Condition P31; and
- Ensuring that the company remains financially resilient and that there are sufficient profits available for distribution in the foreseeable future.

In determining the appropriate base dividend level, the Board considers a range of relevant factors, including the company's actual capital structure (and the level of equity supporting the regulated business), the need to retain cash to finance current and future investment requirements, and relevant regulatory context and expectations.

A base dividend yield of 4.0% is informed by Ofwat's guidance that a base dividend yield of 4.0% is reasonable for a company whose in-the-round performance aligns with their determination and has little real Regulatory Capital Value growth. This base yield is used as a starting point for the Board's assessment and does not, in itself, determine the level of dividend ultimately paid.

The Board has reviewed the base yield assumption during the year and it has been concluded that there have been no events during the year, or additional guidance provided by Ofwat, that warrant a change to the base dividend yield assumption of 4.0%. Any adjustments to reflect company performance, Regulatory Capital Value growth and wider considerations are incorporated through the 'in-the-round' assessment described below. The 4.0% base dividend yield would equate to a dividend for the year of £120.9m.

The final dividend is determined by the Board through an 'in-the round' assessment of the factors set out in the dividend policy and Condition P31, and is therefore not driven by the base yield alone.

In applying this assessment, the Board considers a range of factors including, but not limited to:

- The ability of Yorkshire Water to finance its current and future activities;
- The financial resilience of Yorkshire Water;
- Yorkshire Water's performance against the PR24 Final Determination, including in relation to specific performance commitments;
- Delivery of service to customers;
- The level of real Regulatory Capital Value growth;
- The wider environmental performance of the business; and
- The risk of regulatory fines and penalties.

These factors are considered collectively, rather than through a mechanistic adjustment, to ensure that the final dividend appropriately reflects company performance and remains consistent with sustainable delivery for customers and the environment.

On balance, the Board determined that a yield reduction of 1.2% was appropriate (a dividend reduction of £35.8m), resulting in an overall dividend yield for the year of 2.8% (2025: 1.9%). This compares to a Return on Regulated Equity (on an actual equity basis) of 6.2% for the year, which is the first within the current AMP.

The key determining factors behind the reduction in dividend were:

- **Environmental performance**. Significant steps have been taken in the year to improve performance. However, the Board recognises that the business did not achieve the level of performance required, including the worsened pollution performance. The Board recognises that wider environmental performance is not yet at the levels required and a reduction in dividend payment was appropriate to support the company's planned improvements.
- **The risk of regulatory fines and penalties**. Along with all other water and wastewater companies, Yorkshire Water has been investigated by Ofwat in relation to sewage treatment works. Ofwat reached a final decision in relation to this investigation in March 2025 with Yorkshire Water agreeing to invest an additional £40m over the 2025-30 period to improve the quality of rivers in its region. This £40m investment is being entirely funded by the company and its shareholders across AMP8 via a reduction in dividend payments. The outcome of a similar investigation by the Environment Agency, which is still ongoing, is not yet known.
- **Performance against the PR24 determination**. Yorkshire Water delivered a reasonable level of return for the year, representing 6.2% on actual equity; however this return was partly supported by the high levels of inflation experienced in the period, whilst Outcome Delivery Incentive (customer) performance has been below expectations. Consistent with Ofwat guidance, the Board considered that it was appropriate not to fully reflect that inflation benefit in the dividend paid and to retain some of this year's return in the company to support its planned improvements to customer performance.

  The return for the year on an actual equity basis (excluding all financing performance) is 3.4%, so no in year inflation related financing performance is being used to finance the dividend paid of 2.8%.

  On this basis, the total proposed deduction to the dividend yield of 1.2% in year, is considered to reflect a large level of prudence in relation to the impact of inflation.

- **Financial resilience**. The financial resilience position of Yorkshire Water has improved over the last few years, supported by the £500m of intercompany loan repayments from Kelda Eurobond Limited; however Yorkshire Water remains an "Elevated Concern" within Ofwat's latest 'Monitoring Financial Resilience' report. The company is targeting further improvement, supported by a further final intercompany loan repayment of approximately £600m, including interest, due in March 2027; however until this is received, the retention of part of this year's return to continue supporting financial resilience was considered appropriate.
- **Real Regulatory Capital Value (RCV) growth**. Yorkshire Water had 6.0% real RCV growth in 2026 with total real RCV growth across the five years of AMP8 expected to total 26% which equates to an average of 5.2% per annum. Given the level of real RCV growth in FY26 and across the whole of AMP8, the retention of part of this year's return to support financing the RCV growth was considered appropriate.

The dividends paid in year bring the cumulative dividend yield for the current AMP to 2.8%, remaining below the cumulative return on actual equity of 6.2%.

The dividends paid in the current year have solely been used to fund costs within the group, including debt service costs and repayment of loans held above Yorkshire Water, with no dividends paid to the shareholders of Kelda Holdings Limited (2025: £nil), Yorkshire Water's ultimate parent company, as they continue to support the financial resilience of the company and the improvement plan.

Yorkshire Water had sufficient distributable reserves to fund the dividends paid in the year. As at 31 March 2026, following payment of all dividends, the distributable reserves stand at £669.2m, with regulated gearing at 71.0%. Additional investment from shareholders due in March 2027 of approximately £600m will reduce gearing by around five percentage points and further strengthen financial resilience.

Technical notes

The table below shows the detailed GAAP adjustments that are made to the income statement as detailed in the statutory accounts to derive the income statement for the appointed business. The net adjustment of £38.9m reduction to profit for the year is £2.1m lower than the previous year (2024/2025: £41.0m net reduction to profit). This reflects the increased Innovation Fund adjustment (£3.6m additional increase to profit net of tax); offset by an increase to the IFRS 16 leases adjustment (£1.0m additional decrease to profit net of tax) and the adjustment relating to capitalisation of interest and associated depreciation (£0.5m additional decrease to profit).

Line description	Profit on Disposal of Fixed Assets	Rental Income	RDEC Income	S104 Income (sewer adoption fees)	Cost Recovery Income	G&C Income	Adopted sewers income (IFRIC 18)	Capitalisation of interest and related depreciation	IFRS 15 Revenue Recognition	Innovation Fund	IFRS 16 Leases	Total
Line 1A.1 Revenue	-	-	-	(0.668)	(0.526)	(11.641)	(3.783)	-	44.477	-	-	27.859
Line 1A.2 Operating costs	(2.759)	(1.660)	0.072	-	0.526	-	-	10.960	(44.477)	9.853	0.476	(27.009)
Line 1A.3 Other operating income	2.759	-	(0.072)	-	-	-	-	-	-	-	-	2.687
Line 1A.5 Other income	-	1.660	-	0.668	-	11.641	3.783	-	-	(4.246)	-	13.506
Line 1A.7 Interest expense	-	-	-	-	-	-	-	(67.164)	-	-	(1.680)	(68.844)
Line 1A.13 Deferred tax	-	-	-	-	-	-	-	14.051	-	(1.402)	0.301	12.950
Total	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**(42.153)**	**0.000**	**4.205**	**(0.903)**	**(38.851)**

Please note table may contain roundings.

The differences between statutory financial reporting in accordance with FRS 102 and regulatory financial reporting are:

- Profit on Disposal of Fixed Assets – This removes £2.8m of profit on disposal of fixed assets from operating costs (1A.2) and moves it to other operating income (1A.3) per RAG 4.12 line 1A.3 instructions. As such, this is a presentational adjustment only;
- Rental Income – This removes £1.7m of rental income from operating costs (1A.2) and moves it to other income (1A.5) per RAG 4.12 line 1A.5 instructions. Again, this is a presentational adjustment only;
- RDEC Income – This removes £0.1m of RDEC (Research and Development Expenditure Credit) Income from operating costs (1A.2) and moves it to other operating income (1A.3) per RAG 4.12 line 1A.3 instructions. Again, this is a presentational adjustment only;
- S104 income (sewer adoption fees) – This moves £0.7m of S104 income, relating to fees from developers for adoption of sewers, from revenue (1A.1) to other income (1A.5) per RAG 4.12 line 1A.5 instructions. Again, this is a presentational adjustment only;
- Cost recovery income – This moves £0.5m of cost recovery from revenue (1A.1) to operating costs (1A.2) per RAG 4.12 line 1A.1 instructions. Please note this adjustment now includes updated guidance from Ofwat on Regulatory Accounting Guidelines to include £0.3m of out of date cheques no longer recognized as retail third party revenue in table 2I line 24;
- Grants and contribution (G&C) income totalling £11.6m recognised in revenue for statutory reporting is reclassified in other income for regulatory financial reporting per RAG 4.12 line 1A.5 instructions. As such, this is a presentational adjustment only;
- Adopted sewers income (IFRIC 18) of £3.8m recognised in revenue for statutory reporting is reclassified in other income for regulatory financial reporting per RAG 4.12 line 1A.5 instructions. Again, this is a presentational adjustment only;

- Interest that is capitalised and the related depreciation in the statutory accounts is removed for regulatory financial reporting in line with regulatory guidance (RAG 1.09 section 4.8). The adjustments increase the regulatory interest expense by £67.2m and reduce related asset depreciation by £11.0m. The net effect of this adjustment is a £56.2m decrease to the regulatory profit before tax for the year. The related balance sheet adjustments are reflected in table 1C, which removes capitalised interest from fixed assets (1C.1) and intangible assets (1C.9), and the cumulative deferred tax impact (1C.29) and retained earnings (1C.33);
- £44.4m of billed and unbilled amounts receivable have not been recognised as revenue in the statutory accounts in the current year, on the basis that they are not probable of collection in accordance with the statutory accounting policy (which is in accordance with IFRS 15). In line with RAG guidelines (RAG 1.09 section 4.4), this adjustment has been reversed in the income statement for the appointed business. This reduction in revenue is offset by a consequential reduction in the bad debt charge and bad debt provision of the same amount. As such, this is a presentational adjustment only;
- £9.9m of operating costs relating to provisions made to pay future Innovation Competition winners from revenue collected from customers for the innovation fund have been removed, as requested in the information notice 22/01 1.7. The reversal of the £12.1m provision relating to cumulative Innovation Fund amounts collected in AMP7 to date but unpaid at 31 March 2025 can be seen in **Table 1C** (line 1C.25). £4.2m adjustment has been made relating to amounts paid to Innovation Competition winners and for fund administration charges in 2025/2026. As per the prior year, and in line with other WASCs, this amount is presented as a negative adjustment to other income on line 1A.5 in order to maintain the correct cash figure on **Table 1C** and to minimise the impact on other tables. These adjustments result in a net £5.6m increase to regulatory profit before tax for the year; and
- RAG 1.09 (section 4.18) requires all companies to account for leases in accordance with IFRS 16 in the regulatory accounting statements. Since Yorkshire Water reports under FRS 102, a RAG adjustment has been included for the year ended 31 March 2026 to ensure IFRS 16 is applied. This has resulted in Yorkshire Water recognising right of use assets within fixed assets and lease liabilities within fixed rate borrowings for regulatory financial reporting. As a result:
  - Right of use assets have been included within **Table 1C** with a net book value of £41.2m;
  - Lease liabilities of £48.1m are included within **Table 1C**, of which £4.0m is due in less than 1 year and £44.1m is due in more than one year;
  - A further adjustment has been made to de-recognise a £5.4m capital contribution relating to a new lease for 2025/2026. Under FRS 102 in the Yorkshire Water ARFS this amount is recognised as deferred income to be released against future depreciation. Under IFRS 16 this amount is instead recognised as a lease incentive, reducing right of use assets, with the opposite adjustment included in the £41.2m adjustment above. There is no impact to Table 1A for 2025/2026 as this amount is not yet being depreciated;
  - Operating expenditure has increased by £0.5m due to the removal of the lease expense offset by additional depreciation charged on the right of use assets; and
  - Additional interest costs associated with the lease liabilities of £1.7m have been incurred for regulatory financial reporting.

Together the above adjustments for IFRS 16 result in a net increase in the profit before tax of £1.2m.

Tax strategy for the appointed business

Yorkshire Water is committed to acting with integrity and transparency in all tax matters.

A copy of the tax strategy adopted by the Yorkshire Water Board is publicly available at: yorkshirewater.com/tax and is included below.

Yorkshire Water Services Limited Tax Strategy and Policies

Adopted by the Board of Yorkshire Water Services Limited on 26 November 2025

This strategy applies to the group of companies headed by Yorkshire Water Services Limited ("the YW Group") in accordance with Schedule 19 to the Finance Act 2016. It is effective for the year ending 31 March 2026.

Our approach to management of our tax affairs is in-line with our 10-year strategy and vision launched in 2023:

- A thriving Yorkshire: right for customers, right for the environment.

Our strategy and vision is supported by:

- Strategic pillars – the key activities that will help us bring our vision to life;
- Foundations – the long-term programmes and ways of working that underpin all our strategic activities; and
- Our behaviours – how we act as we go about our work.

The most relevant aspects of our businesses' 10-year strategy and vision to our Tax Strategy are:

1. **Our vision:** a thriving Yorkshire, right for customers – part of this is having bills that everyone can afford but also being a trusted company to customers;
2. **Foundations:** a sustainable business – a key foundation of our business is to operate long-term responsible business practices, providing sustainable returns and acting fairly in the long-term interests of Yorkshire; and
3. **Behaviours;** we own it – we do the right thing, even when it's tough, doing the things that will make the most difference to our customers.

As such, the Group has a tax strategy and policies that address the need to be transparent regarding our approach to tax matters, to build and maintain trust with customers and other stakeholders while also recognising appropriate legislative tax concessions and reliefs which benefit customers through lower bills and help to support a sustainable business.

A trusted company Behaviour – we own it

We are committed to acting with integrity and to adopt the highest standards of openness and transparency with regards to our approach to our tax affairs. Our tax strategy and policies require that we fully comply with both the letter of UK tax law and its application as it was intended. We make timely and accurate tax returns that reflect our fiscal obligations to Government.

We aim for certainty on the tax positions that we adopt, however, tax law can be unclear at times or subject to interpretation. With this in mind, our policy is:

- not to enter into transactions that have a main purpose of gaining a tax advantage; and
- not to make interpretations of tax law considered to be opposed to the original published intention of the specific law.

To support us in ensuring that we have interpreted tax law and its intended application correctly, we seek advice from large accounting firms, legal firms and/or tax counsel as appropriate.

For example, we do not use artificial tax avoidance schemes or use tax havens to reduce our tax liabilities.

Relationship with HM Revenue & Customs

An important part of our tax strategy and policies is the maintenance of a strong, proactive working relationship with HM Revenue & Customs ("HMRC"). We are transparent with HMRC and, in cases of interpretation or complexity, work with them on a real time basis to determine the amount of tax due.

Bills everyone can afford Foundations – a sustainable business

Tax disclosure

We understand the value of our financial reporting to customers, investors and other stakeholders. We work to provide enhanced, transparent and balanced disclosure in communicating our tax affairs.

Managing our tax liabilities by recognising appropriate legislative concessions and reliefs is of benefit to customers (through fair and affordable bills) and investors (through fair and sustainable returns).

Our tax strategy and policies seek to make use of such appropriate reliefs and to control our tax costs so that money is not wasted. Decisions regarding such reliefs are taken using a decision-making framework that addresses the control of tax costs with being trusted by stakeholders.

Whilst seeking to manage tax liabilities, our policy is not to take an aggressive interpretation of tax legislation or use artificial tax avoidance schemes.

Tax Governance

Tax is part of the Finance function and is the ultimate responsibility of the Chief Finance Officer who is responsible for the tax strategy and policies.

Tax strategy and policies are reviewed on an on-going basis by the Audit Committee and Board of Directors. Our tax status is reported regularly through the Group's Fiananceability Governance Group, chaired by the Chief Finance Officer. Tax status is also reported via the Audit Committee through the Group's Strategic Risk Register.

Tax strategy and policy issues are assessed on a case-by-case basis by the Tax Team with appropriate input from the Head of Corporate Finance and Chief Finance Officer in conjunction with the Chief Executive. Day-to-day tax matters are delegated to the Head of Corporate Finance and a team of in-house professionals who hold a combination of accounting and tax qualifications.

Contribution

When considering the Group's tax contributions, there are several important factors to take into account:

- corporation tax is focused on by stakeholders, however, it is only one of a wide variety of taxes, duties and contributions that are levied on the Group. Amongst other things our costs include employment taxes, national insurance, carbon taxes, fuel duty and business rates;
- taxation is not the only method by which the UK Exchequer can raise revenue from businesses. Other mechanisms include business rates and licence. These are important to public finances and must be taken into account when considering a company's part in society; and
- large companies are an important source of employment leading to higher Government revenues from employment taxes and increased levels of consumer spending; and we are an important source of investment into national infrastructure achieving a benefit that would have to be funded directly by the state, most likely through public borrowing. The capital allowances we claim on this infrastructure and tax deductible interest costs on debt raised to fund infrastructure expenditure reflect public policy choices made by Government and, wholly intentionally, have the effect of reducing tax liabilities for companies whose investment decisions support those policy choices.

Current tax recognition & analysis

The table below reconciles the difference between:

- the tax credit that would be expected if the standard rate of corporation tax in the UK (25%) was applied to the Company's loss before tax and fair value movements; and
- the appointed current tax credit for the year.

	£m
Profit before tax and fair value movements in relation to appointed activities	156.7
Tax credit at the standard rate of corporation tax in the UK of 25%	39.2
Adjustments in relation to assets	
Non-deductible accounting depreciation on fixed assets and amortisation of intangible assets	63.4
Potential capital allowances available to claim on fixed assets	(152.0)
Capital allowances waived and deferred to future years (1)	65.4
Adjustments in relation to financial instruments	
Adjustment to allow an element of the Company's fair value losses as they represent an accruals basis of accounting which is deductible for tax purposes	(12.7)
Other adjustments	
Deductible payments to pension scheme	(1.5)
Employee remuneration accrued but not deductible until paid	0.5
Non-deductible costs (2)	0.6
Non-taxable profits (3)	(2.4)
Utilised losses (4)	(1.3)
Other timing differences (5)	0.4
Swap cancellation cost not deductible in prior periods	(0.5)
Adjustments in respect of prior periods	(0.2)
Appointed current tax credit (6)	**(1.1)**

1. The Company has not utilised all available capital allowances on qualifying capital expenditure in the current period, as they are not necessary to reduce the current year tax liability to £nil. Instead, these allowances have been carried forward for use in future periods. The benefit of this deferred tax relief will ultimately be shared with customers through lower bills.
2. Non-deductible costs mainly relate to non-deductible professional fees and fines and other accounting adjustments.
3. Income reflected in the accounts which is not subject to tax as either there is no cash received by the Company or the income has reduced the amount of capital allowances that can be claimed on the assets associated with the income.
4. The Company has utilised tax losses in the period generated in an earlier period.
5. Other timing differences mainly relate to provisions which are tax deductible in the year they are paid or released.
6. The appointed current tax credit represents:
   a. small payments from other Kelda Group companies to true up the prior year tax losses surrendered to the Company of £0.2m; and
   b. the offset of a tax credit of £0.9m of the appointed business against the non-appointed tax charge, ensuring the overall corporation tax bill of the company is £nil. The Company has no current tax charge for the year in relation to corporation tax liabilities owed to HM Revenue & Customs.

The current tax charge allowed in price limits is reconciled to the appointed current tax charge as follows:

	£m
Total current tax charge allowed in price limits (based on corporation tax rate of 25% used in setting prices)	0.0
Tax effect of differences due to:	
Inflation	(1.7)
Lower operating profit	(22.4)
Lower finance costs included in actual corporation tax calculations	4.4
Fewer brought forward losses claimed (1)	(1.3)
Fixed assets	
Assumptions regarding tax allowable depreciation (2)	1.9
Assumptions regarding capital allowances available on brought forward pool balances at 1 April 2025	0.7
Assumptions regarding capital allowances available on additions in 2026 (3)	55.7
Capital allowances waived and deferred to future years (4)	65.4
Assumptions regarding chargeable gains	(0.1)
Other	
Assumptions regarding pension deductions	(1.5)
Assumptions regarding non tax deductible expenses (5)	0.6
Assumptions regarding non taxable items	0.0
Adjustments in respect of prior periods	(0.2)
Tax losses generated and carried forward in Final Determination model	(102.6)
Appointed current tax charge/ (credit) (5)	**(1.1)**

1. The Company has utilised tax losses in the period that were generated in earlier years. Losses were able to be used as the company had a small amount of taxable profits that could be offset. Taxable profits were not anticipated in the FD as all capital allowances were expected to be claimed in the FD model.

2. Actual tax allowable depreciation is lower than forecast in the FD due to lower levels of capital expenditure in 2026 than anticipated at PR24.

3. Fewer 1st year allowances were required to be claimed in 2026 compared to the FD.

4. The Company has not maximised its capital allowance claim on its capital expenditure for the year. This tax relief is deferred to later periods when capital allowance can be claimed. The company has chosen to do this, rather than carrying forward tax losses, due to the tax restrictions on loss relief in future periods. Deferring capital allowances will ultimately benefit customers through lower bills in the future.

5. This mainly relates to non deductible professional fees, fines and other adjustments.

6. The appointed current tax credit represents payments from other Kelda Group companies to true up the prior year amount of tax losses surrendered to the Company and the offset of a tax credit of the appointed business against the non-appointed tax charge, ensuring the overall corporation tax bill of the company is £nil. The Company has no current tax charge for the year in relation to corporation tax liabilities owed to HM Revenue & Customs.

Factors that will impact future tax charges will include:

- changes in corporation tax rates and capital allowance rates;
- any changes in tax legislation or practice not reflected in the relevant FD.

Table 1B

Statement of comprehensive income for the 12 months ended 31 March 2026

				Adjustments				
Line description	Units	DPs	Statutory	Differences between statutory and RAG definitions	Non-appointed	Total adjustments	Total appointed activities	RAG 4 reference
Profit for the year	£m	3	78.805	(38.851)	2.778	(41.629)	37.175	1B.1
Actuarial gains/ (losses) on post-employment plans	£m	3	0.030	0.000	0.000	0.000	0.030	1B.2
Other comprehensive expense	£m	3	(106.438)	0.000	0.000	0.000	(106.438)	1B.3
Total comprehensive expense for the year	£m	3	(27.603)	(38.851)	2.778	(41.629)	(69.232)	1B.4

Table 1B - Commentary

The statement of comprehensive income sets out all items which result in a change to our balance sheet reserves. The appointed activities profit for the year of £37.2m is adjusted for actuarial gains on post-employment plans of £0.03m, and other comprehensive expense of £106.4m, which relates to £109.3m impairment of infrastructure assets as a result of revaluation at 31 March 2026, offset by £2.9m income relating to cash flow hedges. This results in total comprehensive expense for the year for the appointed business of £69.2m.

In respect of the fixed asset revaluation, we have a policy under FRS 102 of holding infrastructure assets (networks), residential properties, non-specialist properties and rural estates under a valuation model. The fair value of assets must be reviewed periodically under FRS 102.

The infrastructure assets were revalued during the year resulting in £145.7m downwards revaluation for the 2025/2026 year, with a corresponding adjustment to tax of £36.4m, resulting in a net expense to other comprehensive income of £109.3m. Fair value is determined with the support of a third party using a market value approach, which uses discounted cash flow modelling to calculate a valuation range for the Enterprise Value (EV) of Yorkshire Water. Management concludes on the appropriate EV to be used from within this range using their judgement.

The adjusted EV is then allocated against certain assets and liabilities to estimate the fair value of infrastructure assets. In addition, a cross-reference against recent market data regarding Regulated Capital Value (RCV) multiples realised in transactions of similar infrastructure businesses was undertaken to ensure the valuation was appropriate.

Residential properties, non-specialist properties and rural estates were revalued in the 2023/2024 year, with the valuation exercise undertaken in accordance with the professional standards and practice guidance issued by the Royal Institution of Chartered Surveyors in the UK. For the 2025/2026 year it has been assessed that there is no material movement in the market and hence no revaluation has been made in the year.

There is a net actuarial gain on the unfunded pension scheme of £0.04m within Yorkshire Water, with a corresponding adjustment to tax of £0.01m, resulting in a net gain to other comprehensive income of £0.03m. The defined benefit plan is a multi-employer scheme, and the sponsoring employer is Kelda Group Limited, therefore there are no related values shown in the Yorkshire Water Services Limited Financial Statements.

An adjustment of £3.8m has been made for cash flow hedges taken to equity before taxation, with an offsetting £0.9m adjustment to tax, resulting in a net gain to other comprehensive income of £2.9m.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1C

Statement of financial position for the 12 months ended 31 March 2026

				Adjustments				
Line description	Units	DPs	Statutory	Differences between statutory and RAG definitions	Non-appointed	Total adjustments	Total appointed activities	RAG 4 reference
Non-current assets								
Fixed assets	£m	3	10,448.713	-302.008	2.272	-304.279	10,144.433	1C.1
Intangible assets	£m	3	329.017	-17.464	0.000	-17.464	311.553	1C.2
Investments – loans to group companies	£m	3	437.207	0.000	0.000	0.000	437.207	1C.3
Investments – other	£m	3	2.245	0.000	0.000	0.000	2.245	1C.4
Financial instruments	£m	3	256.635	0.000	0.000	0.000	256.635	1C.5
Retirement benefit assets	£m	3	0.000	0.000	0.000	0.000	0.000	1C.6
Total non-current assets	£m	3	11,473.817	-319.471	2.272	-321.743	11,152.074	1C.7
Current assets								
Inventories	£m	3	7.956	0.000	0.000	0.000	7.956	1C.8
Trade & other receivables	£m	3	605.893	0.000	2.072	-2.072	603.821	1C.9
Financial instruments	£m	3	5.125	0.000	0.000	0.000	5.125	1C.10
Cash & cash equivalents	£m	3	571.368	0.000	0.000	0.000	571.368	1C.11
Total current assets	£m	3	1,190.341	0.000	2.072	-2.072	1,188.270	1C.12
Current liabilities								
Trade & other payables	£m	3	-423.166	0.000	-0.085	0.085	-423.081	1C.13
Capex creditor	£m	3	-256.541	0.000	0.000	0.000	-256.541	1C.14
Borrowings	£m	3	-301.806	-3.965	0.000	-3.965	-305.771	1C.15
Financial instruments	£m	3	-0.921	0.000	0.000	0.000	-0.921	1C.16
Current tax liabilities	£m	3	0.000	0.000	0.000	0.000	0.000	1C.17
Provisions	£m	3	-16.539	0.000	0.000	0.000	-16.539	1C.18
Total current liabilities	£m	3	-998.973	-3.965	-0.085	-3.880	-1,002.853	1C.19
Net Current assets/ (liabilities)	£m	3	191.368	-3.965	1.987	-5.952	185.416	1C.20

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1C – continued

Statement of financial position for the 12 months ended 31 March 2026

				Adjustments				
Line description	Units	DPs	Statutory	Differences between statutory and RAG definitions	Non-appointed	Total adjustments	Total appointed activities	RAG 4 reference
Non-current liabilities								
Trade & other payables	£m	3	-4.483	0.000	0.000	0.000	-4.483	1C.21
Borrowings	£m	3	-7,180.117	-44.128	0.000	-44.128	-7,224.245	1C.22
Financial instruments	£m	3	-1,541.028	0.000	0.000	0.000	-1,541.028	1C.23
Retirement benefit obligations	£m	3	0.000	0.000	0.000	0.000	0.000	1C.24
Provisions	£m	3	-44.027	12.087	0.000	12.087	-31.940	1C.25
Deferred income - G&Cs	£m	3	-418.008	5.400	-1.248	6.648	-411.360	1C.26
Deferred income – adopted assets	£m	3	-303.046	0.000	0.000	0.000	-303.046	1C.27
Preference share capital	£m	3	0.000	0.000	0.000	0.000	0.000	1C.28
Deferred tax	£m	3	-813.503	87.519	0.000	87.519	-725.984	1C.29
Total non-current liabilities	£m	3	-10,304.212	60.879	-1.248	62.127	-10,242.085	1C.30
Net assets	£m	3	1360.973	-262.557	3.010	-265.568	1095.405	1C.31
Equity								
Called up share capital	£m	3	11.000	0.000	0.000	0.000	11.000	1C.32
Retained earnings & other reserves	£m	3	1,349.973	-262.557	3.010	-265.568	1,084.405	1C.33
Total Equity	£m	3	1,360.973	-262.557	3.010	-265.568	1,095.405	1C.34

Table 1C - Commentary

Table 1C takes the Balance Sheet as at 31 March 2026 detailed in the ARFS and makes adjustments for the differences between UK statutory financial reporting and regulatory financial reporting, together with removal of the non-appointed assets and liabilities. This then details the Balance Sheet of the appointed business.

The table below details the total adjustment of £262.6m to retained earnings and reserves and the corresponding adjustments to fixed assets, intangible assets, borrowings, provisions, deferred income and deferred tax.

This comprises the differences between statutory and RAG definitions which are the balance sheet equivalent adjustments to those income statement adjustments described in more detail in the narrative to Table 1A.

Please note, the reversal of the IFRS 15 adjustment relating to revenues not probable of collection has been included below for completeness. However, as this increases both trade and other receivables and bad debt provision within line 1C.9, this adjustment has a net £nil balance sheet impact.

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Total adjustment

Line description	Capitalisation of Interest and Related Depreciation	IFRS 15 Revenue Recognition	Innovation Fund	IFRS 16 Leases	Total
Line 1C.1 Fixed assets	(343.256)	-	-	41.248	(302.008)
Line 1C.2 Intangible assets	(17.464)	-	-	-	(17.464)
Line 1C.9 Trade and other receivables	-	0.000	-	-	0.000
Line 1C.15 Borrowings (current)	-	-	-	(3.965)	(3.965)
Line 1C.22 Borrowings (non-current)	-	-	-	(44.128)	(44.128)
Line 1C.25 Provisions (non-current)	-	-	12.087	-	12.087
Line 1C.26 Deferred income – G&Cs	-	-	-	5.400	5.400
Line 1C.29 Deferred tax	90.180		(3.022)	0.361	87.519
Line 1C.33 Retained earnings & other reserves	270.540	0.000	(9.066)	1.083	262.557

Please note table may contain roundings.

Technical notes

The adjustments presented above reflect the balance side of those adjustments detailed in the Table 1A commentaries.

As detailed in Table 1B and the statutory accounts, infrastructure assets (networks), residential properties, non-specialised properties and rural estates are held under a revaluation model, rather than historical cost. Whilst regulatory accounting guidance refers only to historical cost, given that UK GAAP FRS 102 offers the choice between historical cost and valuation, and the regulatory guidance does not identify the requirement to re-state fixed assets for those adjustments, no adjustment has been made. This is consistent with the treatment in prior years.

Line 1C.11 includes £437.2m intercompany loan debtor due from Kelda Eurobond Co Limited. Whilst management expects this to be repaid on or before 31 March 2027 the balance remains presented within Fixed Assets as a non-current debtor due to the requirements of FRS 102. FRS 102 states where an asset is initially recorded as a fixed asset, it should remain as a fixed asset unless there is a clear change in its nature and is not reclassified as a current asset simply because it is nearing the end of its life if the purpose for which it has been held has not changed. Line 1C.19 includes £141.0m on accrued interest relating to this loan balance as at 31 March 2026, consistent with RAG guidelines and prior year presentation.

Table 1D

Statement of cash flows for the 12 months ended 31 March 2026

				Adjustments				
Line description	Units	DPs	Statutory	Differences between statutory and RAG definitions	Non-appointed	Total adjustments	Total appointed activities	RAG 4 reference
Operating activities								
Operating profit	£m	3	464.173	3.537	3.667	-0.129	464.043	1D.1
Other income	£m	3	31.276	-33.194	0.045	-33.239	-1.963	1D.2
Depreciation	£m	3	417.996	-5.893	0.065	-5.958	412.038	1D.3
Amortisation – developer services and diversions income - G&C's	£m	3	-15.424	15.424		15.424	0.000	1D.4
Changes in working capital	£m	3	-136.588		-0.579	0.579	-136.009	1D.5
Pension contributions	£m	3	0.000			0.000	0.000	1D.6
Movement in provisions	£m	3	4.318	-5.607	-3.197	-2.410	1.908	1D.7
Profit on sale of fixed assets	£m	3	-2.759	0.000		0.000	-2.759	1D.8
Cash generated from operations	£m	3	762.992	-25.733	0.000	-25.733	737.259	1D.9
Net interest paid	£m	3	-215.090	-1.680		-1.680	-216.770	1D.10
Tax paid	£m	3	-23.233			0.000	-23.233	1D.11
Net cash generated from operating activities	£m	3	524.669	-27.413	0.000	-27.413	497.256	1D.12
Investing activities								
Capital expenditure	£m	3	-984.649			0.000	-984.649	1D.13
Developer services and diversion income - G&C's	£m	3		31.276		31.276	31.276	1D.14
Disposal of fixed assets	£m	3	3.358			0.000	3.358	1D.15
Other	£m	3	0.000			0.000	0.000	1D.16
Net cash used in investing activities	£m	3	-981.290	31.276	0.000	31.276	-950.014	1D.17
Net cash generated before financing activities	£m	3	-456.621	3.863	0.000	3.863	-452.758	1D.18

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1D – continued

Statement of cash flows for the 12 months ended 31 March 2026

Line description	Units	DPs	Statutory	Adjustments: Differences between statutory and RAG definitions	Adjustments: Non-appointed	Adjustments: Total adjustments	Total appointed activities	RAG 4 reference
Cash flows from financing activities								
Equity dividends paid	£m	3	-85.100			0.000	-85.100	1D.19
Net loans received	£m	3	622.577	-3.863		-3.863	618.714	1D.20
Cash inflow from equity financing	£m	3				0.000	0.000	1D.21
Net cash generated from financing activities	£m	3	537.477	-3.863	0.000	-3.863	533.614	1D.22
Increase (decrease) in net cash	£m	3	80.856	0.000	0.000	0.000	80.857	1D.23

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1D - Commentary

Yorkshire Water is not required to publish a cashflow statement in the statutory accounts as the consolidated financial statements of Kelda Eurobond Co Limited include the equivalent disclosures. The company has also taken certain exemptions under FRS 102 available in respect of the disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues.

The cashflow information in **Table 1D** is, therefore, derived from the published Profit and Loss account and Balance Sheet information. Similar to **Tables 1A** and **1C**, **Table 1D** captures the adjustments needed to both reflect differences between statutory financial reporting in accordance with UK GAAP and regulatory financial reporting and remove non-appointed cashflows to determine the cashflow statement for the appointed business.

Overall, there was a net cash increase on appointed activities of £80.9m for 2025/2026. Cash generated from operations of £737.3m was adjusted by:

- Net interest paid (1D.10) of £216.8 on borrowings taken out to fund historical and current capital investment programmes. As in 2024/2025 this figure excludes cash interest on derivatives, totalling £36.2m, which have been presented within 1D.20 Net loans received/ paid as cash flows from financing activities to more consistently reflect the nature of the transactions alongside similar cash flows;
- Cash investment in fixed assets (1D.13) totalling £984.6m, including investment in tangible assets of £923.0m and intangible assets of £61.6m; and
- Dividends paid (1D.19) to fund interest on other borrowings taken out on behalf of Yorkshire Water elsewhere in the group and dividends to the owners of Yorkshire Water totalling £85.1m as detailed in Table 1A commentary; offset by
- £31.3m in relation to grants and contributions and adopted sewers. Under IFRIC 18 this has been treated as cash generated from operations in the statutory cash flow and is included within Other Income (line 1D.2). In accordance with the RAGs this has been moved to grants and contributions (line 1D.14) within investing activities. The amortisation of grants and contributions and adopted sewers (totalling £15.4m), which is adjusted from Operating Profit to Other Income on table 1A, is reflected in the corresponding adjustments to Table 1D in lines 1D.1 and 1D.2 due to the Operating Profit lines being automatically linked in the tables. However, this is then adjusted as a further statutory to RAG cashflow adjustment to other income as it is a non-cash movement; and
- Net loans received of £618.7m. This amount includes: £681.8m borrowings raised (net of fees); and £36.2m net interest received on derivatives (reclassified from 1D.10 Net interest paid as noted above); offset by £10.2m repayment of borrowings; £83.3m swap accretion and termination payments; and £2.0m payments relating to finance leases and hire purchase agreements. This has then been adjusted for £3.9m relating to operating leases reclassified to finance leases under IFRS 16.

The table below details the adjustments to the cash flow statement due to differences between statutory and RAG definitions. These are the cash flow equivalent adjustments to those income statement adjustments described in more detail in the narrative to Table 1A.

Adjustments to the cash flow statement due to differences between statutory and RAG definitions.

Line description	Profit on Disposal of Fixed Assets	Rental Income	RDEC Income	S104 Income	Cost Recovery Income	G&Cs moved to investing activities	G&C Income	IFRIC 18 Adopted Sewers	Removal of G&C and Adopted Sewers amortisation (non-cash)	Capitalisation of Interest and Related Depreciation	Innovation Fund	IFRS 15 Revenue Recognition	IFRS 16 Leases	Total
Line 1D.1 Operating Profit	-	(1.660)	-	(0.668)	-	-	(11.641)	(3.783)	-	10.960	9.853	-	0.476	**3.537**
Line 1D.2 Other income	-	1.660	-	0.668	-	(31.276)	11.641	3.783	(15.424)	-	(4.426)	-	-	**(33.194)**
Line 1D.3 Depreciation	-	-	-	-	-	-	-	-	-	(10.960)	-	-	5.067	**(5.893)**
Line 1D.4 Amortisation – developer services and diversions income - G&C's	-	-	-	-	-	-	-	-	15.424	-	-	-	-	**15.424**
Line 1D.7 Movement in provisions	-	-	-	-	-	-	-	-	-	-	(5.607)	-	-	**(5.607)**
Line 1D.10 Net interest paid	-	-	-	-	-	-	-	-	-	-	-	-	(1.680)	**(1.680)**
Line 1D.14 Developer services and diversion income - G&C's	-	-	-	-	-	31.276	-	-	-	-	-	-	-	**31.276**
Line 1D.20 Net loans received	-	-	-	-	-	-	-	-	-	-	-	-	(3.863)	**(3.863)**
Total	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**	**0.000**

Please note table may contain roundings.

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1E

Net debt analysis at 31 March 2026

Line description	Units	DPs	Fixed rate	Floating rate	Index linked RPI	Index linked CPI/CPIH	Total	RAG 4 reference
Interest rate risk profile								
Borrowings (excluding preference shares)	£m	3	3,691.791	404.577	2,237.043	1,637.897	7,971.308	1E.1
Preference share capital	£m	3	0.000				0.000	1E.2
Total borrowings	£m	3	3,691.791	404.577	2,237.043	1,637.897	7,971.308	1E.3
Cash	£m	3					-221.078	1E.4
Short term deposits	£m	3					-350.290	1E.5
Net Debt	£m	3					7,399.940	1E.6
Gearing								
Gearing	%	3					71.0%	1E.7
Adjusted Gearing	%	3					72.8%	1E.8
Interest								
Full year equivalent nominal interest cost	£m	3	181.206	-34.710	279.569	19.178	445.243	1E.9
Full year equivalent cash interest payment	£m	3	181.206	-34.710	103.178	6.186	255.860	1E.10
Indicative interest rates								
Indicative weighted average nominal interest rate	%	3	4.908%	-8.579%	12.497%	1.171%	5.586%	1E.11
Indicative weighted average cash interest rate	%	3	4.908%	-8.579%	4.612%	0.378%	3.210%	1E.12
Time to maturity								
Weighted average years to maturity	nr	3	8.630	10.470	19.550	7.060	11.580	1E.13

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1E - Commentary

Table 1E contains information about our financing structure and the associated interest costs of that financing. The data included within lines 1 to 12 reflects all financial instruments held by Yorkshire Water, whereas the weighted maturity in line 13 excludes derivatives in line with Ofwat guidance. If derivatives were included on a consistent basis with lines 1 to 12 the maturity would increase slightly to 11.9 years (4B.438).

Interest payable or receivable on our borrowings is on either a fixed rate, floating rate or inflation linked basis. Inflation and interest rate risk is predominantly managed on a portfolio basis rather than an individual instrument basis.

The company manages the issuance of new debt to ensure that Yorkshire Water's debt maturity profile avoids repayment concentrations, meaning that we avoid the situation where large amounts of debt must be re-paid at the same time. This assists with the company's future refinancing requirements.

This year £700m of fixed rate debt was issued, a £1,000m fixed-to-floating rate swap was entered into, the revolving credit facility (RCF) remained undrawn, and a £600m swap was entered into that receives RPI and pays CPIH.

The weighted average maturity of non-swap debt reported in Table 1E.13 has reduced from 12.5 years to 11.6 years. This reflects the passage of time (bringing existing debt closer to maturity) and the issuance of new debt at an average tenor of 11 years. This is consistent with the planned approach to the company's financing requirements.

All figures in Table 1E have been calculated in reference to 'RAG 4.14 - Guideline for the table definitions in the annual performance report'. Borrowings include all debt relevant to the regulated company, including debt raised by financing subsidiaries. Borrowings reported in 1E.1 include group-level borrowings relevant to the regulated company, including the accretion of index-linked swaps and excluding fair value adjustments and unamortised loan costs.

As a result, consistent with the prior year, there is a difference between borrowings reported in **Table 1C** and Table 1E. The table below provides a reconciliation of the difference.

Reconciliation of borrowing amounts contained within Table 1C (lines 15 & 22) to Table 1E (line 1)

Table 1C:	**£m**
1C.15 – Borrowings (Current liabilities)	(305.8)
1C.22 – Borrowings (Non-Current liabilities)	(7,224.2)
Table 1C – Borrowings	(7,530.0)
Adjustments:	
(i) Fair value adjustments of bonds held in subsidiary companies included in Table 1C but not included in Table 1E	(27.2)
(ii) Accretion of IL swaps not included in Table 1C but included in Table 1E.	(291.3)
(iii) The difference in the book value of internal loans that were exchanged. 1C includes the value reported in Yorkshire Water Services Limited and 1E includes the embedded value of the loans taken out by the financing subsidiary.	6.0
(iv) Unamortised issue costs are included in Table 1C but not included in Table 1E.	(128.8)
Total adjustments	(441.3)
Table 1E – Borrowings	**(7,971.3)**

Line **1E.7** contains Yorkshire Water's regulatory gearing, calculated as "Net Debt" (Table 1E line 6), divided by the company's Regulatory Capital Value (RCV) as shown in Table 4C line 31.

Line **1E.8** represents Yorkshire Water Senior RAR (the definition of which is contained within the terms of Yorkshire Water's Whole Business Securitisation structure).

Actual and forecast amounts of Yorkshire Water's Senior RAR are published twice a year within Compliance Certificates (which is required as part of the terms of Yorkshire Water's Whole Business Securitisation structure). These can be found within the 'Investor Centre' section of the Kelda Group website at keldagroup.com.

Lines **1E.9 – 1E.12** contain the full year equivalent nominal and cash interest costs, along with indicative weighted average interest rates.

The issuance of £700m fixed-rate debt has resulted in an increase in fixed interest costs during the year. This has been partially offset by the £1bn swap which receives fixed and pays floating.

The £1bn swap has increased floating interest costs during the year.

The increases in retail price inflation (RPI) to 4.1% at 31 March 2026 (from 3.2% at 31 March 2025) has led to a year-on-year increase in RPI-linked interest costs.

Similarly, the increase in Consumer Price Inflation (CPI) to 3.3% at 31 March 2026 (from 2.6% at 31 March 2025) has led to a year on year increase in CPI/CPIH-linked interest costs.

Technical notes

Yorkshire Water and its financing subsidiaries raise debt finance from a number of sources including, amongst other areas, bank debt, bond debt and finance leases. Any borrowings raised by Yorkshire Water's financing subsidiaries are on-lent to Yorkshire Water, with Yorkshire Water paying interest to those subsidiaries on the same terms as the financing subsidiaries have borrowed at. This is illustrated in the diagram below.

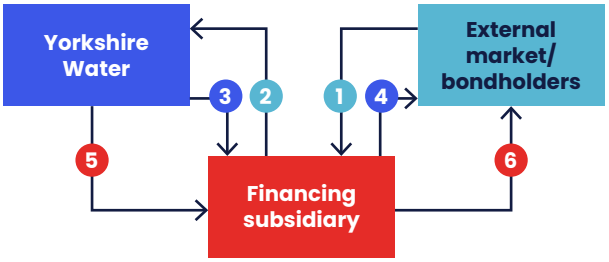


Illustration of borrowing by Yorkshire Water finance subsidiary and on-lending to Yorkshire Water

A. Debt raised

1. Financing subsidiary raises £100m fixed rate bond from the external market with a coupon payable of 5.0% per annum with a maturity of 10 years.

2. Financing subsidiary lends the £100m debt raised to Yorkshire Water.

B. Annual interest payments

3. Yorkshire Water pays £5m interest to Financing subsidiary on an annual basis.

4. Financing subsidiary pays £5m interest to external bond holders on an annual basis.

C. Debt repaid

5. Yorkshire Water pays back £100m to Financing subsidiary on maturity date.

6. Financing subsidiary repays bond holders £100m on maturity date.

Table 1F

Financial flows for the 12 months ended 31 March 2026 and for the price review to date

Line description			12 months ended 31 March 2026						Average 2025-30						RAG 4 reference
			Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	
Units				%			£m			%			£m		
DPs				2			3			2			3		
Regulatory equity															
Regulatory equity	£m	3	3983.702	3983.702	2708.233				3983.702	3983.702	2708.233				1F.1
Return on regulatory equity															
Return on regulatory equity - real	See Column Heading		5.34%	3.63%	5.34%	212.730	144.620	144.620	5.34%	3.63%	5.34%	212.730	144.620	144.620	1F.2
Financing															
Impact of movement from notional gearing	See Column Heading			1.71%	0.92%		68.110	24.792		1.71%	0.92%		68.110	24.792	1F.3
Variance in corporation tax	See Column Heading			0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.4
Group relief	See Column Heading			0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.5
Cost of debt	See Column Heading			1.85%	3.44%		73.799	93.131		1.85%	3.44%		73.799	93.131	1F.6
Hedging instruments	See Column Heading			-0.32%	-0.59%		-12.568	-15.860		-0.32%	-0.59%		-12.568	-15.860	1F.7
Return on regulatory equity including Financing adjustments	See Column Heading		5.34%	6.88%	9.11%	212.730	273.961	246.683	5.34%	6.88%	9.11%	212.730	273.961	246.683	1F.8

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1F – continued

Financial flows for the 12 months ended 31 March 2026 and for the price review to date

Line description		12 months ended 31 March 2026						Average 2025-30						RAG 4 reference
		Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	
Units			%			£m			%			£m		
DPs			2			3			2			3		
Operational Performance														
Totex out/(under) performance	See Column Heading		0.09%	0.13%		3.468	3.468		0.09%	0.13%		3.468	3.468	1F.9
ODI out/(under) performance	See Column Heading		-1.53%	-2.25%		-60.910	-60.910		-1.53%	-2.25%		-60.910	-60.910	1F.10
C-MeX out/ (under) performance	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.11
D-MeX out/ (under) performance	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.12
BR-MeX out /(under) performance	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.13
Retail out/(under) performance	See Column Heading		-0.50%	-0.73%		-19.843	-19.843		-0.50%	-0.73%		-19.843	-19.843	1F.14
PCD – time incentives	See Column Heading		0.00%	0.00%		-0.104	-0.104		0.00%	0.00%		-0.104	-0.104	1F.15
Return adjustment mechanisms	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.16
Other exceptional items	See Column Heading		-0.03%	-0.04%		-1.218	-1.218		-0.03%	-0.04%		-1.218	-1.218	1F.17
Operational performance total	See Column Heading		-1.97%	-2.90%		-78.607	-78.607		-1.97%	-2.90%		-78.607	-78.607	1F.18

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1F – continued

Financial flows for the 12 months ended 31 March 2026 and for the price review to date

Line description		12 months ended 31 March 2026						Average 2025-30						RAG 4 reference
		Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	Notional returns and notional regulatory equity	Actual returns and notional regulatory equity	Actual returns and actual regulatory equity	
Units			%			£m			%			£m		
DPs			2			3			2			3		
Operational Performance (continued)														
RoRE (return on regulatory equity) – real	See Column Heading	5.34%	4.90%	6.21%	212.730	195.354	168.076	5.34%	4.90%	6.21%	212.730	195.354	168.076	1F.19
RCV Indexation	See Column Heading	3.45%	3.45%	3.45%	137.438	137.438	93.434	3.45%	3.45%	3.45%	137.438	137.438	93.434	1F.20
Voluntary sharing arrangements	See Column Heading		-0.06%	-0.08%		-2.211	-2.211		-0.06%	-0.08%		-2.211	-2.211	1F.21
Total shareholder return	See Column Heading	8.79%	8.30%	9.57%	350.167	330.580	259.299	8.79%	8.30%	9.57%	350.167	330.580	259.299	1F.22
Dividends														
Gross Dividend	See Column Heading	4.04%	1.89%	2.78%	161.101	75.267	75.267	4.04%	1.89%	2.78%	161.101	75.267	75.267	1F.23
Interest Receivable on Intercompany loans	See Column Heading		0.00%	0.00%		0.000	0.000		0.00%	0.00%		0.000	0.000	1F.24
Retained Value	See Column Heading	4.75%	6.41%	6.80%	189.066	255.313	184.032	4.75%	6.41%	6.80%	189.066	255.313	184.032	1F.25

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 1F - Commentary

Table 1F has been developed by Ofwat to improve financial transparency. It aims to enable a comparison between actual financial flows to the company's investors under the actual capital structures which companies have adopted, and what they would have been under the notional structure Ofwat have used for setting the prices that customers pay.

Return on regulatory equity (lines 1-2)
1F.1 (Regulatory equity)

The notional equity was provided by Ofwat, the actual equity was calculated in line with the guidance from Ofwat.

1F.2 (Return on regulatory equity)

This was provided within the "Financial-Flows-Data-Source" published by Ofwat.

Financing (lines 3-8)
1F.3 (Impact of movement from notional gearing)

This is a calculation based on the difference between actual and notional gearing levels.

1F.4 (Variance in corporation tax)

In line with additional guidance from Ofwat, we are showing a zero impact on this line.

Our PR24 determination includes no funding from customers for corporation tax and we incurred no current tax charge in 2025/2026. The appointed businesses' small credit for the year reflects that the non-appointed businesses' 2025/2026 tax charge has been effectively offset by tax losses of the appointed business. The adjustments to the notional tax charge i.e. profit before tax and fair value movements multiplied by 25%, relate to:

- accelerated or deferred capital allowances:
- amounts in relation to derivatives that are deductible for tax purposes, some of which are included within fair value movements;
- utilisation of brought forward tax losses; and
- other small amounts of non-deductible/non-taxable items

1F.5 (Group relief)

From 2017/2018 all losses surrendered to YW by other group companies have been paid for in full at the current rate of corporation tax, so there is no financial benefit shown within the table.

1F.6 (Cost of debt)

The cost of debt impact (excluding hedging instruments) has been calculated in line with Ofwat guidance.

1F.7 (Hedging instruments)

We have assessed the impact of our hedging instruments on our overall cost of debt. In the current year we have calculated that our hedging instruments have increased our overall nominal interest rate by 0.27%.

1F.8 (Return on regulatory equity including Financing adjustments)

This is a calculation (sum of lines 1F.2 – 1F.7).

Operational Performance (lines 9-22)
1F.9 (Totex out/(under) performance)

This is taken from **Table 4C.73** and represents the total company share of over/underspend against the totex allowances, this is deflated to 2022/2023 CPIH average prices.

1F.10 (ODI out/(under) performance)

This is the ODI net penalty as reported within the ODI payment model.

1F.11 (C-MeX out/(under) performance)

As per the Ofwat guidance we have included the value for our 2024/2025 C-Mex performance in line 1F.17.

1F.12 (D-MeX out/(under) performance)

As per the Ofwat guidance we have included the value for our 2024/2025 D-Mex performance in line 1F.17.

1F.13 (BR-MeX out/(under) performance)

No return in 2025-26.

1F.14 (Retail out/(under) performance)

This has been calculated by comparing the adjusted allowance for retail operating costs, household and the actual costs as reported in **Table 2C** – Operating cost analysis – retail and then the variance has been deflated to 2022/2023 CPIH average prices.

1F.15 (PCD – time incentives)

We have calculated the timing impact based on our assessment of delivery in 2025/2026.

1F.16 (Return adjustment mechanism)

No return in 2025/2026.

1F.17 (Other exceptional items)

We have included a 50% share of the proceeds of land sales as reported in **Table 2L**. This has been deflated to 2022/2023 CPIH average prices.

As per Ofwat guidance we have included the C Mex and D Mex for 2024/2025 inflated to 2022/2023 CPIH average prices.

1F.18 (Operational performance total)

This is a calculation (sum of lines 1F.9 – 1F.17).

1F.19 (RoRE return on regulated equity)

This is a calculated line (sum of lines 1F.8 and 1F.18) and is reported in line 4H.5.

1F.20 (RCV growth from inflation)

This was provided within the "Financial-Flows-Data-Source" published by Ofwat.

1F.21 (Voluntary sharing arrangements)

We have included the £2.5m revenue sacrifice within household retail, this is used to support customers on our social tariff WaterSupport, this has been deflated to 2022/2023 CPIH average prices.

1F.22 (Total shareholder return)

This is a calculated line (sum on lines 1F.19, 1F.20 and 1F.21).

Dividends (lines 23-25)

1F.23 (Gross Dividend)

The notional Company dividend of 4.04% was provided by Ofwat within the FD24 financial model, output table RR16.11.

We have included the actual gross dividends that were paid from the appointed company within the relevant years. This has been deflated to 2022/2023 CPIH average prices.

1F.24 (Interest Received on Intercompany loans)

No return in 2025/2026.

1F.25 (Retained Value)

This is a calculated line (sum of 1F.22 less 1F.23 and 1F.24).

Statement on RoRE

The calculation for RoRE is undertaken in table 1F. The value is taken from line 1F.19,

		31/03/2026 % RoRE	31/03/2026 £m	Average AMP8	31/03/2026 £m
1F.2	**Return on regulatory equity**	**3.63%**	**144.6**	**3.63%**	**144.6**
1F.3	Impact of moving from notional gearing	1.71%	68.1	1.71%	68.1
1F.4	Variance in corporation tax	-	-	-	-
1F.5	Group relief	-	-	-	-
1F.6	Cost of debt	1.85%	73.8	1.85%	73.8
1F.7	Hedging instruments	(0.32%)	(12.6)	(0.32%)	(12.6)
	Financing adjustment total	**3.25%**	**129.3**	**3.25%**	**129.3**
1F.9	Totex out/(under) performance	0.09%	3.5	0.09%	3.5
1F.10	ODI out/(under) performance	(1.53%)	(60.9)	(1.53%)	(60.9)
1F.11	C-MeX out/(under) performance	-	-	-	-
1F.12	D-MeX out/(under) performance	-	-	-	-
1F.13	BR-MeX out/(under) performance	-	-	-	-
1F.14	Retail out/(under) performance	(0.50%)	(19.8)	(0.50%)	(19.8)
1F.15	PCD – time incentives	(0.00%)	(0.1)		
1F.16	Return adjustment mechanisms	-	-		
1F.17	Other exceptional items	(0.03%)	(1.2)	(0.03%)	(1.2)
1F.18	**Operational performance total**	**(1.97%)**	**(78.6)**	**(1.97%)**	**(78.5)**
1F.19	**RoRE (return on regulatory equity)**	**4.90%**	**195.4**	**4.90%**	**195.4**

Table 2: Price review and other segmental reporting

Introduction

The information in this section details 'Price review and other segmental reporting' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following tables.

Pro forma 2A	Segmental income statement for the 12 months ended 31 March 2026
Pro forma 2B	Totex analysis for the 12 months ended 31 March 2026 – by wholesale price controls
Pro forma 2C	Cost analysis for the 12 months ended 31 March 2026 – retail
Pro forma 2D	Historic cost analysis of tangible fixed assets by price control at 31 March 2026
Pro forma 2E	Analysis of Developer services income by price control for the 12 months ended 31 March 2026
Pro forma 2F	Residential retail for the 12 months ended 31 March 2026
Pro forma 2H	Cash collection performance rates – residential retail
Pro forma 2I	Revenue analysis & wholesale control reconciliation for the 12 months ended 31 March 2026
Pro forma 2K	Infrastructure charges reconciliation for the 12 months ended 31 March 2026
Pro forma 2L	Analysis of land sales for the 12 months ended 31 March 2026
Pro forma 2M	Revenue reconciliation for the 12 months ended 31 March 2026 – wholesale
Pro forma 2N	Household affordability support
Pro forma 2O	Historic cost analysis of intangible fixed assets – by price control
Pro forma 2P	Third party services revenue for the 12 months ended 31 March 2026
Pro forma 2R	Analysis of diversions income by price control for the 12 months ended 31 March 2026

Table 2A

Segmental income statement for the 12 months ended 31 March 2026

Line description	Units	DPs	Residential retail	Business retail	Water resources	Water Network Plus	Wastewater Network Plus	Bioresources	Additional water control	Additional wastewater control	Total	RAG 4 reference
Revenue – price control	£m	3	109.443	0.000	106.811	558.469	752.337	117.201	0.000	0.000	1,644.261	2A.1
Revenue – non-price control (principal services)	£m	3	0.000	0.000	0.193	0.081	1.622	0.000	0.000	0.000	1.896	2A.2
Revenue – non-price control (third-party services)	£m	3	0.000	0.000	2.822	0.840	1.486	0.000	0.000	0.000	5.148	2A.3
Operating expenditure – excluding PU recharge impact	£m	3	-101.781	0.000	-52.160	-302.053	-267.774	-53.836	0.000	0.000	-777.604	2A.4
PU opex recharge	£m	3	-3.469	0.000	-1.198	-21.573	29.109	-2.868	0.000	0.000	0.000	2A.5
Operating expenditure – including PU recharge impact	£m	3	-105.250	0.000	-53.358	-323.626	-238.665	-56.704	0.000	0.000	-777.604	2A.6
Depreciation – tangible fixed assets	£m	3	-1.331	0.000	-11.075	-130.067	-169.766	-23.491	0.000	0.000	-335.730	2A.7
Amortisation – intangible fixed assets	£m	3	-11.088	0.000	-1.526	-5.078	-52.079	-0.045	0.000	0.000	-69.816	2A.8
Other operating income	£m	3	0.000	0.000	0.562	0.024	2.099	0.002	0.000	0.000	2.687	2A.9
Operating profit	£m	3	-8.226	0.000	44.429	100.643	297.033	36.963	0.000	0.000	470.843	2A.10

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2A - Commentary

Table 2A is a summary table showing retail and wholesale revenue and expenditure, including any recharges associated with principal use of assets. Further information can be found in the tables and commentary below.

Principal use recharge (PU)

The methodology is unchanged from prior years with assets allocated to price controls in line with the principal use rules in RAG 2 and RAG 4. Where assets are used by more than one price control, they have been allocated to wastewater Network Plus in **Table 2D** and **2O** with the depreciation or amortisation recharged across price controls using Full Time Equivalent (FTE) headcount.
In line with the RAGs, in 2022/2023, Yorkshire Water changed the approach for reporting the wholesale impact of the principal use recharge. The PU opex recharge on Table 2A is included within the relevant lines in **Table 4D**, **4E**, **4J** and **4K**.

The increase in principal use recharge is due to a revaluation of buildings and investments in technology.

Further information can be found in the Accounting Separation Methodology statement, which can be viewed on the reports webpage here: **yorkshirewater.com/about-us/reports**

Technical notes

As per previous years the provision in relation to the innovation fund and water efficiency fund for 2025/2026 has been reversed with no corresponding adjustment to revenue.

An accounting policy note for price control units

The regulatory accounting statements for the year ended 31 March 2026 have been prepared in accordance with RAG 3.16 – Guideline for the format and disclosures for the annual performance report and the principles set out in RAG 2 – Guideline for the classification of costs across the price controls.

Basis of allocation of operating costs and assets
Operating costs and assets are allocated to price control units using the company's SAP financial system, supported by clearly defined cost centre structures aligned to regulatory activities. Costs are directly attributed to price controls wherever possible, with remaining costs allocated using appropriate cost drivers in accordance with RAG 2 principles of causality, objectivity and transparency.

Indirect costs, including management and general expenditure, are allocated using cost drivers such as full time equivalents (FTEs), headcount or asset values, reflecting the consumption of underlying resources. These drivers are selected in line with Ofwat guidance and are subject to review and approval by finance and operational management.

Capital expenditure is recorded and allocated through SAP using investment categories which define the regulatory purpose, asset type and associated price control. Where assets serve more than one price control, costs are apportioned using appropriate percentages reflecting usage.

Assets are attributed to price controls based on principal use, with recharges applied where assets are shared across multiple services.

Changes in the year
The allocation methodology has been applied on a consistent basis with prior years.

During the year, minor refinements were made to cost centre hierarchies and assessment processes to reflect enhanced regulatory reporting requirements, including increased levels of disaggregation within tables 4J and 4K. These changes improve the alignment of reported data with Ofwat guidance and do not represent a fundamental change to the underlying allocation methodology.

Systems used to produce disaggregated data
The regulatory accounting statements are produced using SAP as the core financial system. SAP is used to capture, allocate and report both operating and capital expenditure across price controls, providing a single source of data for statutory, management and regulatory reporting.

The structure of the financial system and cost centre hierarchy is aligned to price controls, minimising the need for manual adjustments and enabling consistent reporting across periods. There have been no material changes to the underlying systems used to produce disaggregated cost and asset data in the reporting year, aside from updates to hierarchies and assessments to support enhanced reporting requirements.

Recharges
Recharges between price control units are applied where services or assets are shared, including charges between wholesale services and for the use of assets allocated under the principal use approach. These recharges are calculated using consistent methodologies based on appropriate cost drivers.

Recharge approaches are reviewed periodically to ensure continued alignment with regulatory guidance and improved accuracy of cost attribution. No changes have been made which materially impact the basis of recharge between price controls.

Compliance with RAG 2 principal use rules
The company has applied the principal use rules set out in RAG 2 in attributing assets and associated costs. Where assets are used by more than one price control, they are allocated to the service of principal use with recharges applied to other benefiting services.

Allocation between retail and wholesale

Cost Heading in the APR table 2C	Cost	Cost Driver Used	Why considered appropriate	Change in 2025/2026
Other Operating Expenditure	IT&T (business support)	Split based on headcount	Proxy to number of computers/ mobile devices as per RAG2	No
Other Operating Expenditure	HR, training, Finance, Regulation and Procurement - Finance, payroll Other support function and overheads opex – general management.	HR allocated on headcount, everything else FTEs	Timesheets are not available, second preference has been used	No
Other Operating Expenditure	CEO, Corporate affairs and Governance - Executive directors' remuneration	FTEs	Timesheets are not available so Ofwat's second preference has been used	No
Other Operating Expenditure	CEO, Corporate affairs and Governance - Non-executive directors' remuneration	FTEs	Timesheets are not available so Ofwat's second preference has been used	No
Other Operating Expenditure	Property management (business support)	FTEs	Floor space not available so Ofwat's second preference has been used	No
Other Operating Expenditure	Insurance	FTEs for employer/ employee liabilities, GMEAV for asset liabilities and vehicles for vehicle related liabilities	As per RAG2	No
Other Operating Expenditure	Other support function and overheads opex	Directly attributed where possible, other costs allocated using FTEs	Timesheets are not available so Ofwat's other preference has been used	No
Other Operating Expenditure	Local authority rates and cumulo rates	FTEs	Floor space not available so Ofwat's second preference has been used	No

Split between Directly Coded and Allocated Costs

	Wholesale			
	Water		Waste	
	Direct	Allocated	Direct	Allocated
Power	68%	32%	71%	29%
Other Operating Expenditure	33%	67%	18%	82%

Power costs relating to sites that cover more than one price control are coded to Whole Site Costs cost centres. These costs are then allocated using percentages based on each process's estimated level of consumption. We have invested in submetering on our collocated waste sites which has reduced the proportion of Power costs that have been allocated.

Management & General (M&G) percentage cost split allocations

FTE % Allocations	Water Resources	Water Network Plus	Wastewater Network Plus Sewage Collection	Wastewater Network Plus Sewage Treatment	Bioresources	Retail HH	Total
Total overhead 2024/2025	2%	39%	24%	20%	5%	10%	**100%**
Total overhead 2025/2026	2%	38%	26%	17%	5%	12%	**100%**
HR 2024/2025	2%	39%	24%	20%	5%	10%	**100%**
HR 2025/2026	2%	38%	26%	17%	5%	12%	**100%**
Data processing 2024/2025	2%	46%	23%	16%	4%	9%	**100%**
Data processing 2025/2026	2%	45%	24%	15%	4%	10%	**100%**
Facilities 2024/2025	2%	43%	22%	18%	5%	10%	**100%**
Facilities 2025/2026	2%	42%	24%	16%	5%	11%	**100%**

Note on revenue recognition

The difference between statutory and regulatory policy on revenue recognition is explained in Section 8 of this APR within table 1 commentary.

Yorkshire Water Charges Scheme permits that all connected household properties (water, sewerage or both) are chargeable and the occupier is responsible for paying the bill.

The occupier is defined more widely than physical occupation and includes those persons exercising control over premises (e.g. the legal owner or leaseholder). Where an 'occupier' for a property cannot be identified, no charges will be raised. Therefore, there is no turnover recognised for unoccupied properties. Yorkshire Water endeavours to trace the occupiers of properties in order to raise charges that are payable. Charges may be cancelled, or not raised in the first place, where a customer's circumstances indicate this is appropriate. See below.

Water and sewerage charges fall into the following three categories:

Category Business Rule applied

Charges payable in full

- All household (domestic) properties connected for water or waste services or both.
- This includes second homes, holiday homes, properties under renovation and properties forming part of a deceased customer's estate.

Charges payable in part

- Metered standing charges, payable on metered properties which are still connected.
- Sewerage unmetered tariff, payable on unmetered, occupied properties where the water supply is disconnected but sewerage connection is still provided.
- Surface water and highway drainage, payable on occupied properties where the water supply is disconnected.

Chargeable but not billed because the occupier cannot be identified (void properties)

No turnover is recognised in respect of properties which are empty and the owner/occupier cannot be identified. Speculative billing in the name of the 'occupier' is not followed. Where the occupier of a property has been identified, charges may not be raised where:

- The company has been informed that the sole occupier has left the property and it is not expected to be reoccupied immediately (e.g. the customer is in a care home, long-term hospitalisation, in prison, temporarily relocated due to a flood).
- The property has been repossessed or subject to a bankruptcy order.

Where the occupier/previous occupier is deceased and the property was 'owned' by the deceased, charges are raised from the date of death in the name of the executor until the property is sold/re-occupied.

Voids Management Process

Yorkshire Water has a robust process to determine whether a property is occupied and therefore whether charges are due. The occupier is any person who exercises control over a property and is under a duty of care in respect of visitors. The void property management process is followed to identify whether the property occupier can be identified and charged.

Yorkshire Water adopts a risk-based approach to its void property management to ensure the process is cost effective, whilst maintaining a fair billing position with regards to customers individual circumstances. The property management process, therefore, uses several different tools to manage empty properties including customer telephone contact, mailings, meter readings, residency checks using credit reference agencies and physical inspections.

If the property management process cannot identify an occupier to be charged, the property will remain unoccupied in our billing file and the property will be counted in our Void Property numbers.

New properties

All new properties are metered. Charges accrue from the date at which the meter is installed. The developer is billed between the date of connection and first occupancy and this is recognised as turnover. If the developer is no longer responsible for the property and no new occupier has been identified, the property management process referred to above is followed to identify the new occupier. Until the new occupier has been identified the property is treated as unoccupied and is not billed.

Measured Accrual

Measured income of £1,085.1m (2024/2025: £832.5m) has been billed (in arrears) to customers in the year.

The measured income accrual of £122.4m (2024/2025: £89.9m) is an estimation of the amount of water and wastewater charges un-billed at the year end. Key points to consider around this accrual are as follows:

- The accrual calculation is system generated based algorithms. The system methodology uses historical water consumption and tariff data at a customer account level. For high billing value accounts, additional manual adjustments are made where the latest customer intelligence and billing data varies from the system generated calculations.
- Each year following the year end, a review of the actual amount billed against the accrual is conducted to examine the accuracy of the measured accrual. For 2024/2025 the review indicated an underestimation of the measured accrual of £2.2m (2024/2025: £1.0m overestimation).

A consistent approach has been taken in this area.

Table 2B

Totex analysis for the 12 months ended 31 March 2026 - by wholesale price controls

Line description	Units	DPs	Water resources	Water Network Plus	Wastewater Network Plus	Bio-resources	Additional water control	Additional wastewater control	Total	RAG 4 reference
Gross operating expenditure										
Operating expenditure – Total wholesale	£m	3	53.358	323.626	238.665	56.704	0.000	0.000	672.354	2B.1
Developer services & diversions income (opex)										
Developer services income (opex)	£m	3		0.000	0.668				0.668	2B.2
Diversions income (opex)	£m	3	0.000	0.000	0.000				0.000	2B.3
Net operating expenditure										
Operating expenditure – Total wholesale (net)	£m	3	53.358	323.626	237.997	56.704	0.000	0.000	671.686	2B.4
Gross capital expenditure										
Capital expenditure – Total wholesale	£m	3	19.261	319.642	570.990	45.540	0.000	0.000	955.433	2B.5
Developer services & diversions income (capex)										
Developer services income (capex)	£m	3		16.721	5.619				22.340	2B.6
Diversions income (capex)	£m	3	0.000	1.911	4.098				6.009	2B.7
Net capital expenditure										
Capital expenditure – Total wholesale (net)	£m	3	19.261	301.010	561.273	45.540	0.000	0.000	927.084	2B.8
Net total expenditure										
Net totex	£m	3	72.619	624.636	799.271	102.244	0.000	0.000	1,598.770	2B.9
Cash expenditure										
Pension deficit recovery payments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2B.10
Equity issuance costs	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2B.11
Other cash items	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2B.12
Totex including cash items	£m	3	72.619	624.636	799.271	102.244	0.000	0.000	1,598.770	2B.13

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2B - Commentary

This table reports wholesale totex expenditure into the price controls in accordance with the regulatory accounting guidelines specified by Ofwat.

Operating Expenditure Summary

For a breakdown of wholesale totex expenditure please refer to **Tables 4D** and **4E** for enhancement variance commentaries and tables **4J** and **4K** for base variance commentaries.

Technical notes

As per previous years the provision in relation to the innovation fund and water efficiency fund for 2025/2026 has been reversed with no corresponding adjustment to revenue.



Note on capitalisation policy

Costs are capitalised following the company's capitalisation policy

The company recognises property, plant and equipment (PPE) expenditure on its assets where such expenditure enhances or increases the performance of the asset. The company also seeks to ensure that it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The cost of a tangible fixed asset comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use.

In contrast, any expenditure classed as a repair or maintenance is expensed in the period it is incurred. Administration and other overhead costs are also excluded from the carrying value of assets and are expensed as they are Incurred.

Determining enhancement from maintenance expenditure is a subjective area, particularly when projects have both elements within them.

Directly attributable capital costs are included as part of the asset's carrying amount. Most tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible assets.

Infrastructure assets, residential properties, non-specialised properties, and rural estates are stated at fair value less any subsequent accumulated depreciation and impairment losses.

The company applies a minimum capital limit per project of £1,000 – any project below this limit Is expensed. Further Information on the company's capitalisation policy can be found In the ARFS.

Table 2C

Cost analysis for the 12 months ended 31 March 2026 – retail

Line description	Units	DPs	Residential	Business	Total	RAG 4 reference
Operating expenditure						
Customer services	£m	3	46.534	0.000	46.534	2C.1
Debt management	£m	3	5.728	0.000	5.728	2C.2
Doubtful debts	£m	3	42.566	0.000	42.566	2C.3
Meter reading	£m	3	1.778	0.000	1.778	2C.4
Other operating expenditure	£m	3	5.046	0.000	5.046	2C.5
Local authority and Cumulo rates	£m	3	0.129	0.000	0.129	2C.6
Total operating expenditure excluding third party services	£m	3	101.781	0.000	101.781	2C.7
Depreciation						
Depreciation (tangible fixed assets) on assets existing at 31 March 2015	£m	3	0.023	0.000	0.023	2C.8
Depreciation (tangible fixed assets) on assets acquired after 1 April 2015	£m	3	1.308	0.000	1.308	2C.9
Amortisation (intangible fixed assets) on assets existing at 31 March 2015	£m	3	0.000	0.000	0.000	2C.10
Amortisation (intangible fixed assets) on assets acquired after 1 April 2015	£m	3	11.088	0.000	11.088	2C.11
Recharges						
Recharge from wholesale for legacy assets principally used by wholesale (assets existing at 31 March 2015)	£m	3	0.034	0.000	0.034	2C.12
Income from wholesale for legacy assets principally used by retail (assets existing at 31 March 2015)	£m	3	0.000	0.000	0.000	2C.13
Recharge from wholesale assets acquired after 1 April 2015 principally used by wholesale	£m	3	3.435	0.000	3.435	2C.14
Income from wholesale assets acquired after 1 April 2015 principally used by retail	£m	3	0.000	0.000	0.000	2C.15
Net recharges costs	£m	3	3.469	0.000	3.469	2C.16
Total retail costs excluding third party and pension deficit repair costs	£m	3	117.669	0.000	117.669	2C.17
Third party services operating expenditure	£m	3	0.000	0.000	0.000	2C.18
Pension deficit repair costs	£m	3	0.000	0.000	0.000	2C.19
Total retail costs including third party and pension deficit repair costs	£m	3	117.669	0.000	117.669	2C.20
Debt written off						
Debt written off	£m	3	31.965	0.000	31.965	2C.21
Capital expenditure						
Capital expenditure	£m	3	6.540	0.000	6.540	2C.22
Comparison of actual and allowed expenditure						
Cumulative actual retail expenditure to reporting year end	£m	3	112.854			2C.23
Cumulative allowed expenditure to reporting year end	£m	3	95.234			2C.24
Total allowed expenditure – current AMP	£m	3	513.912			2C.25

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2C - Commentary

Table 2C further breaks down the retail operating costs included in Table 2A into cost categories.

Retail Household Costs (£22.4m higher than allowances, £26.2m increase year on year)
High customer service costs are the main driver of the increased spend over the Final Determination (FD) allowances.

Customer contact demand and service investment
Customer services expenditure was above Final Determination (FD) allowance, primarily reflecting increased customer contact demand across billing and operational activities. Billing call volumes were approximately 20% higher year-on-year, driven mainly by customer bill increases of around 30%, with longer average handling times also contributing to the additional cost. Operational contact volumes also increased significantly during the year.

Additional resource was deployed to manage higher demand, maintain service levels and support targeted improvements in customer outcomes. This included investment in resolution agents to reduce abandoned call rates from the FY25 level of 16% towards the 6% target, and actions to improve call handling performance by increasing the proportion of calls answered within two minutes from the FY25 baseline of 60% towards 70%.

Customer satisfaction and case management
Targeted investment was also made to address customer satisfaction and service performance challenges, including measures to improve first-time resolution and reduce repeat contact. A dedicated case management function was introduced to support more effective resolution of complex and ongoing cases where issues had not been fully resolved at first point of contact.

These actions supported improved customer outcomes, with complaints showing a downward trend during the year. The additional retail manpower resource also increased the allocation of general and support costs to household retail, further contributing to expenditure above FD allowances.

Doubtful Debt – Household (£1.5m below allowances, £7.4m increase year on year)
The year-on-year movement reflects a £3.1m increase in the bad debt provision movement, offset by a £4.3m increase in write-offs during the year.

Tariff increases and collection timing
Significant tariff increases created a lag in cash collection for measured customers paying by budget plan. This is expected to recover during FY27 and has been reflected in the gross bad debt provision at 31 March 2026.

Impact of Guaranteed Service Standards legislation
Debt levels were also affected by new Guaranteed Service Standards (GSS) legislation, which required water companies to issue Outstanding Charges Notices (OCNs) before sharing late payment information with credit reference agencies or commencing legal action.

As a result, no enforcement action or credit reference agency reporting took place during FY26. In FY27, the company expects to comply with the new requirements and restart court enforcement activity.

Increase in write-offs
Household write-offs increased mainly due to finalised and 'gone away' accounts. Although fewer accounts fell into debt due to continued customer support schemes, the average debt per customer increased following tariff increases, resulting in a £4.3m year-on-year increase in write-offs.

Depreciation
Depreciation was c£9.0m above FD allowance and £3.8m higher year on year, reflecting increased capital investment in recent years.

Recharges
Recharges were £0.8m above FD allowance and £0.8m higher year on year, driven by an increase in the Principal Use charge to Retail reflecting higher capital investment in shared assets.

Technical notes

Yorkshire Water exited the retail non-household market in October 2019 and all costs are, therefore, classified as household as per RAG 2.

Note on bad debt policy

Debt is only written off after all available economic options for collecting the debt have been exhausted and the debt has been deemed to be uncollectable.

This may be because the debt is considered to be impossible, impractical, inefficient or uneconomic to collect. Debt may also be written off as part of the customer help schemes that Yorkshire Water offer.

Situations where this may arise and where debt may be written off are as follows:

- Where the customer has absconded without paying and strategies to trace their whereabouts and collect outstanding monies have been fully exhausted.
- Where the customer has died without leaving an estate or has left an insufficient estate on which to levy execution.
- Where the customer does not have any assets/has insufficient assets on which to levy execution.
- Where the age and/or value of the debt makes it uneconomic to pursue – all debts of less than £65 are written off.
- Where county court proceedings and attempts to recover the debt by debt collection agencies have proved unsuccessful.
- Where the customer has been declared bankrupt, is in liquidation or is subject to insolvency proceedings or a debt relief order and no dividend has been or is likely to be received.

Bad and doubtful debts provisions policy

The bad debt provision is charged to operating costs to reflect the company's assessment of the risk of non-recoverability of debtors. It is calculated by applying expected residual debt rates to debts outstanding at the end of the accounting period. These rates consider the age of the debt, write offs, payment history and type of debt.

The provision is built on a 'by customer' basis ageing all debt by customer against the oldest invoice date. It is calculated by applying expected residual debt rates to arrears outstanding at the end of the accounting period. The residual debt values are tracked over a period of 2 years and these rates are then applied to the debts outstanding at the end of the accounting period aged on a 'by customer' basis. Further adjustments are made to the provision firstly based on internal management actions (such as proactive debt collection initiatives) and secondly macroeconomic factors (such as inflation).

The bad and doubtful debts provisioning policy is applied to both unmeasured and measured accounts. A provision of £83.2m is held on 31 March 2026 (31 March 2025: £72.6m). The main elements of the provision are as follows:

- £40.3m unmeasured household debtor provision. Calculated using information based on the age of debts.
- £36.7m measured household debtor provision. Calculated using information based on the age of debts.
- £4.4m unbilled household measured accounts provision.

There has been an increase in the bad debt provision in the year. The main driver for this is the higher than usual tariff increases in the year, which has resulted in a subsequent increased bad debt risk.

As is the case with any accounting estimate, actual amounts recovered may differ from the estimated levels of recovery which would impact on operating results. The Yorkshire Water website contains details of Yorkshire Water's guide to debt recovery services.

Table 2D

Historic cost analysis of tangible fixed assets by price control at 31 March 2026

Line description	Units	DPs	Residential Retail	Business Retail	Water resources	Water Network Plus	Wastewater Network Plus	Bioresources	Additional water control	Additional wastewater control	Total	RAG 4 reference
Cost												
At 1 April	£m	3	18.301	0.000	447.158	4,457.528	6,185.594	601.450	0.000	0.000	11,710.031	2D.1
Disposals	£m	3	-3.239	0.000	-3.228	-70.294	-88.211	-24.185	0.000	0.000	-189.157	2D.2
Additions	£m	3	3.926	0.000	4.738	340.863	540.039	42.816	0.000	0.000	932.382	2D.3
Adjustments	£m	3	-0.281	0.000	-11.696	-213.579	-222.744	-0.111	0.000	0.000	-448.411	2D.4
Assets adopted at nil cost	£m	3	0.000	0.000	0.000	0.000	27.924	0.000	0.000	0.000	27.924	2D.5
At 31 March	£m	3	18.707	0.000	436.972	4,514.518	6,442.602	619.970	0.000	0.000	12,032.769	2D.6
Depreciation												
At 1 April	£m	3	-16.415	0.000	-37.176	-1,014.974	-757.630	-209.757	0.000	0.000	-2,035.952	2D.7
Disposals	£m	3	3.239	0.000	2.742	70.280	88.113	24.183	0.000	0.000	188.557	2D.8
Adjustments	£m	3	0.107	0.000	7.858	143.530	143.252	0.042	0.000	0.000	294.789	2D.9
Charge for year	£m	3	-1.331	0.000	-11.075	-130.067	-169.766	-23.491	0.000	0.000	-335.730	2D.10
At 31 March	£m	3	-14.400	0.000	-37.651	-931.231	-696.031	-209.023	0.000	0.000	-1,888.336	2D.11
Net book amount at 31 March	£m	3	4.307	0.000	399.321	3,583.287	5,746.571	410.947	0.000	0.000	10,144.433	2D.12
Net book amount at 1 April	£m	3	1.886	0.000	409.982	3,442.554	5,427.964	391.693	0.000	0.000	9,674.079	2D.13
Amortisation for year												
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2D.14
Amortisation for year												
Cost at 31 March – third party services tangibles	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2D.15
Amortisation at 31 March – third party services tangibles	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2D.16
Net book amount at 31 March – third party services tangibles	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	2D.17

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2D - Commentary

Table 2D analyses changes in the fixed assets of both wholesale and retail activities of Yorkshire Water.

Our accounting policies in relation to fixed assets and depreciation are set out in full in note 1 of the statutory Annual Report and Financial Statements which can be found on our reports page here: **yorkshirewater.com/about-us/reports**

The table above details that the net book value of tangible fixed assets at 31 March 2026 amounts to £10,144.4m, an increase of £470.3m since the start of the year. This movement includes:

- Fixed asset additions during the year of £932.4m, which has increased from 2024/2025 (£804.6m) mainly due to the start of the new AMP and increased investment in mains replacements, smart metering and storm overflow reduction.
- Adjustments include a downward revaluation of £145.7m to infrastructure assets, along with an impairment of £6.5m relating to land & buildings and plant & equipment, and the remeasurement of leased assets under IFRS 16, a reduction of £1.4m.
- Assets adopted at nil cost comprise sewer adoptions valued at £27.9m, a decrease from 2024/2025 (£31.0m).
- The depreciation charge for the year is £335.7m. This is higher than the previous year (£307.9m) in line with expected increases following higher levels of capital investment in recent years.
- The net book value of disposals in the year totals £0.6m due to the sale of land & buildings (£0.5m) including Royd Moor Wind Farm and other rural estates, and vehicle disposals (£0.1m).

Technical notes

As noted in **Table 1C**, Yorkshire Water elects under FRS 102 to hold infrastructure and land/property assets at valuation rather than historic cost. Due to a downward revaluation of £145.7m, there is a decrease in 2025/2026 in **Table 2D**.

RAG 1.09 requires all companies to account for leases in accordance with IFRS 16. This has resulted in Yorkshire Water recognising right of use assets within fixed assets and an additional depreciation charge on the right of use assets.

Table 2E

Analysis of Developer services income by price control for the 12 months ended 31 March 2026

Line description	Units	DPs	Income relating to opex spend	Income relating to capex spend	Total	RAG 4 reference
Developer services income – water Network Plus (price control)						
Infrastructure charge receipts – water	£m	3	0.000	5.580	5.580	2E.1
Income offset – water	£m	3	0.000	0.009	0.009	2E.2
Environmental incentives for more water efficient developments – water	£m	3	0.000	0.000	0.000	2E.3
Environmental component for more water efficient developments – water	£m	3	0.000	0.000	0.000	2E.4
Infrastructure charge receipts – after impact of income offset and environmental incentives (water)	£m	3	0.000	5.571	5.571	2E.5
Other Developer services income – water Network Plus (price control)	£m	3	0.000	0.000	0.000	2E.8
Total Developer services income – water Network Plus (price control)	£m	3	0.000	5.571	5.571	2E.9
Developer services income – water Network Plus (non-price control)						
Connection charges – water (English companies only)	£m	3	0.000	7.523	7.523	2E.10
Requisitioned mains (English companies only)	£m	3	0.000	3.465	3.465	2E.11
Other developer services income – water Network Plus (non-price control)	£m	3	0.000	0.162	0.162	2E.12
Total Developer services income – water Network Plus (non-price control)	£m	3	0.000	11.150	11.150	2E.13
Developer services income – wastewater Network Plus (price control)						
Infrastructure charge receipts – wastewater	£m	3	0.000	4.895	4.895	2E.14
Income offset – wastewater	£m	3	0.000	0.818	0.818	2E.15
Environmental incentives for more water efficient developments – wastewater	£m	3	0.000	0.000	0.000	2E.16
Environmental component for more water efficient developments – wastewater	£m	3	0.000	0.000	0.000	2E.17
Infrastructure charge receipts – after impact of income offset and environmental incentives (wastewater)	£m	3	0.000	4.077	4.077	2E.18
Other developer services income – wastewater Network Plus (price control)	£m	3	0.000	0.000	0.000	2E.19
Total Developer services income – wastewater Network Plus (price control)	£m	3	0.000	4.077	4.077	2E.20
Developer services income – wastewater Network Plus (non-price control)						
Receipts for on-site work	£m	3	0.000	0.392	0.392	2E.21
Other developer services income – wastewater Network Plus (non-price control)	£m	3	0.668	1.150	1.818	2E.22
Total Developer services income – wastewater Network Plus (non-price control)	£m	3	0.668	1.542	2.210	2E.23

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2E - Commentary

Capex Commentary

In-year Actual Income (2025/2026 Price Base)

Income for developer services totalling £22.3m has been received in the current report year through grants and contributions against a Final Determination of £38.3m, the allowance was 100% capex.

Grants and contributions associated with the wholesale water programme in the current report year total £16.7m which is lower than the Final Determination of £23.3m. Further detail of the how this income is split is explained below:

A total of £7.5m has been received from developers for s45 new connections against a FD allowance of £8.4m. Water infrastructure charge receipts totalling £5.6m against a FD allowance of £9.2m. A total of £3.5m of income on requisitioned water mains, in comparison with FD allowance of £4.5m.

There is a small amount of non-price control other contributions £0.2m from our billing solutions scheme against a FD allowance of £1.1m.

Grants and contributions associated with the wholesale wastewater programme in the current report year total £5.6m which is lower than the Final Determination of £15.0m. Further detail of the how this income is split is provided below:

A total of £0.4m is with regards to income on receipts for on-site work in comparison with FD allowance of £3.7m. Wastewater infrastructure charge receipts totalling £4.9m have been received in year which is lower than the FD allowance of £7.5m.

There is a non-price control other contribution £1.2m which comes from our Living with Water programme against an allowance of £1.1m

Detail of the associated expenditure reported in year can be found in the commentary for Table 4N.

Comparison to Previous Year (2025/2026 Price Base)

Grants and contributions associated with the wholesale water developer services programme has increased by 5% compared to the previous year £15.9m. The majority of the variance is in our infrastructure charges which have gone up this year.

Grants and contributions associated with the wholesale wastewater developer services programme has decreased by 42% compared to the previous year £9.7m. The majority of the variance is on one of our schemes which is coming to a close, income this year is £4.5m less than last year.

Comparison to PR24 Forecast (2022/2023 Price Base)

Grants and contributions associated with the wholesale water developer services programme in the current report year total £14.789m compared to a PR24 forecast of £20.604m.

A total of £6.653m has been received from developers for s45 new connections against a PR24 Forecast of £7.425m. Water infrastructure charge receipts totalling £4.928m against a PR24 Forecast of £8.177m. A total of £3.065m of income on requisitioned water mains, in comparison with PR24 forecast of £4.002m, has been received due to a decrease in requests compared to the level of activity used to calculate the FD forecast.

There is a small amount of non-price control other contributions (£0.143m) against a PR24 forecast of £1.000m. Grants and contributions associated with the wholesale wastewater developer services programme in the current report year total £4.970m compared to a PR24 forecast of £13.308m.

A total of £0.347m is with regards to income on receipts for on-site work in comparison with PR24 forecast of £3.316m as we did not receive as many new requests as forecast. Wastewater infrastructure charge receipts totalling £4.329m have been received in year which is lower than the PR24 Forecast of £6.618m.

There is a non-price control other contribution (£1.017m) which comes from our Living with Water programme, against a forecast of £1.000m.

Table 2F

Residential retail for the 12 months ended 31 March 2026

Line description	Revenue	Number of customers	Average residential revenues	RAG 4 reference
Units DPs	£m 3	000s 3	£ 3	
Residential revenue				
Wholesale revenue	1,193.929			2F.1
Retail revenue	109.443			2F.2
Total residential revenue	1,303.372			2F.3
Retail revenue				
Revenue Recovered ("RR")	109.443			2F.4
Revenue sacrifice	2.500			2F.5
Actual revenue (net)	111.943			2F.6
Customer information				
Actual customers ("AC")		2,317.461		2F.7
Reforecast customers		2,324.306		2F.8
Adjustment				
Allowed revenue ("R")	115.601			2F.9
Net adjustment	3.658			2F.10
Other residential information				
Average household retail revenue per customer			48.304	2F.11

Table 2F - Commentary

In 2025/2026 we are reporting £109.4m of household retail revenue from our residential customers.

We have reported a revenue sacrifice of £2.5m in the year, which increases our actual revenue to £111.9m.

The £2.5m revenue sacrifice relates to the annual contribution by the Company to support our social tariffs, this was included within our PR24 submission.

Our allowed revenue for 2025/2026 has been calculated to be £115.6m, this takes into account our actual customers in 2025/2026.

Our overall performance in 2025/2026 shows an under recovery of £3.7m.

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2H

Cash collection performance rates – residential retail

			% Revenue collected					
Line description	Units	DPs	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	RAG 4 reference
All customers								
Collection rates for bills raised in 2025-26 – all customers	%	1	88.3%	93.9%	94.6%	95.0%	95.2%	2H.1
Collection rates for bills raised in 2026-27 – all customers	%	1		89.6%	93.9%	94.6%	95.0%	2H.2
Collection rates for bills raised in 2027-28 – all customers	%	1			89.6%	93.9%	94.6%	2H.3
Collection rates for bills raised in 2028-29 – all customers	%	1				89.6%	93.9%	2H.4
Collection rates for bills raised in 2029-30 – all customers	%	1					89.6%	2H.5
Measured customers								
Collection rates for bills raised in 2025-26 – measured customers	%	1	88.2%	96.1%	96.7%	96.9%	97.1%	2H.6
Collection rates for bills raised in 2026-27 – measured customers	%	1		90.2%	96.1%	96.7%	96.9%	2H.7
Collection rates for bills raised in 2027-28 – measured customers	%	1			90.2%	96.1%	96.7%	2H.8
Collection rates for bills raised in 2028-29 – measured customers	%	1				90.2%	96.1%	2H.9
Collection rates for bills raised in 2029-30 – measured customers	%	1					90.2%	2H.10
Non measured customers								
Collection rates for bills raised in 2025-26 – non-measured customers	%	1	88.4%	91.3%	92.1%	92.6%	92.9%	2H.11
Collection rates for bills raised in 2026-27 – non-measured customers	%	1		88.8%	91.3%	92.1%	92.6%	2H.12
Collection rates for bills raised in 2027-28 – non-measured customers	%	1			88.8%	91.3%	92.1%	2H.13
Collection rates for bills raised in 2028-29 – non-measured customers	%	1				88.8%	91.3%	2H.14
Collection rates for bills raised in 2029-30 – non-measured customers	%	1					88.8%	2H.15

Table 2H - Commentary

This table shows the proportion of customer bills that we expect to collect over time. In 2025/2026, we collected 88.3% of revenue billed to all residential customers in the year, with collection rates expected to increase in subsequent years as customers are given more time to pay outstanding balances. Collection performance differs slightly between measured and non-measured customers, reflecting differences in customer billing arrangements and payment behaviours, although both groups show a similar pattern of improving collection over time.

Our approach focuses on supporting customers to pay their bills through a range of payment options, affordability support and debt management activities, while maintaining effective collection processes. The gradual increase in collection rates across future years reflects the normal cycle of debt recovery and the time taken to collect revenue from a small proportion of customers who do not pay their bills when first due.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2I

Revenue analysis & wholesale control reconciliation for the 12 months ended 31 March 2026

Line description	Units	DPs	Household	Non-household	Total	Water resources	Water Network Plus	Total	RAG 4 reference
Wholesale charge – water (price control)									
Unmeasured	£m	3	234.097	2.210	236.307	41.873	194.434	236.307	2I.1
Measured	£m	3	269.456	158.141	427.597	64.938	362.659	427.597	2I.2
Third party revenue	£m	3	0.000	1.376	1.376	0.000	1.376	1.376	2I.3
Total wholesale water revenue	£m	3	503.553	161.727	665.280	106.811	558.469	665.280	2I.4

Line description	Units	DPs	Household	Non-household	Total	Wastewater Network Plus	Bioresources	Total	
Wholesale charge – wastewater (price control)									
Unmeasured – foul charges	£m	3	198.385	2.586	200.971	158.151	42.820	200.971	2I.5
Unmeasured – surface water charges	£m	3	74.669	1.386	76.055	73.518	2.537	76.055	2I.6
Unmeasured – highway drainage charges	£m	3	19.535	0.260	19.795	19.184	0.611	19.795	2I.7
Measured – foul charges	£m	3	280.426	145.639	426.065	359.408	66.657	426.065	2I.8
Measured – surface water charges	£m	3	90.496	19.513	110.009	106.223	3.786	110.009	2I.9
Measured – highway drainage charges	£m	3	26.865	9.498	36.363	35.573	0.790	36.363	2I.10
Third party revenue	£m	3	0.000	0.280	0.280	0.280	0.000	0.280	2I.11
Total wholesale wastewater revenue	£m	3	690.376	179.162	869.538	752.337	117.201	869.538	2I.12
Wholesale charge – Additional water control (price control)									
Unmeasured charges – additional water control	£m	3	0.000	0.000	0.000				2I.13
Measured charges – additional water control	£m	3	0.000	0.000	0.000				2I.14
Third party revenue – additional water control	£m	3	0.000	0.000	0.000				2I.15
Total wholesale additional water control revenue	£m	3	0.000	0.000	0.000				2I.16
Wholesale charge – Additional wastewater control (price control)									
Unmeasured charges – additional wastewater control	£m	3	0.000	0.000	0.000				2I.17
Measured charges – additional wastewater control	£m	3	0.000	0.000	0.000				2I.18
Third party revenue – additional wastewater control	£m	3	0.000	0.000	0.000				2I.19
Total wholesale additional wastewater control revenue	£m	3	0.000	0.000	0.000				2I.20
Wholesale Total	£m	3	1,193.929	340.889	1,534.818				2I.21

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2I – continued

Revenue analysis & wholesale control reconciliation for the 12 months ended 31 March 2026

Line description	Units	DPs	Household	Non-household	Total	Wastewater Network Plus	Bioresources	Total	RAG 4 reference
Retail revenue (price control)									
Unmeasured	£m	3	24.425	0.000	24.425				2I.22
Measured	£m	3	85.018	0.000	85.018				2I.23
Retail third-party revenue	£m	3	0.000	0.000	0.000				2I.24
Total retail revenue	£m	3	109.443	0.000	109.443				2I.25

Table 2I - Commentary

Total wholesale and retail revenue received from household customers for the year 2025/2026 was £1,303.4m, compared to £1,018.5m in 2024/2025, an increase of £284.9m.

- Household unmeasured income increased by £92.4m to £551.1m (2024/2025: £458.7m).
- Household measured income increased by £192.5m to £752.3m (2024/2025: £559.8m).

Total wholesale revenue received from non-household customers increased by £61.7m to £339.2m in 2025/2026 (2024/2025: £277.5m), mainly due to price.

- Non household wholesale measured income increased by £60.0m to £332.8m (2024/2025: £272.8m).
- Non household wholesale unmeasured income increased by £1.7m to £6.4m (2024/2025: £4.7m).

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2K

Infrastructure charges reconciliation for the 12 months ended 31 March 2026

Line description	Units	DPs	Water	Wastewater	Total	RAG 4 reference
Comparison of revenue and costs						
Variance brought forward	£m	3	0.000	0.000	0.000	2K.1
Revenue	£m	3	5.571	4.077	9.648	2K.2
Costs	£m	3	-10.538	-2.944	-13.482	2K.3
Variance carried forward	£m	3	-4.967	1.133	-3.834	2K.4
Analysis of variance movement in year						
Revenue impact of charge element which corrects previous years variance	£m	3	2.778	1.678	4.456	2K.5
Difference in billable developer activity against forecast in year	£m	3	-4.747	-4.221	-8.968	2K.6
Difference in infrastructure reinforcement activity against forecast in year	£m	3	-2.998	3.676	0.678	2K.7
Variance movement in year	£m	3	-4.967	1.133	-3.834	2K.8

Table 2K - Commentary

In-year Actual Expenditure (2025/2026 Price Base)

As per the guidance issued by Ofwat we have not brought forward the remaining AMP7 balances into the table for 2025/2026.

Water network reinforcement costs totalling £10.5m have been reported in the current report year, our water infrastructure charges revenue in year was £5.6m which leaves a variance of (£5.0m) in the AMP.

Wastewater network reinforcement costs totalling £2.9m have been reported in the current report year, our wastewater infrastructure charges revenue in year was £4.1m which leaves a variance of £1.1m in the AMP.

Please see Table 4P for more information on our high value network reinforcement schemes.

Comparison to Previous Year (2024/2025 Price Base)

Our water network reinforcement expenditure has decreased by 32% compared to the previous year (£15.5m).

Our wastewater network reinforcement expenditure has increased by 194% compared to the previous year (£1.0m).

Comparison to PR24 (2022/2023 Price Base)

A total of £9.3m has been expended within the water network reinforcement programme, this is above the PR24 forecast of £7.5m.

A total of £2.6m has been expended within the wastewater network reinforcement programme, this is below the PR24 forecast of £6.6m.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2K - Commentary

In-year Actual Expenditure (2025/2026 Price Base)

As per the guidance issued by Ofwat we have not brought forward the remaining AMP7 balances into the table for 2025/2026.

Water network reinforcement costs totalling £10.5m have been reported in the current report year, our water infrastructure charges revenue in year was £5.6m which leaves a variance of (£5.0m) in the AMP.

Wastewater network reinforcement costs totalling £2.9m have been reported in the current report year, our wastewater infrastructure charges revenue in year was £4.1m which leaves a variance of £1.1m in the AMP.

Please see **Table 4P** for more information on our high value network reinforcement schemes.

Comparison to Previous Year (2024/2025 Price Base)

Our water network reinforcement expenditure has decreased by 32% compared to the previous year (£15.5m).

Our wastewater network reinforcement expenditure has increased by 194% compared to the previous year (£1.0m).

Comparison to PR24 (2022/2023 Price Base)

A total of £9.3m has been expended within the water network reinforcement programme, this is above the PR24 forecast of £7.5m.

Table 2L

Analysis of land sales for the 12 months ended 31 March 2026

Line description	Units	DPs	Water resources	Water Network Plus	Wastewater Network Plus	Additional control	Total	RAG 4 reference
Land sales – proceeds from disposals of protected land	£m	3	0.267	0.121	2.290	0.016	2.694	2L.1

- Protected land sales of £0.6m include sales of surplus land on water treatment sites.
- There were 6 disposals of protected land in 2024/2025 of which none of these were above the threshold for reporting to Ofwat.

Table 2L - Commentary

Land sales:

- Protected land sales of £2.7m include sales of surplus land adjacent to sewage treatment works.
- There were 6 disposals of protected land in 2025/2026 of which one of these was above the threshold for reporting to Ofwat (£1.7m sale of land at Broomfield which is located near to a sewage treatment works).

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2M

Revenue reconciliation for the 12 months ended 31 March 2026 – wholesale

Line description	Units	DPs	Water resources	Water Network Plus	Wastewater Network Plus	Bioresources	Additional water control	Additional wastewater control	Total	RAG 4 reference
Revenue recognised										
Wholesale revenue governed by price control	£m	3	106.811	558.469	752.337	117.201	0.000	0.000	1,534.818	2M.1
Developer services income (price control)	£m	3		5.571	4.077				9.648	2M.2
Diversions income (price control)	£m	3	0.000	1.911	0.900				2.811	2M.3
Total revenue governed by wholesale price control	£m	3	106.811	565.951	757.314	117.201	0.000	0.000	1,547.277	2M.4
Calculation of the revenue cap										
Allowed wholesale revenue before adjustments (or modified by CMA)	£m	3	109.105	558.426	758.945	119.158			1,545.634	2M.5
Allowed developer services income before adjustments (or modified by CMA)	£m	3		9.137	7.478				16.615	2M.6
Allowed diversions income before adjustments (or modified by CMA)	£m	3		3.753	2.569				6.323	2M.7
Revenue adjustment	£m	3	0.000	0.000	0.000	0.000			0.000	2M.8
Other adjustments	£m	3							0.000	2M.9
Revenue cap	£m	3	109.105	571.316	768.992	119.158	0.000	0.000	1,568.571	2M.10
Calculation of the revenue imbalance										
Revenue imbalance	£m	3	2.294	5.365	11.678	1.957	0.000	0.000	21.294	2M.11
AMP8 revenue adjustments										
Uninvoiced revenue due from retailers	£m	3							0.000	2M.12
Competitively Appointed Provider charges	£m	3							0.000	2M.13

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Table 2M - Commentary

Water resources price control

In 2025/2026 the wholesale water resources revenue recognised is £106.8m compared to the revenue cap of £109.1m, an under recovery of £2.3m – (2.1%).

Water Network Plus price control

In 2025/2026 the wholesale water Network Plus revenue recognised is £566.0m compared to the revenue cap of £571.3m, an under recovery of £5.4m – (0.9%).

Wholesale wastewater Network Plus price control

In 2025/2026 the wholesale wastewater Network Plus revenue recognised is £757.3m compared to the revenue cap of £757.3m, an under recovery of £11.7m – (1.5%).

The under recovery for the 3 price controls noted above will be considered through Revenue Forecasting Incentive (RFI) mechanism for 2027/2028 revenue allowances.

Bioresources price control

In 2025/2026 the bioresources revenue recognised is £117.2m compared to the revenue cap of £119.2m, an under recovery of £2.0m – (1.6%).

This under recovery will be considered for the 2027/2028 revenue allowance through the Bioresources revenue reconciliation model.

Table 2N

Household affordability support – social tariffs

Line description	Revenue	Number of customers	Average amount per customer	RAG 4 reference
Units	£000	number	£	
DPs	3	0	2	
Number of residential customers on social tariffs				
Residential water only social tariffs customers		160		2N.1
Residential wastewater only social tariffs customers		2,400		2N.2
Residential dual service social tariffs customers		125,054		2N.3
Number of residential customers not on social tariffs				
Residential water only no social tariffs customers		115,468		2N.4
Residential wastewater only no social tariffs customers		132,591		2N.5
Residential dual service no social tariffs customers		1,941,807		2N.6
Social tariff discount				
Average discount received by each water only social tariffs customer			294.36	2N.7
Average discount received by each wastewater only social tariffs customer			249.26	2N.8
Average discount received by each dual service social tariffs customer			373.84	2N.9
Social tariff cross-subsidy – residential customers				
Total funding from customers to support water only social tariffs	44.613			2N.10
Total funding from customers to support wastewater only social tariffs	566.660			2N.11
Total funding from customers to support dual service social tariffs	44,283.871			2N.12
Average funding from customers to support each water only social tariffs customer			0.39	2N.13
Average funding from customers to support each wastewater only social tariffs customer			4.20	2N.14
Average funding from customers to support each dual service social tariffs customer			21.43	2N.15
Funding from shareholders to support social tariffs				
Total funding from shareholders to support water only social tariffs	2.484			2N.16
Total funding from shareholders to support wastewater only social tariffs	31.555			2N.17
Total funding from shareholders to support dual service social tariffs	2,465.961			2N.18
Average funding from shareholders to support each water only social tariffs customer			15.53	2N.19
Average funding from shareholders to support each wastewater only social tariffs customer			13.15	2N.20
Average funding from shareholders to support each dual service social tariffs customer			19.72	2N.21

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2N – continued

Household affordability support – social tariffs

Line description	Revenue	Number of customers	Average amount per customer	RAG 4 reference
Units DPs	£000 3	number 0	£ 2	
Social tariff support – willingness to pay				
Maximum amount customers are willing to pay to support social tariffs.				2N.22
Shareholder contribution				
Total funding from shareholders to support household debt matching schemes	6,016.252			2N.23
Number of unique household customers that benefitted from the funding from shareholders to support debt matching schemes		14,168		2N.24
Total funding from shareholders to support all other household affordability schemes, excluding social tariffs and debt matching	1,028.560			2N.25
Number of unique household customers that benefitted from the funding from shareholders to support all other household affordability schemes, excluding social tariffs and debt matching		1,958		2N.26
Total funding from shareholders to support all affordability schemes			9,544.81	2N.27

Household affordability support – WaterSure tariffs

WaterSure tariffs				
Number of unique customers on WaterSure		17,979		2N.28
Total reduction in bills for all WaterSure customers who paid the average household bill	7,145			2N.29
Average reduction in bills for all WaterSure customers who paid the average household bill			397.41	2N.30

Key

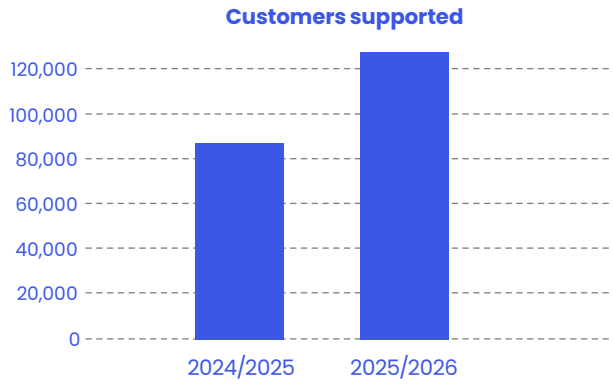
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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2N - Commentary

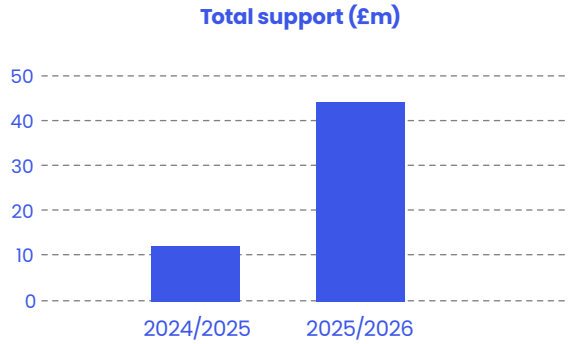
In 2025/2026 we significantly expanded the level of support we provide to customers who need help paying their water bills. This reflects increased demand from customers and enhancements to our affordability schemes. We are supporting more customers than ever before, while also increasing the level of financial assistance provided to ensure support is meaningful.

Customers supported



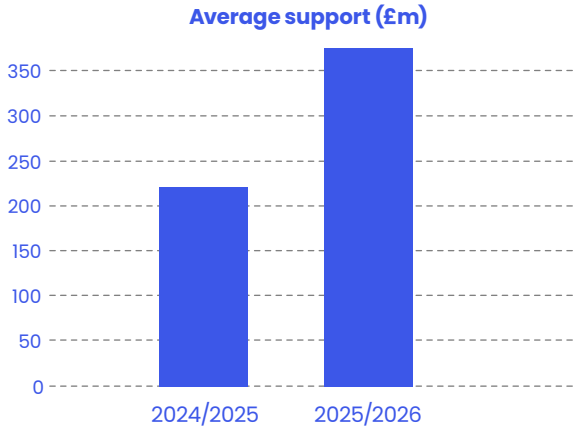
The number of customers supported increased from around 86,000 in 2024/2025 to over 127,000 in 2025/2026, an increase of around 50%. This reflects higher demand following bill changes, alongside improved promotion and accessibility of support schemes.

Total financial support



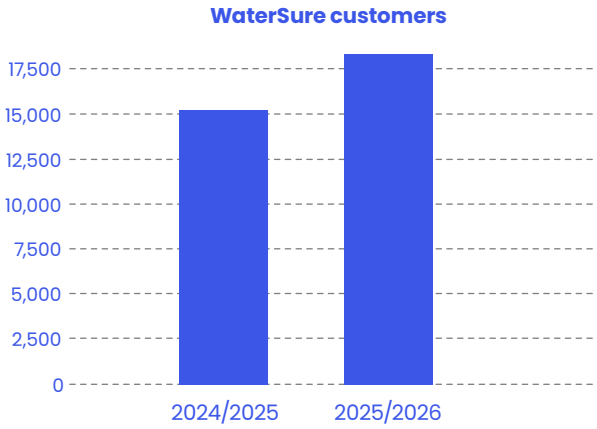
Total financial support increased significantly from around £12 million to over £44 million. This reflects both the increase in customers supported and the increase in the level of financial support provided.

Average support per customer



The average level of support increased from around £220 to approximately £374. This means customers are receiving more meaningful financial help with their bills.

WaterSure tariffs



The number of WaterSure customers increased from around 15,000 to nearly 18,000. Average support remained stable, showing continued strong demand for targeted support for customers with higher essential water usage.

Overall narrative

Overall, 2025/2026 represents a step change in affordability support. We are supporting more customers, providing higher levels of assistance and expanding the range of available schemes. This demonstrates our continued commitment to supporting customers and aligns with regulatory expectations.

Table 20

Historic cost analysis of intangible fixed assets

Line description	Units	DPs	Residential Retail	Business Retail	Water Resources	Water Network Plus	Wastewater Network Plus	Bio-resources	Additional water control	Additional wastewater control	Total	RAG 4 reference
Cost												
At 1 April	£m	3	46.446	0.000	3.626	26.074	380.196	0.155	0.000	0.000	456.497	20.1
Disposals	£m	3	-3.293	0.000	-0.378	-1.604	-47.053	0.000	0.000	0.000	-52.328	20.2
Additions	£m	3	7.117	0.000	5.521	11.565	45.744	0.253	0.000	0.000	70.200	20.3
Adjustments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.4
Assets adopted at nil cost	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.5
At 31 March	£m	3	50.270	0.000	8.769	36.035	378.887	0.408	0.000	0.000	474.369	20.6
Amortisation												
At 1 April	£m	3	-13.455	0.000	-1.642	-10.380	-119.784	-0.065	0.000	0.000	-145.326	20.7
Disposals	£m	3	3.293	0.000	0.378	1.604	47.053	0.000	0.000	0.000	52.328	20.8
Adjustments	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.9
Charge for year	£m	3	-11.088	0.000	-1.526	-5.078	-52.079	-0.045	0.000	0.000	-69.816	20.10
At 31 March	£m	3	-21.250	0.000	-2.790	-13.854	-124.810	-0.110	0.000	0.000	-162.814	20.11
Net book amount at 31 March	£m	3	29.020	0.000	5.979	22.181	254.077	0.298	0.000	0.000	311.555	20.12
Net book amount at 1 April	£m	3	32.991	0.000	1.984	15.694	260.412	0.090	0.000	0.000	311.171	20.13
Amortisation for year												
Third party services	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.14
Third party services at 31 March												
Cost at 31 March – third party services intangibles	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.15
Amortisation at 31 March – third party services intangibles	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.16
Net book amount at 31 March – third party services intangibles	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	20.17

Key

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Table 20 - Commentary

Table 20 analyses changes in the intangible fixed assets of both wholesale and retail activities of Yorkshire Water.

Our accounting policies in relation to fixed assets and depreciation are set out in full in note 1 of the statutory Annual Report and Financial Statements which can be found on our reports page here: **yorkshirewater.com/about-us/reports**

The table above details that the net book value of intangible fixed assets at 31 March 2026 amounts to £311.6m, an increase of £0.4m since the start of the year. This movement includes:

- Additions of £52.3m, mainly due to investment in modernisation of operational software systems and improvements to customer service and billing systems.
- Amortisation in the year is £69.8m, an increase of £20.6m on 2024/2025 due to the increased investment in software detailed above, in particular the Modernisation Programme of system upgrades.
- Disposals in the year consist of asset-life expired software.



Table 2P

Third party services revenue for the 12 months ended 31 March 2026

Line description	Units	DPs	Water Resources	Water Network Plus	Wastewater Network Plus	Bio-resources	Additional water control	Additional wastewater control	Total	RAG 4 reference
Third-party services – price control										
Non potable water (which are not bulk supplies) revenue	£m	3	0.000	0.000			0.000	0.000	0.000	2P.1
Rechargeable revenue – Fluoridation	£m	3	0.000	0.000			0.000	0.000	0.000	2P.2
Rechargeable revenue – Fire hydrant install & repair	£m	3		0.271			0.000	0.000	0.271	2P.3
Rechargeable revenue – third party damage	£m	3	0.000	0.555	0.095	0.000	0.000	0.000	0.650	2P.4
Rechargeable revenue – build over	£m	3	0.000	0.000	0.093	0.000	0.000	0.000	0.093	2P.5
Other rechargeable revenue	£m	3	0.000	0.550	0.092	0.000	0.000	0.000	0.642	2P.6
Total third-party revenue (price control)	£m	3	0.000	1.376	0.280	0.000	0.000	0.000	1.656	2P.7
Third-party services – non-price control										
Bulk supplies revenue	£m	3	2.822	0.000	1.486	0.000	0.000	0.000	4.308	2P.8
Reservoir operating agreements revenue	£m	3	0.000	0.000			0.000	0.000	0.000	2P.9
Other excluded charge revenue	£m	3	0.000	0.840	0.000	0.000	0.000	0.000	0.840	2P.10
Total third-party revenue (non-price control)	£m	3	2.822	0.840	1.486	0.000	0.000	0.000	5.148	2P.11
Third party services										
Total third-party services revenue	£m	3	2.822	2.216	1.766	0.000	0.000	0.000	6.804	2P.12

Table 2P - Commentary

Third-party services revenue represents income received from organisations and individuals for services that are not funded directly through customer charges. In 2025/2026, total third-party revenue was £6.8m, with the largest contributions coming from bulk water supply agreements and rechargeable activities. Rechargeable income includes work carried out on behalf of third parties, such as repairs associated with third-party damage, fire hydrant installation and repair, and other recoverable costs.

Revenue levels can vary from year to year depending on the number and scale of activities undertaken, customer demand for services, and the level of recoverable work carried out during the reporting period. Overall, these revenues help ensure that costs associated with services provided to third parties are recovered from those benefitting from them rather than from our wider customer base.

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2R

Analysis of diversions income by price control for the 12 months ended 31 March 2026

Line description	Units	DPs	Income relating to opex spend	Income relating to capex spend	Total	RAG 4 reference
Diversion income – water resources (price control)						
s185 diversions income - water resources	£m	3	0.000	0.000	0.000	2R.1
NRSWA diversions income - water resources	£m	3	0.000	0.000	0.000	2R.2
Non-s185 diversions income - water resources	£m	3	0.000	0.000	0.000	2R.3
Total diversions income - water resources	£m	3	0.000	0.000	0.000	2R.4
Diversion income – water Network Plus (price control)						
s185 diversions income - water Network Plus	£m	3	0.000	0.086	0.086	2R.5
NRSWA diversions income - water Network Plus	£m	3	0.000	1.825	1.825	2R.6
Non-s185 diversions income - water Network Plus	£m	3	0.000	0.000	0.000	2R.7
Total diversions income - water Network Plus	£m	3	0.000	1.911	1.911	2R.8
Diversions income – wastewater Network Plus (price control)						
NRSWA diversions income - wastewater Network Plus	£m	3	0.000	0.900	0.900	2R.9
Non-s185 diversions income - wastewater Network Plus	£m	3	0.000	0.000	0.000	2R.10
Total diversions income - wastewater Network Plus	£m	3	0.000	0.900	0.900	2R.11
Diversions income – wastewater Network Plus (non-price control)						
s185 diversions income - wastewater Network Plus	£m	3	0.000	3.198	3.198	2R.12

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 2R - Commentary

Capex Commentary

In-year Actual Income (2025/2026 Price Base)

Income for diversions totalling £6.0m has been received in the current report year through grants and contributions against a Final Determination of £6.7m, all in the capex allowance.

The income on the water programme relates to income received due to requests to divert our water mains assets which totals £1.9m in the current report year against a FD allowance of £3.8m.

There is a total of £0.1m water income associated with diverting our mains as part of the s185 requests against a FD allowance of £2.3m, this mirrors our expenditure in this area as we have received fewer s185 diversion requests than expected.

There is also a total of £1.8m water income associated with diverting our mains as part of a NRSWA (New Roads and Street Works Act 1991) requests against a FD allowance of £1.2m

We had a FD allowance of £0.3m for non-s185 diversions however we did not have any income reported in this current year.

The income on the wastewater programme relates to income received due to requests to divert our sewers which totals £4.1m in the current report year against a FD allowance £2.9m.

There is a total of £3.2m wastewater income associated with diverting our mains as part of the s185 requests against a FD allowance of £2.9m.

There is also a total of £0.9m wastewater income associated with diverting our mains as part of a NRSWA (New Roads and Street Works Act 1991) requests against a FD allowance of £0.0m.

Detail of the associated expenditure reported in year can be found in the commentary for Table 4O.

Comparison to Previous Year (2025/2026 Price Base)

Grants and contributions associated with the wholesale water diversion programme has decreased by 41% compared to the previous year (£3.2m). The majority of the variance is on a few schemes that had income in the previous year but do not in 2025/2026.

Grants and contributions associated with the wholesale wastewater diversion programme has increased by 208% compared to the previous year £1.3m.

Comparison to PR24 Forecast (2022/2023 Price Base)

Grants and contributions associated with the wholesale water diversions programme in the current report year total £1.690m compared to a PR24 forecast of £3.359m.

The income received due to s185 requests to divert our water mains assets totals £0.076m in the current report year against a FD allowance of £2.016m.

There is also a total of £1.614m income associated with diverting our mains as part of a NRSWA (New Roads and Street Works Act 1991) requests, against a PR24 forecast of £1.086m.

Finally we have a total of £0.000m income associated with diverting our mains that was not due to either s185 or NRSWA requests, against a PR24 forecast of £0.257m as we did not have any income in this area this year.

Grants and contributions associated with the wholesale wastewater diversion programme in the current report year total £3.625m compared to a PR24 forecast of £2.542m.

This income relates to s185 requests to divert our sewers which totals £2.829m in the current report year against a PR24 forecast of £2.542m.

There is also a total of £0.796m income associated with diverting our sewers as part of a NRSWA (New Roads and Street Works Act 1991) requests, against a PR24 forecast of £0.000m.

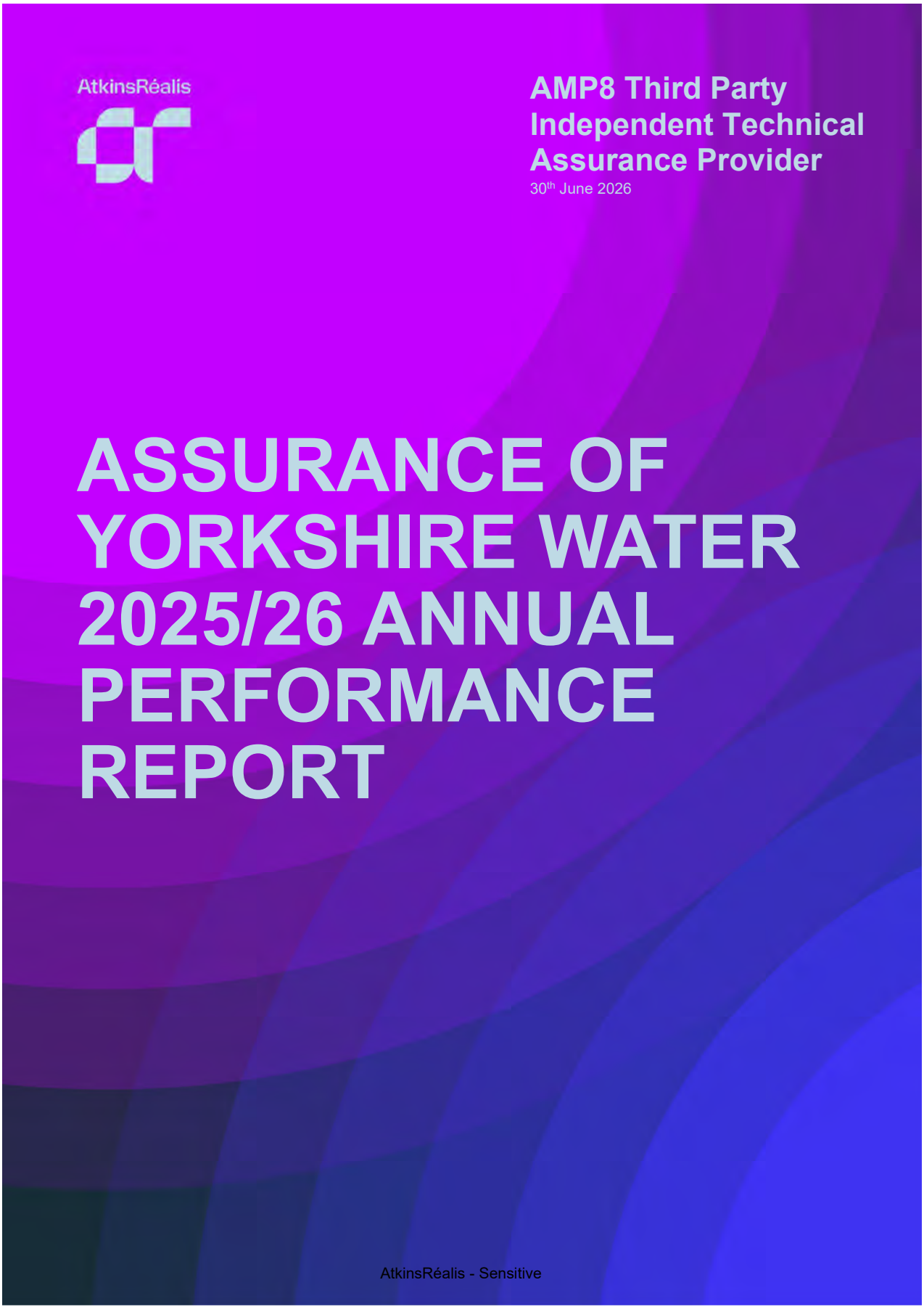
Table 3: Performance summary

Introduction

The information in this section details the 'Performance Summary' as required by Ofwat. A breakdown of how we performed against each of our Performance Commitments can be found in Section 3. The information in this section comprises the following tables:

Pro forma 3A	Outcome performance – all performance commitments
Pro forma 3B	Underlying data – measures of experience performance commitments
Pro forma 3C	Underlying calculations and supplementary data – customer facing performance commitments
Pro forma 3D	Underlying calculations and supplementary data – demand common performance commitments
Pro forma 3E	Underlying calculations and supplementary data – environmental common performance commitments
Pro forma 3F	Underlying calculations – asset health common performance commitments
Pro forma 3G	Underlying calculations – compliance based common performance commitments

AtkinsRéalis assurance report



Notice

This document and its contents have been prepared and are intended solely as information for Yorkshire Water and use in relation to 2025/26 Annual Performance Assurance Report for release into the public domain.

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Document history

Revision	Purpose description	Originated	Checked	Reviewed	Authorised	Date
1.0	For information	Multiple	AC	JAJ	JAJ	30/06/26

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Assurance Statement

AtkinsRéalis is engaged by Yorkshire Water to provide third party independent assurance on technical and some financial aspects of its Annual Performance Report for 2025/26 (APR-26):

- We understand that we are appointed, at Yorkshire Water's cost, to accurately assess and assure the Company's performance in relation to preparing this submission, possess sufficient experience to do so, and have a duty to help Ofwat in that regard for some components of the APR.
- In relation to the quality of this report, we consider that it has been provided to the requisite professional standard having conducted sufficient verification and independent assessment.
- We confirm the independence of the assurer's team undertaking this work.

We have assessed the submission in accordance with Ofwat's PR24 Final Determinations Expenditure allowances Assurance requirements for delivery of enhancement schemes appendix, Performance Commitment definitions republished on 31st March 2025, Ofwat's final RAGs published on 31st March 2026 and other relevant guidance.

The work performed and the accompanying findings provided under this engagement were conducted based on information available and conditions present at the time of the engagement, from December 2025 to June 2026. We presented our findings to the Yorkshire Water's Regulatory Governance Board on 23rd June 2026, Customer Forum on 25th June 2026 and the Yorkshire Water Audit and Risk Committee on 29th June 2026.

Based upon our assurance activities and information reviewed we confirm that:

- we have been given free access to relevant staff and information on request, including unrestricted access to all systems, files and documents that we requested.
- We had the full cooperation of the people responsible for preparing the submissions and the supporting information.
- the processes, procedures and assumptions are robust, consistent with guidance, uncertainties have been declared and risks understood, and where there are weaknesses, these have been exposed.
- where applicable any shortfalls have been identified appropriately using the Red, Amber, Green classifications provided by Ofwat in the RAG Compliance Checklists.
- our professional opinion and feedback have been appropriately considered.

There were in total 15 changes to areas of methodology and/or reported data which were identified through the audit process and could have been material to this year's reporting but have been addressed prior to submission.

In relation to Performance Commitments, there are only two areas where we identified "Amber" reporting risks to the business. This indicates shortfalls in methodology or that it is still in development, that there is incomplete data or minor errors that does not materially impact on the performance reported relative to targets and threshold values, or that there are risks that it is not possible to quantify. These relate to:

1. Per capita consumption - Unmeasured household PCC remains sensitive to both the size of the Domestic Consumption Monitor and the extent to which its participants are representative of the companywide unmeasured population which creates a risk in the accuracy of the reporting.
2. Sewer collapses – Weakness with the methodology and data in relation to collapse causes assigned to pollution incidents so there is a risk that the reported total be under-reported but it is not possible to assess the materiality.

In relation to other areas of annual reporting, most were found to be compliant with regulatory requirements and supported by appropriate methodologies with a few reporting risks identified due to weaknesses in methodology, the audit trail or supporting evidence, interpretation of regulatory guidance or accuracy of the reporting.

Overall, we believe that the methodologies, data and commentaries that we have assured provide a fair and reasonable account of Yorkshire Water's performance in 2025/26. While we observed a number of issues, these do not impact materially in our opinion upon the potential to sign-off the Company submission.



Julian Jacobs
Technical Director and Lead Technical Assurer to Yorkshire Water

1. Access and limitations

The work performed and the accompanying findings provided under this engagement were conducted based on information available and conditions present at the time of the engagement, from December 2025 to June 2026.

We confirm that Yorkshire Water has provided us with full and transparent access to its systems and processes, including unrestricted access to all systems, files and documents that we requested from the Company. During the assurance activities, we had free access to and the full cooperation of the people responsible for preparing this submission and the supporting information.

2. Classification of issues

We classify our findings into 'Red', 'Amber' and 'Green' categories. RAG ratings reflect the significance of the issue identified within the relevant process. They should not be automatically interpreted as indicating a material impact on the overall reported data.

Categories	Overall RAG classification definition
Red	This signifies a significant risk to the reporting relating to either the methodology, the application of the methodology and/or the failure to follow relevant guidance, the accuracy of the reported data and/or the information provided in the commentary. A red rating does not necessarily indicate that the overall reported value is materially misstated.
Amber	This signifies potential or actual risks relating to either the methodology, the application of the methodology and/or the failure to follow relevant guidance, or that there are some weaknesses in the reporting however the impact is either not quantifiable or would be considered as within acceptable bounds. Risks remain that prevent full alignment with regulatory requirements.
Green	This signifies either no issues or only relatively minor issues that are designed to provide continuous improvement to the reporting process.

We identified 447 issues during our assurance activities. We categorise the issues raised both initially and then the categorisation if and when they are closed. From the initial categorisation, there were 23 Red issues, 184 Amber issues and 240 Green issues identified.

Categorisation	Initial	Final	Open
Red	23 (5%)	1 (0.2%)	0
Amber	184 (41%)	45 (10%)	0
Green	240 (54%)	401 (90%)	0
Total	**447**	**447**	**0**

There are 100 issues have been marked as revisit next year but which do not impact on the ability to submit this year.

There is one known issue which relates to the fact that the Company is reporting a provisional score issued by the Drinking Water Inspectorate (DWI) for the Compliance Risk Index (CRI). There is still therefore a risk that the final score may change although it should be noted there is no further action that Yorkshire Water can do as the Company is awaiting notification from the DWI and relates to the different regulatory timetables.

3. AMP8 Performance Commitments

We have assured all the PCs and capture our findings below respectively under those that fall directly under the Ofwat actionable duty of care and those that must still be assured but do not fall specifically under the enhanced assurance requirement.

Table 2-1 Summary of Ofwat actionable duty of care PCs assured

Performance Commitment	Findings	Methodology	Data
Biodiversity	The Company's methodology is robust and aligns with the regulatory requirements. There is no data being reported this year. We are satisfied that Yorkshire Water has populated the Ofwat RAG Checklist appropriately. There are limited 1st and 2nd line internal checks occurring of the data being gathered, which reflects the early stage of reporting for this PC and the Company's procedure would benefit from documenting the checks and controls that are being put in place and maintain records of the findings.	Green	Green
Business demand	Yorkshire Water's methodology is robust and aligns with the regulatory requirements and no concerns have been identified with the reporting. There is a well-documented methodology in place clearly defining the processes to be followed. Meter under-registration (MUR) for non-household customers is considered high at 7.3% and suggests that there is a risk that actual business demand could be higher and this needs to be closely monitored. The Company demonstrated some good examples of its engagement with Retailers, which is a requirement on Wholesalers like Yorkshire Water to promote water efficiency and other demand reduction measures, although there is scope to further strengthen collaborative working through AMP8 to reduce demand.	Green	Green
Leakage	The Company's methodology is robust and aligns with the regulatory requirements and no concerns have been identified with the reporting. While there are some minor shortcomings, the reported data is drawn from robust datasets and is produced in accordance with clearly documented processes and procedures. These are aligned with current industry good practice and are compliant with Ofwat guidelines. The confidence intervals used by Yorkshire Water for the Maximum Likelihood Estimation (MLE) have been independently re-calculated during the report year by another third party, providing additional assurance alongside our work. While no material issues have been identified this year, we recommend that the improvements identified relating to both Distribution Input and the Domestic Consumption Monitor are progressed for the next report year to address potential future risks.	Green	Green
Per capita consumption	Overall, the Company's methodology is appropriate and aligns with the regulatory requirements. However, unmeasured household PCC remains sensitive to both the size of the Domestic Consumption Monitor (DCM) and the extent to which its participants are representative of the companywide unmeasured population. We have identified the following concerns: • the DCM sample size was below 1,000 for this reporting year, when a sample above 1,000 is stipulated. This is a number above which it is considered large enough to produce statistically significant results but small enough to allow maintenance and data collection manageable. However Yorkshire Water is not alone in struggling to maintain the size of its DCM due to the impact of customers opting to move to a measured tariff. • Meter under-registration for household customers in the DCM was reported at 5.1% this year, which would be considered as high when meters in a DCM are expected to have low MUR, which is the same as our finding last year. The required action expected of the Company, as detailed within the Ofwat PCC Performance Commitment definitions document, is that the MUR should be reduced through meter replacement.	Green	Amber
River water quality	The Company's methodology is robust and aligns with the regulatory requirements and initial concerns with the reporting have been resolved. The methodology that had been used to calculate the reported figures was initially incorrect. The load reduction had been calculated from all Wastewater Treatment Works (WwTW). The Company has updated the methodology and specified how they have interpreted the Performance Commitment guidance of 'sites with a phosphorus limit that was in place for the latest whole year' that should be included in the calculated figure to be reported. The Company has included all sites where a permit was in place before 31st December 2024 and sites with a regulatory date prior to the same date where a permit had been applied for and the site was being operated as if the permitted limit was in place. We confirm that in our opinion this interpretation of sites that should be included aligns with the intention of the Ofwat guidance. We carried out data trailing to confirm the revised reported figure and our findings were satisfactory.	Green	Green
Storm overflows	The Company's methodology is robust and aligns with the regulatory requirements and no concerns have been identified with the reporting. Overall, the storm overflows performance commitment is reported in line with Ofwat's	Green	Green

	reporting requirements and aligned with the EA's EDM report. The methodology is documented, aligns with relevant guidance and is supported by a mature EDM monitoring and reporting framework. The reported data was reconciled to underlying records. Some areas of Ofwat guidance remain open to interpretation, particularly around the treatment of closed and unmonitored overflows; however, the approaches adopted are reasonable, have been documented, and are not considered likely to have a material impact on reported performance.		

Table 2-2 Summary of other PCs assured

Performance Commitment	Findings	Methodology	Data
Bathing water quality	The Company's methodology is robust and aligns with the regulatory requirements and no concerns have been identified with the reporting. There is evidence of internal check and review processes. The outputs being reported aligned with data we assured, with our data checks showing no differences to that produced by the Company and on this basis we consider the reporting process to be robust. We did note a minor discrepancy in a multiplier value used in the Company's calculations which requires updating to match the approach detailed in the bathing water legislation. While our checks indicated the change has no impact this reporting period, there is the risk that it could have a material impact in future assessments.	Green	Green
Business customer and retailer measure of experience (BR-MeX)	BR-MeX is made up of three components: • B-MeX non household customer survey. The Company's methodology for preparing a dataset for the market research company to survey customers is robust and we did not identify any issues with the provision of the data. • Market Performance Framework metrics. The Company appears to have effective processes in place for managing its activities and our testing did not identify any issues with the reporting. • R-MeX survey of Retailers. This activity is managed by a third party with no direct involvement from Yorkshire Water. We were able to confirm that the scores received from the third parties have been transcribed accurately into the Ofwat Table.	Green	Green
Compliance risk index (CRI)	The Company's methodology is robust and aligns with the regulatory requirements and no concerns have been identified with the reporting. The Company demonstrated good understanding of its obligations and our testing did not identify any issues with the underlying data in the calculations.	Green	Green
Customer contacts about water quality	The Company's methodology is robust and aligns with the regulatory requirements and no concerns have been identified with the reporting. The Company demonstrated good understanding of its obligations and our testing did not identify any issues with the underlying data in the calculations. Updates were required to the written procedures to reflect changes over the last year.	Green	Green
Customer measure of experience (C-MeX survey)	The Company's methodology for preparing a dataset for the market research company to survey customers is robust and appropriate. We did see some instances where processes are not always applied correctly or swiftly which may then impact on the completeness of the survey sample, but this would not impact on the results. The Company will monitor the issue and we agreed to revisit next year. We confirmed that the scores received from the third party have been transcribed accurately into the Ofwat Table.	Green	Green
Developer measure of experience (D-MeX)	D-MeX is made up of a qualitative and a quantitative components. The qualitative component, customer surveys of both small and large developers has a robust methodology for generating the datasets for the market research company and we are satisfied that the data is reliable, accurate and complete. The quantitative component is made up of Levels of Service metrics which have set timescales in which to complete activities and results in either Passes or Fails that generate scores. This area suffers from underlying processes which are unwieldy for recording activity, processes that are overly complex and therefore not always followed effectively and creates considerable inefficiencies. As a result of these longstanding weaknesses, the Company has built in a comprehensive and robust set of checks and controls to validate and where appropriate correct the data to ensure that the results are reported accurately. Two other minor errors were identified in the way that the Ofwat Table was completed which have been rectified.	Green	Green

Discharge permit compliance	The Company's methodology is robust and aligns with the regulatory requirements and no concerns have been identified with the reporting. The methodology, processes and controls supporting discharge permit compliance reporting are well established and align with Ofwat requirements. Sampling programmes, data collection systems including the Environment Agency tracker and Sample Manager, and UV compliance monitoring processes are clearly documented. Audit testing confirmed that calculations are applied correctly, data flows are appropriate, and no material errors were identified in the reported figures. Some enhancements could further strengthen the control environment, specifically undertaking analysis to ensure sampling times are not predictable and formalising review and approval processes for UV compliance investigations where professional judgement is applied. These improvements would support continued robustness and assurance over the regulatory reporting.	Green	Green
Internal sewer flooding	The Company's methodology is robust and aligns with the regulatory requirements and no concerns have been identified with the reporting. The RAG Compliance Checklist that has been submitted is in our opinion a fair reflection of its methodology. There were a limited number of data and classification issues identified and requiring minor amendments to incident records and root cause categorisation, but these were not considered material to the overall performance reported and all were corrected post audit.	Green	Green
External sewer flooding	The Company's methodology is robust and aligns with the regulatory requirements and no concerns have been identified with the reporting. The RAG Compliance Checklist that has been submitted is in our opinion a fair reflection of its methodology. There were a limited number of data and classification issues identified and requiring minor amendments to incident records and root cause categorisation, but these were not considered material to the overall performance reported and all were corrected post audit.	Green	Green
Repairs to burst mains	The Company's methodology is robust and aligns with the regulatory requirements and no concerns have been identified with the reporting. Checks were carried out on reactive and proactive mains repairs and the calculations per 1,000km and findings were satisfactory in all cases.	Green	Green
Serious pollution incidents	The Company's methodology is robust and aligns with the Environment Agency and Ofwat regulatory requirements and no concerns have been identified with the reporting. The end-to-end process is appropriate, with clear governance, timely incident response, strong evidence gathering, specialist review and reconciliation with the EA National Incident Recording System tracker. Data checks confirmed consistency between internal systems, the EA tracker and Ofwat APR tables. Sample testing found incident classifications to be appropriate. One issue relating to the sewer length denominator was identified and corrected. No other data or reporting issues were identified.	Green	Green
Unplanned outage	The Company's methodology is robust and aligns with the regulatory requirements and no concerns have been identified with the reporting. The supporting documentation is comprehensive and checks and controls are built into operational business as usual activities, although their demonstrability could be improved by systematically recording the findings.	Green	Green
Water supply interruptions	The Company's methodology is robust and aligns with the regulatory requirements and no concerns have been identified with the reporting. The methodology is well documented, aligned to guidance, and supported by strong assurance processes, data triangulation, and governance controls. The Ofwat RAG Compliance Checklist is predominantly Green, with minor Amber findings relating to contractor record keeping and consistent application of adjustments for multi occupation premises. We do not consider these issues to be material. Testing confirmed that reported data is generally accurate and supported by appropriate evidence. Opportunities remain to better document control checks and strengthen audit trail evidence, but overall the control framework and reporting provide a high level of confidence in the reporting.	Green	Green
Sewer collapses	There are weaknesses identified with both the methodology and data, which have been highlighted previously. Overall, Yorkshire Water demonstrates a robust understanding of its responsibilities and maintains a comprehensive grasp of the processes and datasets relevant to this reporting area. The knowledge of the systems, data flows, and interdependencies with other workstreams is thorough and well evidenced. In addition, the methodology has improved since last year and it is well developed and supported by clearer controls. However, 'collapse' causes as assigned to pollution incidents in the Pollution Incident dataset are currently not reconciled with the Sewer Collapse Performance Commitment dataset. Pollution reporting, and the systems that underpin the reporting, is going through a significant transition period in response to the new	Amber	Amber

	regulatory requirements and classification changes within the Environment Agency's latest Environmental Performance Assessment (EPA) methodology. The Company has advised that this has posed difficulties in attempting to replicate the reconciliation achieved with sewer flooding datasets. Therefore there is a risk that the Sewer Collapses totals will not be fully inclusive of those incidents that have been reported as the primary cause of a pollution incident. The materiality of this issue is currently unknown. Materiality cannot be inferred or assessed from previous pollution incident datasets, as the pollution datasets for this reporting year will be significantly different. We expect that the Company will continue to improve the reconciliation between the relevant datasets in future reporting years.		
Total pollution incidents	The Company's methodology is robust and aligns with the Environment Agency and Ofwat regulatory requirements and no concerns have been identified with the reporting. The end-to-end process is appropriate, with clear governance, timely incident response, strong evidence gathering, specialist review and reconciliation with the EA National Incident Recording System tracker. Data checks confirmed consistency between internal systems, the EA tracker and Ofwat APR tables. Sample testing found incident classifications to be appropriate. One issue relating to the sewer length denominator was identified and corrected. No other data or reporting issues were identified.	Green	Green

4. Summary of Changes in Company Submission

We have listed below areas where there were changes made as a result of the technical assurance of the Yorkshire Water's submissions. These changes relate to either or both changes to the Company methodology and the reported data. Their RAG status was at one time either likely to be "Amber" or "Red" but these areas have a "Green" status now because the issue(s) identified have been addressed and therefore are no longer likely to represent notable issues or risks.

In total, there have been changes to 15 areas of reporting compared with what was originally presented for audit. If a reporting area is not listed, there were no issues identified with the reported data and if any changes to the methodology were suggested, they were only minor improvements to the documentation of the end-to-end processes.

The areas were:

1. 3A.19 External sewer flooding
2. 3B D-MeX Developer measure of experience
3. 3C internal and external sewer flooding
4. 3C Water Supply Interruptions
5. 3D.32 Changes in existing business demand (existing supply points) in reporting year compared to previous year.
6. 3E.4 - 3E.8 Pollution Incidents
7. 4Z GSS lines
8. 6C1 to 3 Treated water distribution – mains analysis
9. 7C.1 Connectable properties served by s101A schemes completed in the report year
10. 7C.11 Sewer Age Profile
11. 7C.13 Volume of Wastewater receiving treatment at STW
12. 7C.29 Number of storm overflows closed in the previous reporting year
13. 7D.16 Current population equivalent served by STWs
14. 7E Wastewater assets reporting
15. 8C.2 and 5 Bioresources energy reporting

Appendix - Assurance scope

AtkinsRéalis has been appointed to provide external assurance on the regulatory submissions presented by Yorkshire Water to Ofwat under the conditions set out in its Licence with the Secretary of State. There is also associated regulatory reporting to the EA, DWI, Water UK, CC Water and for customers which falls within the scope of our assurance.

The areas in scope for assurance are:

- Data and commentary reported as part of the Annual Performance Report (APR) to Ofwat:
  - Tables 2E, 2K, 2N, 3A, 3B, 3C, 3E, 3F, 3G, 4A, 4AC, 4AD, 4D; 4E, 4F, 4G, 4J, 4K, 4L (Capex), 4M (Capex), 4N (Capex), 4O (Capex), 4P, 4Q, 4R, 4Z, 5A, 6A, 6B, 6C, 6D (Capex), 6E (Capex), 6F, 7B, 7C, 7D, 7E, 7F, 7G, 7F, 7I, 7J, 7K (Capex), 8A, 8C, 8D, 10G, 11ª (Capital projects and Purchase goods only), 11B – Asset and financial data
    - Table 3A, 3B, 3C, 3D, 3E, 3F, 3G - Outcome performance tables (common measures) including assurance of RAG Compliance Checklists where applicable
    - Bioresources Market Information and Market Activity
    - PAS2080
- DWI submission for Drinking Water Quality Contacts and reporting related to Compliance Risk Index and Events Risk Index
- Reporting to CCW
- Reporting to Environment Agency
- Reporting to Water UK

It should be noted that the following were not within our assurance scope:

- Condition G Licence Statement
- Operational greenhouse gas emission Water and Wastewater Performance Commitments (Tables 3A and 3E)
- Outperformance or underperformance payments for 2025/26
- Underlying processes for identifying GSS events and ex gratia payment triggers. Our assurance is limited to confirming the accuracy of the GSS and other payments made (customer numbers and values) reported in Table 4Z Section C



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AtkinsRéalis - Sensitive

Independent Limited Assurance Report to the Directors of Yorkshire Water Services Limited on the operational greenhouse gas emissions of water and wastewater

Our limited assurance conclusion

Based on the procedures we have performed, as described under the "Summary of work performed", and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected non-financial data points in Yorkshire Water Services Limited's ("Yorkshire Water") Annual Performance Report 2025/26, APR table 3E – 2025/26 (the "Report") and summarised below (together, the "Subject Matter Information"), has not been prepared, in all material respects, in accordance with Yorkshire Water's 2025/26 GHG companion reporting methodology (the "Reporting Criteria").

Other matter – comparative information

The comparative sustainability information of Yorkshire Water as at 31 March 2025 and for the year then ended was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

What we were engaged to assure

The Subject Matter Information needs to be read and understood together with the Reporting Criteria which Yorkshire Water's Directors are solely responsible for selecting and applying. The Subject Matter Information and the Reporting Criteria are as set out in the table below:

Subject Matter Information - Title	***Reported number (tCO2e)***	***Location of Subject Matter Information***	***Reporting Criteria***
3E.50 – Operational greenhouse gas emissions (water) – Net emissions	*127,767.65*	*Annual Performance Report – Table 3E, page 233*	*Prepared in accordance with the PR24 Operational greenhouse gas emissions performance commitment (water) as interpreted by Yorkshire Water in 2025/26 GHG companion reporting methodology (together 'the Reporting Criteria').* [1]
3E.79 – Operational greenhouse gas emissions (wastewater) – Net emissions	*181,048.88*	*Annual Performance Report – Table 3E, page 236*	*Prepared in accordance with the PR24 Operational greenhouse gas emissions performance commitment (wastewater) as interpreted by Yorkshire Water in 2025/26 GHG companion reporting methodology (together 'the Reporting Criteria').* [1]

[1]The maintenance and integrity of Yorkshire Water's website is the responsibility of the Directors; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Subject Matter Information or Reporting Criteria when presented on Yorkshire Water's website.

The scope of our work did not extend to information in respect of earlier periods or to any other information included in, or linked from, the Report including any images, audio files or videos. Specifically, but without limitation, the scope of our assurance did not extend to comparative sustainability information of the Company as at 31 March 2025 and for the year then ended nor the year on year movement in the Subject Matter Information.

Our work

Professional standards applied

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' and, in respect of the greenhouse gas (GHG) emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board.

Our independence and quality control

We have complied with the Institute of Chartered Accountants in England and Wales Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code).

We apply International Standard on Quality Management (UK) 1 and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed

We performed a limited assurance engagement. Because the level of assurance obtained in a limited assurance can vary, we give more detail about the procedures performed, so that the intended users of the Subject Matter Information can understand the nature, timing and extent of procedures we performed as context for our conclusion. These procedures performed vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

In performing our assurance procedures, which were based on our professional judgement, we performed the following:

- evaluated the suitability in the circumstances of Yorkshire Water's use of the Reporting Criteria as the basis for preparing the Subject Matter Information including the associated reporting boundaries;
- through inquiries, obtained an understanding of Yorkshire Water's control environment, processes and systems relevant to the preparation of the Subject Matter Information. Our procedures did not include evaluating the suitability of design, obtaining evidence about their implementation or testing operating effectiveness of particular control activities;
- evaluated whether Yorkshire Water's methods for developing estimates are appropriate and had been consistently applied, noting that our procedures did not involve testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Yorkshire Water's estimates;
- compared year on year movements and obtained explanations from management for significant differences we identified;
- performed limited substantive testing of the Subject Matter Information, which is aggregated from information submitted by Yorkshire Water's operating sites. Testing involved agreeing arithmetical accuracy of calculations, and agreeing data points to or from source information to check that the underlying subject matter had been appropriately evaluated or measured, recorded, collated and reported;
- undertook site visits at two of Yorkshire Water's sites (one wastewater site and one clean water site) to understand the treatment processes and identify any additional sources of greenhouse gas emissions not already considered in the calculation;
- compared the Carbon Accounting Workbook (CAW) version 20 (used to calculate emissions) to the CAW version 17 (as referenced in Ofwat's PR24 operational greenhouse gas emissions performance commitment definition) and reconciled the calculations performed by each; and
- evaluated the disclosures in, and overall presentation of, the Subject Matter Information.

Our assurance procedures specifically did not include assessing the functionality, operation or accuracy of the calculations performed by the Carbon Accounting Workbook.

Materiality

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Subject Matter Information is likely to arise. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our procedures in support of our conclusion. We believe that it is important that the intended users have the information they need to understand the concept and the level of materiality to place our conclusion in context. Based on our professional judgement, we determined materiality for the Subject Matter Information as follows:

Overall materiality	Materiality may differ depending upon the nature of the Subject Matter Information. We apply professional judgement to consider the most appropriate materiality benchmark for each aspect of the Subject Matter Information, having considered how the intended users may use the information.

	Materiality has been set at 5% of the total reported figure for both datapoints assured. This threshold means that a misstatement of 5% in the reported figure, either as an individual misstatement, or as an aggregate of smaller misstatements, would lead us to conclude that the data point had not been prepared, in all material respects, in accordance with the reporting criteria.

We also agreed to report to the Directors misstatements ("reportable misstatements") identified during our work at a level below overall materiality, as well as misstatements below that lower level that in our view warranted reporting for qualitative reasons. The Directors are responsible for deciding whether adjustments should be made to the Subject Matter Information in respect of those items.

Areas of Assurance Focus

The Areas of Assurance Focus are those areas of our work that, in our professional judgement, require additional procedures. In the case of limited assurance, that means our procedures may be towards the upper end of those that might be expected for limited assurance. These areas were identified as part of our risk assessment and result of the assurance procedures performed, and include those areas of significant risk, areas that involved significant judgement or other areas where significant assurance effort was needed. This approach provides transparency about where we deemed it necessary to perform extra work. However, this does not imply - for limited assurance - the same level of assurance as would have been obtained under a reasonable assurance engagement.

We have determined that there are no areas of assurance focus to communicate in our report.

Challenges of non-financial information

The absence of a significant body of established practice upon which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities, and over time.

Non-financial information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter and the methods used for measuring or evaluating it. The precision of different measurement techniques may also vary.

Reporting on Other Information

The other information comprises all of the information in the Report other than the Subject Matter Information and our assurance report. The Directors are responsible for the other information. As explained above, our conclusion does not extend to the other information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

Responsibilities of the Directors

The Directors of Yorkshire Water are responsible for:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring or evaluating the underlying subject matter;
- ensuring that those criteria are relevant and appropriate to Yorkshire Water and the intended users of the Report;
- the preparation of the Subject Matter Information in accordance with the Reporting Criteria including designing, implementing and maintaining systems, processes and internal controls over the evaluation or measurement of the underlying subject matter to result in Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- documenting and retaining underlying data and records to support the Subject Matter Information;
- producing the Report that provides a balanced reflection of Yorkshire Water's performance in this area and discloses, with supporting rationale, matters relevant to the intended users of the Report; and
- producing a statement of Directors' responsibility.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of Yorkshire Water.

Use of our report

Our report, including our conclusion, has been prepared solely for the Directors of Yorkshire Water in accordance with the agreement between us dated 6 May 2026 (the "agreement") in connection with the requirement for independent assurance specified in Ofwat's PR24 operational greenhouse gas emissions performance commitment. To the fullest extent permitted by law, we do not accept or assume responsibility or liability to anyone other than the Board of Directors and Yorkshire Water for our work or our report except where terms are expressly agreed between us in writing.



PricewaterhouseCoopers LLP
Chartered Accountants
Leeds
9 July 2026

Table 3A

Outcome performance - all performance commitments

Tables 3A-3G show data against our Performance Commitments. You can find much more detail on how we performed against these measures within Section 3.

Line description	Unit	Decimal places	Performance level – actual	PCL met? (Yes/No)	Outperformance or underperformance payment	Total 2025-30 outperformance or underperformance payment	RAG 4 reference
					£m	£m	
Common PCs – Water (Financial)							
Bio-diversity	Biodiversity units gained	2	-	n/a	-	-	3A.1
Business demand	% reduction of three-year average business demand	1	-3.6%	No	(0.29)	(0.29)	3A.2
Compliance risk index (CRI)	Number	2	3.15	No	(2.43)	(2.43)	3A.3
Customer contacts about water quality	Number of customer contacts per 1000 population (Ml/d)	2	0.95	No	(0.43)	(0.43)	3A.4
Discharge permit compliance	% compliance	2	99.04	No	-	-	3A.5
Greenhouse gas emissions (water)	% reduction in greenhouse gas emissions	2	-14.62%	No	(3.45)	(3.45)	3A.6
Leakage	% reduction of three-year average leakage (Ml/d)	1	18.5%	Yes	0.28	0.28	3A.7
Repairs to burst mains	Number of mains repairs per 1,000km	1	189.0	No	-	-	3A.9
Per capita consumption	% reduction of three-year average PCC in (l/person/d)	1	1.4%	No	(3.01)	(3.01)	3A.10
Serious pollution incidents	Number of serious pollution incidents	-	13	No	(18.68)	(18.68)	3A.12
Unplanned outage	% loss of company peak week production capacity	2	2.72	Yes	0.27	0.27	3A.13
Water supply interruptions	average number of minutes lost per customer	0	11.965	No	(6.13)	(6.13)	3A.14

3A.2, 3A.6, 3A.7, 3A.10, and 3A.20 are reported as percentage reductions against a baseline. For these measures, a positive value indicates a reduction from the baseline, while a negative value indicates an increase relative to the baseline.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3A – continued

Outcome performance - all performance commitments

Tables 3A-3G show data against our Performance Commitments. You can find much more detail on how we performed against these measures within Section 3.

Line description	Unit	Decimal places	Performance level – actual	PCL met? (Yes/No)	Outperformance or underperformance payment	Total 2025-30 outperformance or underperformance payment	RAG 4 reference
					£m	£m	
Common PCs – Wastewater (Financial)							
Bathing water quality	Number average bathing water quality score	1	53.7	No	(9.73)	(9.73)	3A.18
External sewer flooding	Number of external sewer flooding incidents per 10,000 sewer connection	2	21.23	Yes	6.91	6.91	3A.19
Greenhouse gas emissions (wastewater)	% reduction in greenhouse gas emissions	2	-5.53%	Yes	-	-	3A.20
Internal sewer flooding	Number of internal sewer flooding incidents per 10,000 sewer connection	2	2.53	No	(14.28)	(14.28)	3A.21
Sewer collapses	Number of sewer collapses per 1,000km of all sewers	2	6.63	Yes	5.40	5.40	3A.22
Storm overflows	Average number of discharges per storm overflow	2	27.23	Yes	2.998	2.998	3A.23
Total pollution incidents	Pollution incidents per 10,000km of sewer length	2	49.75	No	(18.34)	(18.34)	3A.24
Common PCs – Wastewater (Financial)							
River water quality	% reduction of phosphorus emissions into river catchment	2	-72.44%	Yes			3A.25

Storm overflows has an adjustment calculation built within the measure. For more information on this, please see the storm overflow page within Section 3.

For the River Water Quality performance commitment, we have interpreted 'relevant discharges' to mean discharges associated with either a site subject to a permitted phosphorus limit or a permit application with a regulatory determination date. Where a permit application is in progress, we assume the permit takes effect from the first day of the reporting year and assess performance accordingly.

Key

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Table 3B

Underlying data – measures of experience performance commitments

Item	Unit	Value	RAG 4 reference
Business customers in Wales measure of experience			
Business customers in Wales measure of experience contact survey	Number	n/a	3B.1
Business customers in Wales measure of experience non-contact survey	Number	n/a	3B.2
Business customers in Wales score	Number	n/a	3B.3
Business customers in Wales measure of experience			
Annual customer satisfaction score for the Business customer contact survey (B-Mex)	Number	63.17	3B.4
Annual retailer satisfaction score for the Retailer experience survey (R-Mex)	Number	74.23	3B.5
Annual MPF Score	Number	92.43	3B.6
Annual BR-MeX score	Number	73.25	3B.7
Customer measure of experience (C-MeX)			
Annual customer satisfaction score for the customer service survey	Number	58.68	3B.8
Annual customer satisfaction score for the customer experience survey	Number	65.91	3B.9
Annual C-MeX score	Number	61.09	3B.10
Total household complaints	Number	31,048	3B.11
Total connected household properties	Number	2,416,530	3B.12
Total household complaints per 10,000 connections	Number	128.48	3B.13
Developer measure of experience (D-MeX)			
Developer satisfaction (small developers) qualitative component annual results	Number	38.90	3B.14
Developer satisfaction (large developers) qualitative component annual results	Number	52.07	3B.15
Quantitative component annual results	Number	87.51	3B.16
D-MeX score	Number	59.43	3B.17

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3B – continued

Underlying data – measures of experience performance commitments

Levels of service performance metrics	Unit	Reporting period (1 April to 31 March)	RAG 4 reference
Calculating the D-MeX quantitative component			
W1.1	%	97.78%	3B.W1
W3.1	%	98.93%	3B.W2
W4.1	%	25.64%	3B.W3
W6.1	%	100.00%	3B.W4
W7.1	%	100.00%	3B.W5
W8.1	%	76.47%	3B.W6
W17.1	%	100.00%	3B.W7
W18.1	%	61.54%	3B.W9
S3.1	%	100.00%	3B.W18
WN1.1	%	100.00%	3B.W21
WN2.2	%	100.00%	3B.W22
WN4.1	%	42.55%	3B.W23
WN4.2	%	40.91%	3B.W24
SN2.2	%	100%	3B.W26
SAM 3/1	%	100.00%	3B.W28
SAM 4/1	%	100.00%	3B.W29
SLPM – S1/2	%	98.41%	3B.W30
SLPM - S2/2a	%	100.00%	3B.W31
SLPM - S2/2b	%	100.00%	3B.W32
SLPM – S3	%	94.81%	3B.W33
SLPM -S4/1	%	88.24%	3B.W34
SLPM – S7/1	%	100.00%	3B.W36
D-MeX quantitative score (for the reporting period)	%	87.51%	3B.18

In July 2025, the Consumer Council for Water (CCW) completed an assessment of our complaints experience and processes. We were really pleased that they assessed our processes to be effective in all cases reviewed, with multiple areas of good practice identified such as our communication approach and the additional support provided to vulnerable customers. Their assessment also highlighted some opportunity areas.

Our number of household complaints for 2025/2026 is reported as 31,048. Following prior APR audit observations on reliability of complaint reporting, we have strengthened our assurance approach through additional assurance checks and audits undertaken throughout the year.

These indicate a high level of accuracy in contact logging, with 97% of contacts recorded as a complaint correctly. However, when looking at complaints reporting specifically, we have identified that we could be significantly under-reporting the number of household complaints and we have lowered our confidence in this reported number. Confidence in the reliability of reporting of complaints across the industry has led Ofwat to remove this metric from the C-MeX Performance Commitment.

An improvement action plan is in place to pick up on the highlighted opportunities and known reporting issues, including enhanced training, process improvements, and system changes, alongside the introduction of root cause analysis to support ongoing improvements to the customer journey.

Key

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Table 3C

Underlying calculations and supplementary data – customer facing performance commitments

Line description	Unit	Standardising data indicator	Standardising data numerical value	Performance level – actual (current reporting year)	Performance level – Calculated (i.e. standardised)	RAG 4 reference
Internal sewer flooding						
Internal sewer flooding – customer proactively reported	Number of internal sewer flooding incidents per 10,000 sewer connections	Number of sewer connections (thousands)	2406.76	549.00	2.28	3C.1
Internal sewer flooding – company reactively identified (ie neighbouring properties)	Number of internal sewer flooding incidents per 10,000 sewer connections	Number of sewer connections (thousands)	2406.76	61.00	0.25	3C.2
Internal sewer flooding	Number of internal sewer flooding incidents per 10,000 sewer connections	Number of sewer connections (thousands)	2406.76	610.00	2.53	3C.3
External sewer flooding						
External sewer flooding – customer proactively reported	Number of external sewer flooding incidents per 10,000 sewer connections	Number of sewer connections (thousands)	2406.76	4577.00	19.02	3C.4
External sewer flooding – company reactively identified (ie neighbouring properties)	Number of external sewer flooding incidents per 10,000 sewer connections	Number of sewer connections (thousands)	2406.76	533.00	2.21	3C.5
External sewer flooding	Number of external sewer flooding incidents per 10,000 sewer connections	Number of sewer connections (thousands)	2406.76	5110.00	21.23	3C.6
Customer contacts about water quality						
Customer contacts – taste and odour	Number of contacts per 1,000 resident population	Resident population (thousands)	5592.03	1627.000	0.29	3C.7
Customer contacts - appearance	Number of contacts per 1,000 resident population	Resident population (thousands)	5592.03	3708.00	0.66	3C.8
Customer contacts about water quality	Number of contacts per 1,000 resident population	Resident population (thousands)	5592.03	5335.00	0.95	3C.9

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3C – continued

Underlying calculations and supplementary data – customer facing performance commitments

Line description	Unit	Standardising data indicator	Standardising data numerical value	Total minutes lost	Number of properties supply interrupted	Calculated performance level	RAG 4 reference
Water supply interruptions							
Water supply interruptions (≥3 hours)	Average number of minutes lost per property per year	Number of properties (thousands)	2411.34	20,036.52	72,377	00:11:58	3C.10
Water supply interruptions (≥6 hours)	Average number of minutes lost per property per year	Number of properties (thousands)	2411.34	18793468	30,831	00:07:48	3C.11
Water supply interruptions (≥12 hours)	Average number of minutes lost per property per year	Number of properties (thousands)	2411.34	7620393	8,926	00:03:10	3C.12
Water supply interruptions (≥24 hours)	Average number of minutes lost per property per year	Number of properties (thousands)	2411.34	244166	122	00:00:06	3C.13

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3C – continued

Supplementary data – customer experience common performance commitments

Line description	Unit	Performance level – Actual (current reporting year)	RAG 4 reference
Internal sewer flooding			
Number of internal sewer flooding incidents with a root cause of hydraulic overloading	Number	4.00	3C.14
Number of internal sewer flooding incidents with root cause of sewer blockage	Number	328.00	3C.15
Number of internal sewer flooding incidents with root cause of sewer collapse	Number	51.00	3C.16
Number of internal sewer flooding incidents with root cause of equipment failure	Number	3.00	3C.17
Number of internal sewer flooding incidents with root cause not specified above	Number	224.00	3C.18
Number of properties that have experienced more than one internal sewer flooding incident within the last year	Number	23.00	3C.19
Total number of internal sewer flooding incidents arising from properties that have experienced more than one internal sewer flooding incident within the last year	Number	46.00	3C.20
Number of properties that have experienced more than one internal sewer flooding incident within the last three years	Number	114.00	3C.21
Total number of internal sewer flooding incidents arising from properties that have experienced more than one internal sewer flooding incident within the last three years	Number	249.00	3C.22
Number of properties that have experienced more than one internal sewer flooding incident within the last five years	Number	227.00	3C.23
Total number of internal sewer flooding incidents arising from properties that have experienced more than one internal sewer flooding incident within the last five year	Number	521.00	3C.24

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3C – continued

Supplementary data – customer experience common performance commitments

Line description	Unit	Performance level – Actual (current reporting year)	RAG 4 reference
External sewer flooding			
Number of external sewer flooding incidents with a root cause of hydraulic overloading	Number	71.00	3C.25
Number of external sewer flooding incidents with root cause of sewer blockage	Number	4714.00	3C.26
Number of external sewer flooding incidents with root cause of sewer collapse	Number	104.00	3C.27
Number of external sewer flooding incidents with root cause of equipment failure	Number	15.00	3C.28
Number of external sewer flooding incidents with root cause not specified above	Number	206.00	3C.29
Number of properties that have experienced more than one external sewer flooding incident within the last year	Number	249.00	3C.30
Total number of external sewer flooding incidents arising from properties that have experienced more than one external sewer flooding incident within the last year	Number	538.00	3C.31
Number of properties that have experienced more than one external sewer flooding incident within the last three years	Number	1531.00	3C.32
Total number of external sewer flooding incidents arising from properties that have experienced more than one external sewer flooding incident within the last three years	Number	3618.00	3C.33
Number of properties that have experienced more than one external sewer flooding incident within the last five years	Number	3083.00	3C.34
Total number of external sewer flooding incidents arising from properties that have experienced more than one external sewer flooding incident within the last five years	Number	7511.00	3C.35

Key

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Table 3D

Underlying calculations for common performance commitments – water and retail

Line description	Unit	DPs	2017-18 baseline	2018-19 baseline	2019-20 baseline	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	RAG 4 reference
Leakage - company level													
Annual average leakage	Ml/d	1	323.0	324.1	298.7	260.0	260.2	250.6					3D.1
Three-year average leakage	Ml/d	1			315.3			256.9					3D.2
% reduction in three-year average leakage from 2019-20 baseline	%	1						18.5%					3D.3
Leakage - region 1													
Annual average leakage	Ml/d	1	n/a	n/a	n/a	n/a	n/a	0.0					3D.4
Three-year average leakage	Ml/d	1			n/a			0.0					3D.5
% reduction in three-year average leakage from 2019-20 baseline	%	1						0					3D.6
Leakage - region 2													
Annual average leakage	Ml/d	1	n/a	n/a	n/a	n/a	n/a	0.0					3D.7
Three-year average leakage	Ml/d	1			n/a			0.0					3D.8
% reduction in three-year average leakage from 2019-20 baseline	%	1						0.0					3D.9

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3D – continued

Underlying calculations for common performance commitments – water and retail

Line description	Unit	DPs	2017-18 baseline	2018-19 baseline	2019-20 baseline	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	RAG 4 reference
Per capita consumption - company level													
Annual average PCC	l/h/d	1	128.3	128.6	127.7	125.3	127.8	126.1					3D.10
Three-year average PCC	l/h/d	1			128.2			126.4					3D.11
% reduction in three-year average PCC from 2019-20 baseline	%	1						1.40%					3D.12
Annual household consumption level	Ml/d	1						695.3					3D.13
Total household population	000s	3						5513.7					3D.14
Per capita consumption - region 1													
Annual average PCC	l/h/d	1	n/a	n/a	n/a	n/a	n/a	-					3D.15
Three-year average PCC	l/h/d	1			n/a			-					3D.16
% reduction in three-year average PCC from 2019-20 baseline	%	1						-					3D.17
Annual household consumption level	Ml/d	1						0.0					3D.18
Total household population	000s	3						n/a					3D.19
Per capita consumption - region 2													
Annual average PCC	l/h/d	1	n/a	n/a	n/a	n/a	n/a	-					3D.20
Three-year average PCC	l/h/d	1			n/a			-					3D.21
% reduction in three-year average PCC from 2019-20 baseline	%	1						-					3D.22
Annual household consumption level	Ml/d	1						0.0					3D.23
Total household population	000s	3						n/a					3D.24

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3D – continued

Underlying calculations for common performance commitments – water and retail

Line description	Unit	DPs	2017-18 baseline	2018-19 baseline	2019-20 baseline	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	RAG 4 reference
Business demand - company level - performance													
Annual average business demand (incl. voids)	Ml/d	1	278.8	287.1	275.1	291.5	291.6	288.4					3D.25
Three-year average business demand (incl. voids)	Ml/d	1			280.3			290.5					3D.26
% reduction in three-year average business demand from 2019-20 baseline (incl. voids)	%	1						-3.60%					3D.27
Annual average business consumption (excl. voids)	Ml/d	1						284.2					3D.28
Annual average business voids consumption	Ml/d	1						4.2					3D.29
Business demand - company level - annual changes													
Annual average business demand (incl. voids) variance of reporting year from previous year	Ml/d	1						-3.2					3D.30
Increase in business demand in reporting year due to new business demand (new supply points)	Ml/d	1						0.5					3D.31
Changes in existing business demand (existing supply points) in reporting year compared to previous year	Ml/d	1						-3.7					3D.32

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3D – continued

Underlying calculations for common performance commitments – water and retail

Line description	Unit	DPs	2017-18 baseline	2018-19 baseline	2019-20 baseline	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	RAG 4 reference
Business demand - region 1 level - performance													
Annual average business demand (incl. voids)	Ml/d	1	n/a	n/a	n/a	n/a	n/a	-					3D.33
Three-year average business demand (incl. voids)	Ml/d	1			n/a			-					3D.34
% reduction in three-year average business demand from 2019-20 baseline	%	1						-					3D.35
Annual average business consumption (excl. voids)	Ml/d	1						0.0					3D.36
Annual average business voids consumption	Ml/d	1						n/a					3D.37
Business demand - region 1 - annual changes													
Annual average business demand (incl. voids) variance of reporting year from previous year	Ml/d	1						-					3D.38
Increase in business demand in reporting year due to new business demand (new supply points)	Ml/d	1						n/a					3D.39
Changes in existing business demand (existing supply points) in reporting year compared to previous year	Ml/d	1						n/a					3D.40

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3D – continued

Underlying calculations for common performance commitments – water and retail

Line description	Unit	DPs	2017-18 baseline	2018-19 baseline	2019-20 baseline	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	RAG 4 reference
Business demand - region 2 level - performance													
Annual average business demand (incl. voids)	Ml/d	1	n/a	n/a	n/a	n/a	n/a	-					3D.41
Three-year average business demand (incl. voids)	Ml/d	1			n/a			-					3D.42
% reduction in three-year average business demand from 2019-20 baseline	%	1						-					3D.43
Annual average business consumption (excl. voids)	Ml/d	1						0.0					3D.44
Annual average business voids consumption	Ml/d	1						n/a					3D.45
Business demand - region 2 - annual changes													
Annual average business demand (incl. voids) variance of reporting year from previous year	Ml/d	1						-					3D.46
Increase in business demand in reporting year due to new business demand (new supply points)	Ml/d	1						n/a					3D.47
Changes in existing business demand (existing supply points) in reporting year compared to previous year	Ml/d	1						n/a					3D.48

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3E

Underlying calculations and supplementary data - environmental common performance commitments

Line description	Unit	Standardising data indicator	Standardising data numerical value	Performance level - Actual (current reporting year)	Performance level - Calculated (i.e. standardised)	RAG 4 reference
Serious pollution incidents						
Number of serious pollution incidents (water)	Number			0	0	3E.1
Number of serious pollution incidents (wastewater)	Number			13	13	3E.2
Number of serious pollution incidents	Number			13	13	3E.3
Total pollution incidents						
Pollution incidents - category 1 (wastewater)	Number of pollution incidents per 10,000km of sewer length	Sewer length in km	52263.00	0.00	0.00	3E.4
Pollution incidents - category 2 (wastewater)	Number of pollution incidents per 10,000km of sewer length	Sewer length in km	52263.00	13.00	2.49	3E.5
Pollution incidents - category 3 (wastewater)	Number of pollution incidents per 10,000km of sewer length	Sewer length in km	52263.00	247.00	47.26	3E.6
Pollution incidents - dry day discharges	Number of pollution incidents per 10,000km of sewer length	Sewer length in km	52263.00	2254.00	431.28	3E.7
Pollution incidents - Total (wastewater)	Number of pollution incidents per 10,000km of sewer length	Sewer length in km	52,263	260.00	49.75	3E.8

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3E – continued

Underlying calculations and supplementary data - environmental common performance commitments

Line description	Unit	Standardising data indicator	Standardising data numerical value	Performance level - Actual (current reporting year)	Performance level - Calculated (i.e. standardised)		RAG 4 reference
Storm overflows							
Total number of monitored discharges	Number			51560.0			3E.9
Total number of storm overflows	Number			2201.00			3E.10
Uptime	% EDM uptime			96.20%			3E.11
Average number of discharges per overflow - monitored	Number				23.43		3E.12
Unmonitored storm overflows adjustment	Number				3.80		3E.13
Average number of discharges per overflow - with unmonitored adjustment	Number				27.23		3E.14

Line description	Unit	Standardising data indicator	Standardising data numerical value	Performance level - Actual (current reporting year)	Performance level - Calculated (i.e. standardised)	PC definition weighting	RAG 4 reference
Bathing water quality							
Number of 'poor' bathing waters	Bathing water quality score	Number of bathing sites		6.0	0.0	0	3F.15
Number of 'sufficient' bathing waters	Bathing water quality score	Number of bathing sites		2.0	0.7	0.33	3F.16
Number of 'good' bathing waters	Bathing water quality score	Number of bathing sites		7.0	4.6	0.66	3F.17
Number of 'excellent' bathing waters	Bathing water quality score	Number of bathing sites		6.0	6.0	1	3F.18
Bathing water quality	Bathing water quality score	Number of bathing sites	21.0	21	53.7		3F.19

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3E – continued

Underlying calculations and supplementary data - environmental common performance commitments

Line description	Unit	Standardising data indicator	Standardising data numerical value	Baseline	Current reporting year	Performance level - Net change	Performance level - Calculated (i.e. standardised)	RAG 4 reference
Biodiversity								
Biodiversity net change - area	Net change in biodiversity per 100km²	Company land area (100km²)	0.00	-	0.00	0.00	-	3E.20
Biodiversity net change - hedgerow	Net change in biodiversity per 100km²	Company land area (100km²)	0.00	0.00	0.00	0.00	-	3E.21
Biodiversity net change - river	Net change in biodiversity per 100km²	Company land area (100km²)	0.00	0.00	0.00	0.00	-	3E.22
Biodiversity net change - total	Net change in biodiversity per 100km²	Company land area (100km²)	0.00	0.00	0.00	0.00	-	3E.23
River water quality								
Phosphorus emitted from treatment works that had a phosphorus limit for the latest calendar year	% reduction in phosphorus emissions	2020 baseline	3041013.34	2467105.45	264092.00	-2203013.46	-72.44%	3E.24
Phosphorus prevented from entering rivers from partnership working	% reduction in phosphorus emissions	2020 baseline	3041013.34	0.00	0.00	0.00	0.00%	3E.25
Reduction in phosphorus	% reduction in phosphorus emissions	2020 baseline	3041013.34	2467105.45	264092.00	-2203013.46	-72.44%	3E.26

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3E – continued

Underlying calculations and supplementary data - environmental common performance commitments

Line description	Unit	Actual tCO_2e	RAG 4 reference
Operational greenhouse gas emissions (water)			
Scope one emissions			
Direct emissions from burning of fossil fuels (location-based)	tCO_2e	1,100.77	3E.27
Process and fugitive emissions (incl. refrigerants)	tCO_2e	49.92	3E.28
Emissions from vehicle transport (owned or leased)	tCO_2e	3,766.18	3E.29
Emissions from land	tCO_2e	-	3E.30
Total scope one emissions	tCO_2e	4,916.87	3E.31
Scope two emissions			
Purchased electricity (location-based)	tCO_2e	56,314.45	3E.32
Purchased heat	tCO_2e	0.00	3E.33
Electric vehicles	tCO_2e	65.03	3E.34
Removal of electricity to charge electric vehicles	tCO_2e	0.00	3E.35
Total scope two emissions	tCO_2e	56,379.48	3E.36

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3E – continued

Underlying calculations and supplementary data - environmental common performance commitments

Line description	Unit	Actual tCO_2e	RAG 4 reference
Operational greenhouse gas emissions (water)			
Scope three emissions			
Business travel on public transport and private vehicles used for company business	tCO_2e	144.03	3E.37
Outsourced activities	tCO_2e	2,704.80	3E.38
Purchased electricity: extraction, production, transmission and distribution (location based)	tCO_2e	19,895.82	3E.39
Purchased heat: extraction, production, transmission and distribution	tCO_2e	0.00	3E.40
Purchased fuels: extraction, production, transmission and distribution	tCO_2e	1,104.90	3E.41
Chemicals	tCO_2e	42,716.78	3E.42
Total scope three emissions	tCO_2e	66,566.36	3E.43

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3E – continued

Underlying calculations and supplementary data - environmental common performance commitments

Line description	Unit	Actual tCO_2e	RAG 4 reference
Operational greenhouse gas emissions (water)			
Emissions reductions			
Exported renewables (generated onsite and exported)	tCO_2e	95.07	3E.44
Exported biomethane (generated onsite and exported)	tCO_2e	0.00	3E.45
Insets	tCO_2e	0.00	3E.46
Total emissions reductions	tCO_2e	95.07	3E.47
Baseline tCO_2e (2024/2025)	tCO_2e	111,475.00	3E.48
Gross emissions	tCO_2e	127,862.72	3E.49
Net emissions	tCO_2e	127,767.64	3E.50
Percentage reduction from 2024/2025 baseline (tonnes CO_2e)	%	(0.14)	3E.51
Emissions by base expenditure	tCO_2e	127767.64	3E.52
Emissions by enhancement expenditure	tCO_2e	0.00	3E.53
Emissions by net zero enhancement scheme	tCO_2e	0.00	3E.54

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3E – continued

Underlying calculations and supplementary data - environmental common performance commitments

Line description	Unit	Actual tCO_2e	RAG 4 reference
Operational greenhouse gas emissions (wastewater)			
Scope one emissions			
Direct emissions from burning of fossil fuels (location-based)	tCO_2e	6466.90	3E.55
Process and fugitive emissions (incl. refrigerants)	tCO_2e	69462.11	3E.56
Emissions from vehicle transport (owned or leased)	tCO_2e	3766.19	3E.57
Emissions from land	tCO_2e	–	3E.58
Total scope one emissions	tCO_2e	79695.19	3E.59
Scope two emissions			
Purchased electricity (location-based)	tCO_2e	47579.14	3E.60
Purchased heat	tCO_2e	0.00	3E.61
Electric vehicles	tCO_2e	65.03	3E.62
Removal of electricity to charge electric vehicles	tCO_2e	0.00	3E.63
Total scope two emissions	tCO_2e	47644.17	3E.64

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3E – continued

Underlying calculations and supplementary data - environmental common performance commitments

Line description	Unit	Actual tCO_2e	RAG 4 reference
Operational greenhouse gas emissions (wastewater)			
Scope three emissions			
Business travel on public transport and private vehicles used for company business	tCO_2e	144.04	3E.65
Outsourced activities	tCO_2e	7697.97	3E.66
Purchased electricity: extraction, production, transmission and distribution (location based)	tCO_2e	16816.47	3E.67
Purchased heat: extraction, production, transmission and distribution	tCO_2e	0.00	3E.68
Purchased fuels: extraction, production, transmission and distribution	tCO_2e	2097.02	3E.69
Chemicals	tCO_2e	28202.41	3E.70
Disposal of waste	tCO_2e	–	3E.71
Total scope three emissions	tCO_2e	54957.92	3E.72

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3E – continued

Underlying calculations and supplementary data - environmental common performance commitments

Line description	Unit	Actual tCO_2e	RAG 4 reference
Operational greenhouse gas emissions (wastewater)			
Emissions reductions			
Exported renewables (generated onsite and exported)	tCO_2e	1248.39	3E.73
Exported biomethane (generated onsite and exported)	tCO_2e	-	3E.74
Insets	tCO_2e	-	3E.75
Total emissions reductions	tCO_2e	1248.39	3E.76
Baseline tCO_2e (2024/2025)	tCO_2e	171567.00	3E.77
Gross emissions	tCO_2e	182297.28	3E.78
Net emissions	tCO_2e	181048.88	3E.79
Percentage reduction from 2024/2025 baseline (tonnes CO_2e)	%	-0.06	3E.80
Emissions by base expenditure	tCO_2e	181048.88	3E81
Emissions by enhancement expenditure	tCO_2e	0.00	3E.82
Emissions by net zero enhancement scheme	tCO_2e	0.00	3E.83

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3E – continued

Additional supplementary data - environmental common performance commitments

Line description	Unit	Performance level - Actual (current reporting year)	RAG 4 reference
Storm overflows			
Average discharges per overflow performance assuming 100% monitoring	Average discharges per storm overflow	24.35	3E.84
Discharges under verified trial conditions	Total discharges - number	0.00	3E.85
Discharges outside of verified trial conditions	Total discharges - number	51560.00	3E.86

Line description	Storm overflow name	WINEP ID	SOAP ID	Months valid trial in operation during reporting year	Number of discharges (under verified trial conditions)	Number of discharges included in the PR24 PCL	Total number of discharges associated with NBS trials (outside of PR24 forecast performance)	RAG 4 reference
Storm overflows - wetland trial information								
Trial overflow information - trial site 1	n/a	n/a	n/a	n/a	n/a	n/a		3E.87
Trial overflow information - trial site 2	n/a	n/a	n/a	n/a	n/a	n/a		3E.88
Trial overflow information - trial site 3	n/a	n/a	n/a	n/a	n/a	n/a		3E.89
Trial overflow information - trial site 4	n/a	n/a	n/a	n/a	n/a	n/a		3E.90
Trial overflow information - trial site 5	n/a	n/a	n/a	n/a	n/a	n/a		3E.91

Yorkshire Water does not have any wetland trial sites for 2025/2026.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3F

Underlying calculations- asset health common performance commitments

Line description	Unit	Standardising data indicator	Standardising data numerical value	Performance level - Actual (current reporting year)	Performance level - Calculated (i.e. standardised)	RAG 4 reference
Repairs to burst mains						
Mains repairs - Reactive	Mains repairs per 1,000km	Mains length in km	32519.7	4327.0	133.1	3F.1
Mains repairs - Proactive	Mains repairs per 1,000km	Mains length in km	32519.7	1818.0	55.9	3F.2
Mains repairs	Mains repairs per 1,000km	Mains length in km	32519.7	6145.0	189.0	3F.3
Sewer collapses						
Sewer collapses	Number of sewer collapses per 1,000km of all sewers	Sewer length in km	52753.00	350.00	6.63	3F.4

Line description	Unit	Current company level peak week production capacity (PWPC) Ml/d	Reduction in company level PWPC Ml/d	Outage proportion of PWPC %	RAG 4 reference
Unplanned outage					
Unplanned outage	% loss of company peak week production capacity	1647.40	44.88	0.03	3F.5

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 3G

Underlying calculations - compliance based common performance commitments

Line description	Unit	Standardising data indicator	Standardising data numerical value	Performance level - Actual (current reporting year)	Performance level - Calculated (i.e. standardised)	RAG 4 reference
Discharge permit compliance						
Discharge permit compliance (water)	% permit compliance	Number of numeric discharge permits (water)	22.00	0.00	100.00	3G.1
Discharge permit compliance (wastewater)	% permit compliance	Number of numeric discharge permits (water)	292.00	3.00	98.97	3G.2
Discharge permit compliance	% permit compliance	Number of numeric discharge permits (water)	314.00	3.00	99.04	3G.3
Compliance risk index						
Water treatment works compliance risk index score	Number			1.33		3G.4
Service reservoirs compliance risk index score	Number			0.53		3G.5
Supply points compliance risk index score	Number			0.00		3G.6
Customer zones compliance risk index score	Number			1.28		3G.7
Compliance risk index	Number				3.15	3G.8

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4: Additional regulatory information – service level

Introduction

The information in this section details 'Additional regulatory information – service level' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following tables.

Pro forma 4A	Water bulk supply information for the 12 months ended 31 March 2026
Pro forma 4B	Analysis of debt
Pro forma 4C	Actual expenditure against cost allowances by cost sharing rate
Pro forma 4D	Totex analysis for the 12 months ended 31 March 2026 – water resources and water Network Plus
Pro forma 4E	Totex analysis for the 12 months ended 31 March – wastewater Network Plus and bioresources
Pro forma 4F	Major project expenditure for wholesale water by purpose for the 12 months ended 31 March 2026
Pro forma 4G	Major project expenditure for wholesale wastewater by purpose for the 12 months ended 31 March 2026
Pro forma 4H	Financial metrics for the 12 months ended 31 March 2026
Pro forma 4I	Financial derivatives
Pro forma 4J	Base expenditure analysis for the 12 months ended 31 March 2026 – wholesale water
Pro forma 4K	Base expenditure analysis for the 12 months ended 31 March 2026 – wholesale wastewater

Pro forma 4L	Enhancement expenditure for the 12 months ended 31 March 2026 – water resources and water Network Plus
Pro forma 4M	Enhancement expenditure for the 12 months ended 31 March 2026 – wastewater Network Plus and bioresources
Pro forma 4N	Site-specific developer services expenditure services expenditure for the 12 months ended 31 March 2026 – Network Plus
Pro forma 4O	Diversions expenditure for the 12 months ended 31 March 2026 – Network Plus
Pro forma 4P	Infrastructure network reinforcement projects for the 2025-30 period
Pro forma 4Q	Developer services – new connections, properties and mains
Pro forma 4R	Non-financial information – connected properties, customers and population
Pro forma 4V	Mark-to-market of financial derivatives analysed based on payment dates
Pro forma 4W	Defined Benefit Pension Scheme – additional Information
Pro forma 4Z	Household bill reduction schemes, debt, Guaranteed Standards Scheme payments and Priority Service Register data
Pro forma 4AA	Third-party services water expenditure for the 12 months ended 31 March 2026
Pro forma 4AB	Third-party services wastewater expenditure for the 12 months ended 31 March 2026
Pro forma 4AC	Base expenditure analysis for the 12 months ended 31 March 2026 – water asset refurbishment and replacement
Pro forma 4AD	Base expenditure analysis for the 12 months ended 31 March 2026 – wastewater asset refurbishment and replacement



Table 4A

Water bulk supply information for the 12 months ended 31 March 2026

Line description	Volume	Operating costs	Revenue	RAG 4 reference
Unit	Ml	£m	£m	
DPs	3	3	3	
Bulk supply exports				
Finningley to Anglian Water	99.316	0.075	0.174	4A.1
Bradway Grange Farm from Severn Trent	0.940	0.001	0.002	4A.2
NAV IWNL	1,372.532	1.041	3.223	4A.3
NAV Leep	15.408	0.012	0.056	4A.4
NAV ESP	116.607	0.088	0.388	4A.5
NAV Icosa/Last Mile	122.617	0.093	0.456	4A.6
NAV Matrix	1.668	0.001	0.003	4A.7
NAV AWIN	1.560	0.001	0.006	4A.8
Total bulk supply exports	1,730.648	1.312	4.308	4A.26

Line description	Volume	Operating costs		RAG 4 reference
Unit	Ml	£m		
DPs	3	3		
Bulk supply imports				
Ladybower from Severn Trent	16,089.815	4.601		4A.27
Total bulk supply imports	16,089.815	4.601		4A.52

Table 4A - Commentary

This table provides information on water supplied to and received from other water companies and water service providers through bulk supply arrangements. In 2025/2026, we exported 1,730.6 megalitres of water, generating revenue of £4.3m, and imported 16,089.8 megalitres of water at a cost of £4.6m. The majority of exported volume related to supplies provided to neighbouring water companies and new entrant providers, while imports were primarily received through our bulk supply agreement at Ladybower.

Bulk supply arrangements support the efficient management of water resources across regional networks, helping to maintain reliable supplies for customers while making best use of available water resources. Revenues and costs can vary between years depending on water demand, operational requirements and the volumes supplied under individual agreements.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4B

Analysis of debt for the 12 months ended 31 March 2026

Due to the size of the data table, we have published Table 4B separately on our website here: yorkshirewater.com/about-us/reports

Table 4B - Commentary

1. Within the cost of debt breakdown, the "Post Swap" entries for nominal interest cost (4B.449), principal sum outstanding (4B.451), proportions (4B.452), and cost of debt (4B.453) agree to Tables 1E.9, 1E.1, 4H.21–23, and 1E.11 respectively.

2. The "Pre Swap" entry for average years to maturity (4B.448) agrees to Table 1E.13, in accordance with Ofwat guidance that the average maturity in Table 1E.13 reflects only non-swap instruments.

3. Ofwat's calculation of "Post Swap" average years to maturity (4B.455) includes only swaps in a designated hedging relationship. As noted in the narrative accompanying Table 1E, Yorkshire Water predominantly manages inflation and interest rate risk on a portfolio basis. If the "Post Swap" maturity calculation in Table 4B were restated to include all swaps, the average years to maturity would be 11.9 years (4B.438). Ofwat's calculation of "Post Swap" Indexed average years to maturity (4B.455 - Indexed) has been amended to be calculated on the same basis as the other figures reported in 4B.455.

4. Class A and Class B ratings reflect debt ratings issued by credit rating agencies (CRAs) on publicly rated debt (S&P, Moody's, Fitch).

5. Yorkshire Water manages inflation and interest rate risk predominantly on a portfolio basis rather than an individual instrument basis.

6. The total fair values of swaps are presented on the paying legs.

7. SONIA cash flows are calculated using compounded SONIA at the year end for the relevant interest period, with a five-day lookback applied.

8. For all swaps, the underlying instrument type ("Pre Swap", Column 7) has been left blank in line with guidance received from Ofwat in the Yorkshire Water-specific response to comments on the 2024/2025 annual reporting consultation. This approach differs from the worked example in Section 4.9 of RAG 4.14 – Guidance for the table definitions in the annual performance report. It has been adopted to ensure that "Pre Swap" figures (4B.439–4B.448) are correctly stated, excluding all swap instruments.

9. A long-term Bank Rate of 4.06% has been used (4B.407). This aligns with the 2035/2036 Bank Rate assumption in the OBR's Economic and Fiscal Outlook: Long-term economic determinants, published on 27 May 2026.

10. The effective interest rate (Column 27) for floating and index-linked debt is assumed to be equal to the current interest rate. After adjusting from actual to indicative long-term rates (Column 31), this results in the indicative long-term nominal interest cost (Column 33; 4B.441 and 4B.450).

11. The effective interest rate (Column 27) for fixed-rate debt has been derived from the yield at issuance, sourced from Refinitiv or bond prospectuses. If the effective interest rate had instead been calculated using the formula in RAG 4.14, the resulting nominal long-term indicative interest cost (4B.441 and 4B.450) would have been £0.444m higher, and the overall indicative nominal rate in a long-term environment (4B.447 and 4B.454) would have been 0.006% higher.

12. The current formula used to determine the debt category for the long-term rate adjustment (Column 30) does not return a value for the receiving leg of swaps that are not in an effective hedging relationship. In such cases, where no value is returned, the formula has been overwritten with the same value as shown in the "Post Swap" type (Column 8).

Table 4C

Actual expenditure against cost allowances by cost sharing rate

Line description	Units	DPs	12 months ended 31 March 2026						Price control period to date						RAG 4 reference
			Water resources	Water Network Plus	Waste-water Network Plus	Bio-resources	Additional water control	Additional waste-water control	Water resources	Water Network Plus	Waste-water Network Plus	Bio-resources	Additional water control	Additional waste-water control	
Standard base															
Final determination allowed totex	£m	3	28.210	421.886	454.188	84.731			28.210	421.886	454.188	84.731			4C.1
Actual totex	£m	3	45.005	521.659	535.786	81.541			45.005	521.659	535.786	81.541			4C.2
Disallowable costs	£m	3	0.005	2.432	3.348	0.010			0.005	2.432	3.348	0.010			4C.3
Total actual totex	£m	3	45.000	519.227	532.438	81.531	0.000	0.000	45.000	519.227	532.438	81.531	0.000	0.000	4C.4
Variance	£m	3	16.790	97.341	78.250	-3.200	0.000	0.000	16.790	97.341	78.250	-3.200	0.000	0.000	4C.5
Variance due to timing of expenditure	£m	3	16.790	97.341	78.250	-3.200			16.790	97.341	78.250	-3.200			4C.6
Variance due to efficiency	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.7
Company cost sharing rate – outperformance	%	2	50.00%	50.00%	50.00%	50.00%			50.00%	50.00%	50.00%	50.00%			4C.8
Company cost sharing rate – underperformance	%	2	50.00%	50.00%	50.00%	50.00%			50.00%	50.00%	50.00%	50.00%			4C.9
Company share of totex outperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.10
Company share of totex underperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.11
Business rates															
Final determination allowed totex	£m	3	6.456	27.642	22.662	2.008			6.456	27.642	22.662	2.008			4C.12
Actual totex	£m	3	6.631	26.763	12.684	1.357			6.631	26.763	12.684	1.357			4C.13
Variance	£m	3	0.175	-0.879	-9.978	-0.651	0.000	0.000	0.175	-0.879	-9.978	-0.651	0.000	0.000	4C.14
Company cost sharing rate	%	2	10.00%	10.00%	10.00%	10.00%			10.00%	10.00%	10.00%	10.00%			4C.15
Company share of outperformance	£m	3	0.000	-0.088	-0.998	-0.065	0.000	0.000	0.000	-0.088	-0.998	-0.065	0.000	0.000	4C.16
Company share of underperformance	£m	3	0.018	0.000	0.000	0.000	0.000	0.000	0.018	0.000	0.000	0.000	0.000	0.000	4C.17

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4C – continued

Actual expenditure against cost allowances by cost sharing rate

			12 months ended 31 March 2026						Price control period to date						
Line description	Units	DPs	Water resources	Water Network Plus	Waste-water Network Plus	Bio-resources	Additional water control	Additional waste-water control	Water resources	Water Network Plus	Waste-water Network Plus	Bio-resources	Additional water control	Additional waste-water control	RAG 4 reference
Abstraction charges and discharge consents															
Final determination allowed totex	£m	3	11.466	0.513	13.143	0.000			11.466	0.513	13.143	0.000			4C.18
Actual totex	£m	3	10.005	0.330	14.879	0.000			10.005	0.330	14.879	0.000			4C.19
Variance	£m	3	-1.461	-0.183	1.736	0.000	0.000	0.000	-1.461	-0.183	1.736	0.000	0.000	0.000	4C.20
Company cost sharing rate	%	2	25.00%	25.00%	25.00%	25.00%			25.00%	25.00%	25.00%	25.00%			4C.21
Company share of outperformance	£m	3	-0.365	-0.046	0.000	0.000	0.000	0.000	-0.365	-0.046	0.000	0.000	0.000	0.000	4C.22
Company share of underperformance	£m	3	0.000	0.000	0.434	0.000	0.000	0.000	0.000	0.000	0.434	0.000	0.000	0.000	4C.23
Standard enhancement															
Final determination allowed totex	£m	3	18.120	82.124	436.257	-0.671			18.120	82.124	436.257	-0.671			4C.24
Actual totex	£m	3	6.946	77.627	223.715	0.196			6.946	77.627	223.715	0.196			4C.25
Disallowable costs	£m	3	0.000	0.000	0.000	0.000			0.000	0.000	0.000	0.000			4C.26
Total actual totex	£m	3	6.946	77.627	223.715	0.196	0.000	0.000	6.946	77.627	223.715	0.196	0.000	0.000	4C.27
Variance	£m	3	-11.174	-4.497	-212.542	0.867	0.000	0.000	-11.174	-4.497	-212.542	0.867	0.000	0.000	4C.28
Variance due to timing of expenditure	£m	3	-11.174	-4.498	-212.543	0.867			-11.174	-4.498	-212.543	0.867			4C.29
Variance due to efficiency	£m	3	0.000	0.001	0.001	0.000	0.000	0.000	0.000	0.001	0.001	0.000	0.000	0.000	4C.30
Company cost sharing rate – outperformance	%	2	40.00%	40.00%	40.00%	40.00%			40.00%	40.00%	40.00%	40.00%			4C.31
Company cost sharing rate – underperformance	%	2	40.00%	40.00%	40.00%	40.00%			40.00%	40.00%	40.00%	40.00%			4C.32
Company share of totex outperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.33
Company share of totex underperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.34

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4C – continued

Actual expenditure against cost allowances by cost sharing rate

			12 months ended 31 March 2026						Price control period to date						
Line description	Units	DPs	Water resources	Water Network Plus	Waste-water Network Plus	Bio-resources	Additional water control	Additional waste-water control	Water resources	Water Network Plus	Waste-water Network Plus	Bio-resources	Additional water control	Additional waste-water control	RAG 4 reference
25:25 enhancement															
Final determination allowed totex	£m	3	0.000	0.000	0.000	55.119			0.000	0.000	0.000	55.119			4C.35
Actual totex	£m	3	0.000	0.000	0.000	19.150			0.000	0.000	0.000	19.150			4C.36
Disallowable costs	£m	3	0.000	0.000	0.000	0.000			0.000	0.000	0.000	0.000			4C.37
Total actual totex	£m	3	0.000	0.000	0.000	19.150	0.000	0.000	0.000	0.000	0.000	19.150	0.000	0.000	4C.38
Variance	£m	3	0.000	0.000	0.000	-35.969	0.000	0.000	0.000	0.000	0.000	-35.969	0.000	0.000	4C.39
Variance due to timing of expenditure	£m	3	0.000	0.000	0.000	-35.969			0.000	0.000	0.000	-35.969			4C.40
Variance due to efficiency	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.41
Company cost sharing rate – outperformance	%	2	25.00%	25.00%	25.00%	25.00%			25.00%	25.00%	25.00%	25.00%			4C.42
Company cost sharing rate – underperformance	%	2	25.00%	25.00%	25.00%	25.00%			25.00%	25.00%	25.00%	25.00%			4C.43
Company share of totex outperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.44
Company share of totex underperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.45
40:10 enhancement															
Final determination allowed totex	£m	3	1.668	0.789	60.340	0.000			1.668	0.789	60.340	0.000			4C.46
Actual totex	£m	3	1.223	0.045	12.561	0.000			1.223	0.045	12.561	0.000			4C.47
Disallowable costs	£m	3	0.000	0.000	0.000	0.000			0.000	0.000	0.000	0.000			4C.48
Total actual totex	£m	3	1.223	0.045	12.561	0.000	0.000	0.000	1.223	0.045	12.561	0.000	0.000	0.000	4C.49
Variance	£m	3	-0.445	-0.744	-47.779	0.000	0.000	0.000	-0.445	-0.744	-47.779	0.000	0.000	0.000	4C.50
Variance due to timing of expenditure	£m	3	-0.445	-0.744	-47.779	0.000			-0.445	-0.744	-47.779	0.000			4C.51
Variance due to efficiency	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.52

Key

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Table 4C – continued

Actual expenditure against cost allowances by cost sharing rate

			12 months ended 31 March 2026						Price control period to date						
Line description	Units	DPs	Water resources	Water Network Plus	Waste-water Network Plus	Bio-resources	Additional water control	Additional waste-water control	Water resources	Water Network Plus	Waste-water Network Plus	Bio-resources	Additional water control	Additional waste-water control	RAG 4 reference
Company cost sharing rate – outperformance	%	2	10.00%	10.00%	10.00%	10.00%			10.00%	10.00%	10.00%	10.00%			4C.53
Company cost sharing rate – underperformance	%	2	40.00%	40.00%	40.00%	40.00%			40.00%	40.00%	40.00%	40.00%			4C.54
Company share of totex outperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.55
Company share of totex underperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.56
SRO – use it or lose it															
Final determination allowed totex	£m	3	1.417	6.422	0.000	0.000			1.417	6.422	0.000	0.000			4C.57
Actual totex	£m	3	2.809	0.000	0.000	0.000			2.809	0.000	0.000	0.000			4C.58
Disallowable costs	£m	3	0.000	0.000	0.000	0.000			0.000	0.000	0.000	0.000			4C.59
Total actual totex	£m	3	2.809	0.000	0.000	0.000	0.000	0.000	2.809	0.000	0.000	0.000	0.000	0.000	4C.60
Variance	£m	3	1.392	-6.422	0.000	0.000	0.000	0.000	1.392	-6.422	0.000	0.000	0.000	0.000	4C.61
Variance due to timing of expenditure	£m	3	1.392	-6.422	0.000	0.000			1.392	-6.422	0.000	0.000			4C.62
Variance due to efficiency	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.63
Company cost sharing rate – outperformance	%	2	0.00%	0.00%	0.00%	0.00%			0.00%	0.00%	0.00%	0.00%			4C.64
Company cost sharing rate – underperformance	%	2	100.00%	100.00%	100.00%	100.00%			100.00%	100.00%	100.00%	100.00%			4C.65
Company share of totex outperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.66
Company share of totex underperformance	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4C.67

Key

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Table 4C – continued

Actual expenditure against cost allowances by cost sharing rate

			12 months ended 31 March 2026						Price control period to date						
Line description	Units	DPs	Water resources	Water Network Plus	Waste-water Network Plus	Bio-resources	Additional water control	Additional waste-water control	Water resources	Water Network Plus	Waste-water Network Plus	Bio-resources	Additional water control	Additional waste-water control	RAG 4 reference
Totex not subject to cost sharing															
Final determination allowed totex – not subject to cost sharing	£m	3	0.182	24.859	10.439	0.000			0.182	24.859	10.439	0.000			4C.68
Actual totex – not subject to cost sharing	£m	3	0.005	19.276	13.379	0.010			0.005	19.276	13.379	0.010			4C.69
Variance	£m	3	-0.177	-5.583	2.940	0.010	0.000	0.000	-0.177	-5.583	2.940	0.010	0.000	0.000	4C.70
Variance due to timing	£m	3	0.000	0.000	0.000	0.000			0.000	0.000	0.000	0.000			4C.71
Variance for company	£m	3	-0.177	-5.583	2.940	0.010	0.000	0.000	-0.177	-5.583	2.940	0.010	0.000	0.000	4C.72
Total company variance	£m	3	-0.525	-5.716	2.377	-0.055	0.000	0.000	-0.525	-5.716	2.377	-0.055	0.000	0.000	4C.73

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4C - Commentary

Standard base (Lines 1-11)

Line 4C.1 (Final determination allowed totex)
This is taken from the "Financial Flows Data Source" spreadsheet published by Ofwat and is inflated to nominal prices from 2022/2023 Average CPIH price base.

Line 4C.2 (Actual totex)
This has been calculated as per the Ofwat line definition.

Line 4C.3 (Disallowable costs)
This has been calculated as per the Ofwat line definition.

Line 4C.6 (Variance due to timing of expenditure)
We have included an adjustment to reflect the impact of timing differences. We have assumed that the variance in year one is all timing variance and will reverse within the AMP.

Line 4C.8 (Customer cost sharing rate – outperformance)
This reflects the sharing rates which were included in the FD24.

Line 4C.9 (Customer cost sharing rate – underperformance)
This reflects the sharing rates which were included in the FD24.

Business rates (Lines 12-17)

Line 4C.12 (Final determination allowed totex – business rates and abstraction licence fees)
This is taken from the "Financial Flows Data Source" spreadsheet published by Ofwat and is inflated to nominal prices from 2022/2023 Average CPIH price base.

Line 4C.13 (Actual totex – business rates and abstraction licence fees)
This has been calculated as per the Ofwat line definition.

Line 4C.15 (Company cost sharing rate – business rates)
This reflects the sharing rates which were included in the FD24.

Abstraction charges and discharge consents (Lines 18-23)

Line 4C.18 (Final determination allowed totex)
This is taken from the "Financial Flows Data Source" spreadsheet published by Ofwat and is inflated to nominal prices from 2022/2023 Average CPIH price base.

Line 4C.19 (Actual totex)
This has been calculated as per the Ofwat line definition.

Line 4C.21 (Company cost sharing rate)
This reflects the sharing rates which were included in the FD24.

Standard enhancement (Lines 24- 34)

Line 4C.24 (Final determination allowed totex)
This is taken from the "Financial Flows Data Source" spreadsheet published by Ofwat and is inflated to nominal prices from 2022/2023 Average CPIH price base.

Line 4C.25 (Actual totex)
This has been calculated as per the Ofwat line definition.

Line 4C.26 (Disallowable costs)
As per finance disallowable costs (assumed to be zero).

Line 4C.29 (Variance to due timing of expenditure)
We have included an adjustment to reflect the impact of timing differences. We have assumed that the variance in year one is all timing variance and will reverse within the AMP.

Line 4C.31 (Company cost sharing rate – outperformance)
This reflects the sharing rates which were included in the FD24.

Line 4C.32 (Company cost sharing rate – underperformance)
This reflects the sharing rates which were included in the FD24.

25:25 enhancement (Lines 35-45)

Line 4C.35 (Final determination allowed totex)
This is taken from the "Financial Flows Data Source" spreadsheet published by Ofwat and is inflated to nominal prices from 2022/2023 Average CPIH price base.

Line 4C.36 (Actual totex)
This has been calculated as per the Ofwat line definition.

Line 4C.37 (Disallowable costs)
As per finance disallowable costs (assumed to be zero).

Line 4C.40 (Variance to due timing of expenditure)
We have included an adjustment to reflect the impact of timing differences. We have assumed that the variance in year one is all timing variance and will reverse within the AMP.

Line 4C.42 (Company cost sharing rate – outperformance)
This reflects the sharing rates which were included in the FD24.

Line 4C.43 (Company cost sharing rate – underperformance)
This reflects the sharing rates which were included in the FD24.

40:10 enhancement (Lines 46-56)

Line 4C.46 (Final determination allowed totex)
This is taken from the "Financial Flows Data Source" spreadsheet published by Ofwat and is inflated to nominal prices from 2022/2023 Average CPIH price base.

Line 4C.47 (Actual totex)
This has been calculated as per the Ofwat line definition.

Line 4C.48 (Disallowable costs)
As per finance disallowable costs (assumed to be zero).

Line 4C.51 (Variance to due timing of expenditure)
We have included an adjustment to reflect the impact of timing differences. We have assumed that the variance in year one is all timing variance and will reverse within the AMP.

Line 4C.53 (Company cost sharing rate – outperformance)
This reflects the sharing rates which were included in the FD24.

Line 4C.54 (Company cost sharing rate – underperformance)
This reflects the sharing rates which were included in the FD24.

SRO – use it or lose it (Lines 57-67)

Line 4C.57 (Final determination allowed totex)
This is taken from the "Financial Flows Data Source" spreadsheet published by Ofwat and is inflated to nominal prices from 2022/2023 Average CPIH price base.

Line 4C.58 (Actual totex)
This has been calculated as per the Ofwat line definition.

Line 4C.59 (Disallowable costs)
As per finance disallowable costs (assumed to be zero).

Line 4C.62 (Variance to due timing of expenditure)
We have included an adjustment to reflect the impact of timing differences. We have assumed that the variance in year one is all timing variance and will reverse within the AMP.

Line 4C.64 (Company cost sharing rate – outperformance)
This reflects the sharing rates which were included in the FD24.

Line 4C.65 (Company cost sharing rate – underperformance)
This reflects the sharing rates which were included in the FD24.

Totex not subject to cost sharing (Lines 68-72)

Line 4C.68 (Final determination allowed totex - not subject to cost sharing)
This is taken from the "Financial Flows Data Source" spreadsheet published by Ofwat and is inflated to nominal prices from 2022/2023 Average CPIH price base.

Line 4C.69 (Actual totex)
This has been calculated as per the Ofwat line definition except for the inclusion of the innovation fund costs, we have interpreted this as being the 10% of unfunded totex to be included as the impact on the company.

Line 4C.71 (Variance to due timing of expenditure)
We have not included any adjustment for timing variance within this category of expenditure.

Table 4D

Totex analysis for the 12 months ended 31 March 2026 – water resources and water Network Plus

Line description	Units	DPs	Water resources	Network Plus: Raw water distribution and storage	Network Plus: Water treatment	Network Plus: Treated water distribution	Network Plus: Additional water control	Total	RAG 4 reference
Operating expenditure									
Base operating expenditure	£m	3	44.241	20.263	95.216	195.612	0.000	355.332	4D.1
Enhancement operating expenditure	£m	3	9.117	0.045	1.854	10.637	0.000	21.653	4D.2
Total operating expenditure	£m	3	53.358	20.308	97.070	206.248	0.000	376.984	4D.3
Capital expenditure									
Base capital expenditure	£m	3	17.400	0.616	40.126	213.763	0.000	271.906	4D.4
Enhancement capital expenditure	£m	3	1.861	0.634	16.077	48.425	0.000	66.997	4D.5
Total gross capital expenditure	£m	3	19.261	1.250	56.203	262.188	0.000	338.903	4D.6
Gross totex – water	£m	3	72.619	21.558	153.273	468.437	0.000	715.887	4D.7
Atypical expenditure									
Item 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.8
Item 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.9
Item 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.10
Item 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.11
Item 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.12
Total atypical expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4D.13

Key

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Table 4D - Commentary

Table 4D provides information relating to wholesale water upstream services from raw water abstraction to water distribution. For further information regarding base operating expenditure variances please refer to Table 4J.

Operating expenditure

Water resources
Please refer to Table 4J for base operating expenditure variance commentary.

£9.1m enhancement expenditure, £2.8m relating to Direct Procurement for customers (DPC) projects for our strategic resourcing options, £6.3m relating to WINEP projects.

Water Network Plus
Please refer to Table 4J for base operating expenditure variance commentary.

£12.5m enhancement expenditure, £7.2m relating to Leakage improvement benefits within Treated Water Distribution, £3.1m SEMD, £1.4m relating to DPC project at Chellow WTW, balance relating to WRMP and WINEP schemes.

There has been a change in the methodology used to allocate leakage costs between maintaining and reducing leakage in Table 6E. Previously, all proactive leakage activities were classified as reducing leakage, with reactive activities classified as maintaining leakage.

Following engagement with other water and sewerage companies and consideration of enhanced guidance within PR24, the methodology has been revised to better align costs with the underlying activities and improve consistency with industry practice.

Total leakage expenditure has increased by £3.2m year-on-year. However, the revised methodology has resulted in a £18.9m reduction in reducing leakage costs and a £22.1m increase in maintaining leakage costs. This reallocation reflects a more accurate classification of activities rather than a change in underlying operational performance.

This change in methodology has therefore, driven a material decrease in enhancement expenditure reported in Table 4D, as a greater proportion of leakage costs are now classified as maintaining leakage and therefore reported within base operating expenditure.

Technical notes

As per previous years the provision in relation to the innovation fund and water efficiency fund for 2025/2026 has been reversed with no corresponding adjustment to revenue.

Table 4D - Commentary

Capex Commentary

Water Resources

Actual In-Year Expenditure (2025/2026 Price Base)

Gross regulated capital expenditure associated with the delivery of the wholesale water resources programme in the current reporting year was £19.3, against a Final Determination of £20.7m.

A total of £17.4m has been expended within the water resources base programme to maintain and improve service where required, to support the delivery of our water and cross-business Performance Commitments, this is above the Final Determination allowance of £12.5m. We provide more detail on this in our commentary for 4J.

The water resources enhancement capital expenditure in the current report year totals £1.9m, against a Final Determination of £8.1m. We provide more detail on this in our commentary for 4L.

Comparison to Previous Year (2025/2026 Price Base)

We had a base expenditure of £8.9m in the previous year, an increase of 95%. Please see our commentary on **Table 4J** for more detail.

We had enhancement expenditure of £6.1m in the previous year, decrease of 69%. Please see our commentary on **Table 4L** for more detail.

Water Network Plus

Actual In-Year Expenditure (2025/2026 Price Base)

Gross regulated capital expenditure associated with the delivery of the wholesale water Network Plus programme in the current reporting year was £319.6m, against a Final Determination of £283.1m.

A total of £254.5m has been expended within the water Network Plus base and developer services programme to maintain and improve service where required, to support the delivery of our water and cross-business Performance Commitments, this is above the Final Determination allowance of £188.8m for base and £22.4m for developer services. Please see our commentary on **Table 4J** for more detail.

The water Network Plus enhancement capital expenditure in the current report year totals £65.136m, against a Final Determination of £71.876m. Please see our commentary on **Table 4L** for more detail.

Comparison to Previous Year (2025/2026 Price Base)

We had a base expenditure of £128.8m in the previous year, an increase of 98%. Please see our commentary on **Table 4J** for more detail.

We had enhancement expenditure of £29.5m in the previous year, an increase of 121%. Please see our commentary on **Table 4J** for more detail.

Comparison to PR24 Forecast (2022/2023 Price Base)

Gross regulated capital expenditure associated with the delivery of the wholesale water resources programme in the current reporting year was £17.035m against a PR24 forecast of £17.966m.

We had base expenditure of £15.389m against a PR24 forecast of £11.114m, a variance of 38%. Please see our commentary on **Table 4J** for more detail.

We had enhancement expenditure of £1.646m against a PR24 forecast of £6.852m, a variance of -76%. Please see our commentary on **Table 4L** for more detail.

Comparison to PR24 (2025/2026 Price Base)

Gross regulated capital expenditure associated with the delivery of the wholesale water Network Plus programme in the current reporting year was £282.707m, against a PR24 forecast of £275.501m.

We had base expenditure of £225.098m against a PR24 forecast of £214.858m, a variance of 4.8%. Please see our commentary on **Table 4J** for more detail.

We had enhancement expenditure of £57.609m against a PR24 forecast of £60.644m, a variance of -5.0%. Please see our commentary on **Table 4L** for more detail.

Table 4E

Totex analysis for the 12 months ended 31 March 2026 – wastewater Network Plus and bioresources

			Network Plus Sewage collection			Network Plus Sewage	Bioresources					
Line description	Units	DPs	Foul	Surface water drainage	Highway drainage	Sewage and sludge liquor – treatment and disposal	Sludge transport	Sludge treatment	Sludge disposal	Additional wastewater control	Total	RAG 4 reference
Operating expenditure												
Base operating expenditure	£m	3	60.133	22.495	9.005	142.456	17.837	26.260	12.607	0.000	290.794	4E.1
Enhancement operating expenditure	£m	3	0.028	0.010	0.003	4.535	0.000	0.000	0.000	0.000	4.576	4E.2
Total operating expenditure	£m	3	60.161	22.505	9.008	146.991	17.837	26.260	12.607	0.000	295.369	4E.3
Capital expenditure												
Base capital expenditure	£m	3	138.855	52.273	15.838	132.325	2.632	22.628	0.934	0.000	365.484	4E.4
Enhancement capital expenditure	£m	3	71.017	27.705	8.420	124.558	0.000	19.159	0.187	0.000	251.046	4E.5
Total gross capital expenditure	£m	3	209.872	79.978	24.258	256.883	2.632	41.787	1.121	0.000	616.530	4E.6
Gross totex – wastewater	£m	3	270.033	102.483	33.266	403.874	20.469	68.047	13.728	0.000	911.900	4E.7
Atypical expenditure												
Item 1	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.8
Item 2	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.9
Item 3	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.10
Item 4	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.11
Item 5	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.12
Total atypical expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4E.13

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4E - Commentary

Table 4E provides information relating to wholesale wastewater upstream services from sewage collection to sludge disposal, for further information please see Tables 2B and 4K.

Operating expenditure

Sewage Collection
Please refer to Table 4K for base operating expenditure variance commentary.

Small amount of enhancement expenditure attributable to SEMD projects.

Sewage Treatment
Please refer to Table 4K for base operating expenditure variance commentary.

£4.5m of enhancement expenditure, £3.8m relating to Phosphorus removal schemes and £0.7m relating to WINEP investigations.

Bioresources
Please refer to Table 4K for base operating expenditure variance commentary.

No enhancement expenditure in 2025/2026.

Technical notes

As per previous years the provision in relation to the innovation fund and water efficiency fund for 2025/2026 has been reversed with no corresponding adjustment to revenue.



Table 4E - Commentary

Capex Commentary

Water Network Plus

Actual In-Year Expenditure (2025/2026 Price Base)

Gross regulated capital expenditure associated with the delivery of the wholesale Wastewater Network Plus programme in the current reporting year was £571.0m, against a Final Determination of £715.5m.

A total of £339.3m has been expended within the Wastewater Network Plus base programme to maintain and improve service where required, to support the delivery of our wastewater and cross-business Performance Commitments, this is above the Final Determination allowance of £226.6m. We discuss this in more detail in our commentary for Table 4K.

The Wastewater Network Plus enhancement capital expenditure in the current report year totals £231.7m, against a Final Determination of £488.8m. We discuss this in more detail in our commentary for Table 4M.

Comparison to Previous Year (2025/2026 Price Base)

We had a base expenditure of £194.3m in the previous year, an increase of 74.6%. This was mainly due to some high value new schemes that started in AMP8. Please see our commentary on Table 4K for more detail.

We had enhancement expenditure of £429.1m in the previous year, decrease of 46%. Please see our commentary on Table 4M for more detail.

Bioresources

Actual In-Year Expenditure (2025/2026 Price Base)

Gross regulated capital expenditure associated with the delivery of the wholesale Bioresources programme in the current reporting year was £45.5m, against a Final Determination of £81.8m.

A total of £26.2m has been expended within the Bioresources base programme to maintain and improve service where required, to support the delivery of our wastewater and cross-business Performance Commitments, this is below the Final Determination allowance of £27.9m.

We discuss this in more detail in our commentary for Table 4K.

The Bioresources enhancement capital expenditure in the current report year totals £19.3m, against a Final Determination of £54.0m. We discuss this in more detail in our commentary for Table 4M.

Comparison to Previous Year (2025/2026 Price Base)

We had a base expenditure of £13.8m in the previous year, an increase of 92%. Please see our commentary on Table 4K for more detail.

We had enhancement expenditure of £27.5m in the previous year, a decrease of 30%. Please see our commentary on Table 4M for more detail.

Wastewater Network Plus

Comparison to PR24 Forecast (2022/2023 Price Base)

Gross regulated capital expenditure associated with the delivery of the wholesale Wastewater Network Plus programme in the current reporting year was £505.012m, against a PR24 forecast of £626.388m.

We had base expenditure of £300.085m against a PR24 forecast of £140.319m, a variance of 114%. Please see our commentary on Table 4K for more detail. We had enhancement expenditure of £204.937m against a PR24 forecast of £486.069m, a variance of -58%. Please see our commentary on Table 4M for more detail.

Bioresources

Comparison to PR24 (2025/2026 Price Base)

Gross regulated capital expenditure associated with the delivery of the wholesale Bioresources programme in the current reporting year was £40.278m, against a PR24 forecast of £68.649m.

We had base expenditure of £23.167m against a PR24 forecast of £23.868m, a variance of -3%.

We had enhancement expenditure of £17.1m against a PR24 forecast of £44.781m, a variance of -62%. Please see our commentary on Table 4M for more detail.

Table 4F

Major project expenditure for wholesale water by purpose for the 12 months ended 31 March 2026

			Expenditure in report year £m						Cumulative expenditure incurred on schemes in £m						
				Water Network Plus						Water Network Plus					
Line description	Units	DPs	Water resources	Raw water transport	Raw water storage	Water treatment	Treated water distribution	Total	Water resources	Raw water transport	Raw water storage	Water treatment	Treated water distribution	Total	RAG 4 reference
Major project capital expenditure by purpose															
Kielder Transfer SRO	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.1
Nottinghamshire Mine Water Treatment	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.2
West Yorkshire Water Treatment Works	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.3
South Yorkshire Sources	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.4
Total major project capital expenditure	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4F.11
Major project operating expenditure by purpose															
Kielder Transfer SRO	£m	3	0.589	0.000	0.000	0.000	0.000	0.589	0.589	0.000	0.000	0.000	0.000	0.589	4F.12
Nottinghamshire Mine Water Treatment	£m	3	0.020	0.000	0.000	0.000	0.000	0.020	0.020	0.000	0.000	0.000	0.000	0.020	4F.13
West Yorkshire Water Treatment Works	£m	3	0.000	0.000	0.000	1.413	0.000	1.413	0.000	0.000	0.000	1.413	0.000	1.413	4F.14
South Yorkshire Sources	£m	3	2.199	0.000	0.000	0.000	0.000	2.199	2.199	0.000	0.000	0.000	0.000	2.199	4F.15
Total major project operating expenditure	£m	3	2.809	0.000	0.000	1.413	0.000	4.222	2.809	0.000	0.000	1.413	0.000	4.222	4F.22

Table 4F - Commentary

£4.2m major project expenditure relating to Direct Procurement for customers projects.

Capex Commentary

In-Year Actual Expenditure (2025/2026 Price Base)

We do not have any expenditure on our major projects in 2025/2026.

Comparison to Previous Year (2025/2026 Price Base)

We did not have any major projects in AMP7 as per Ofwat guidance, therefore this section is not relevant.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4G

Major project expenditure for wholesale wastewater by purpose for the 12 months ended 31 March 2026

Table 4G - Commentary

We do not have any applicable data to report against this Data Table.

Table 4H

Financial metrics for the 12 months ended 31 March 2026

Line description	Units	DPs	Current year	AMP to date	RAG 4 reference
Financial indicators					
Net debt	£m	3	7399.940		4H.1
Regulatory equity	£m	3	3,023.673		4H.2
Regulatory gearing	%	2	70.99%		4H.3
Post tax return on regulatory equity	%	2	5.41%		4H.4
RORE (return on regulatory equity)	%	2	4.90%	4.90%	4H.5
Dividend yield	%	2	2.81%		4H.6
Retail profit margin – Household	%	2	-0.63%		4H.7
Retail profit margin – Non household	%	2	0.00%		4H.8
Credit rating – Fitch	Text	n/a	BBB+ (Stable)		4H.9
Credit rating – Moody's	Text	n/a	Baa2 (Stable)		4H.10
Credit rating – Standard and Poor's	Text	n/a	BBB+ (Stable)		4H.11
Return on RCV	%	2	4.59%		4H.12
Dividend cover	dec	2	0.44		4H.13
Funds from operations (FFO)	£m	3	633.265		4H.14
Interest cover (cash)	dec	2	4.49		4H.15
Adjusted interest cover ratio (ACICR)	dec	2	1.83		4H.16
FFO/Net debt	dec	2	0.09		4H.17
Effective tax rate	%	2	-0.60%		4H.18
Retained cash flow (RCF)	£m	3	548.165		4H.19
RCF/Net debt	dec	2	0.07		4H.20
Borrowings					
Proportion of borrowings which are fixed rate	%	2	46.31%		4H.21
Proportion of borrowings which are floating rate	%	2	5.08%		4H.22
Proportion of borrowings which are index linked	%	2	48.61%		4H.23
Proportion of borrowings due within 1 year or less	%	2	3.80%		4H.24
Proportion of borrowings due in more than 1 year but no more than 2 years	%	2	1.82%		4H.25
Proportion of borrowings due in more than 2 years but no more than 5 years	%	2	12.42%		4H.26
Proportion of borrowings due in more than 5 years but no more than 20 years	%	2	68.42%		4H.27
Proportion of borrowings due in more than 20 years	%	2	13.54%		4H.28

The values included on the table do not include any rounding adjustments.

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4H - Commentary

Table 4H.6. Dividend Yield

'Dividend yield' is a calculated item linking to Table 1A. Dividend yield of 2.81% (2024/2025: 1.87%) is higher than last year. The dividend has been paid to cover costs relating to the entity that have been incurred elsewhere in the group. This was a legal distribution as sufficient distributable reserves were available at the date of distribution.

Table 4H.13. Dividend cover

The dividend cover ratio for this year is 0.437 (2024/2025: 5.157). This has decreased due to the regulatory profit for the year of £37.2m (2024/2025: profit of £270.7m) per Table 1A.14, which is lower due largely to the reduction in fair value of financial instruments from a £309.6m gain in 2024/2025 to a £98.5m loss in 2025/2026, offset by higher operating profit largely due to revenue increases.

Yorkshire Water Services Limited and its financing subsidiaries have credit ratings assigned to their issued debt by three rating agencies, Fitch Ratings (Fitch), Moody's Investors Service (Moody's) and S&P Global Ratings (S&P).

Yorkshire Water Services Limited and its financing subsidiaries have issued two types of debt: Class A and Class B - the main difference between the two is that the Class A lenders have more rights and also payment priority in the event of an unresolved Event of Default than Class B lenders. Fitch, Moody's and S&P periodically confirm and/or re-rate Class A debt and Class B debt credit ratings in the form of published notices.

There have been no changes to ratings during the year to 31 March 2026. Published ratings for Yorkshire Water Services Limited and its financing subsidiaries are shown in the table below (outlook status shown in brackets):

Rating Agency	Class A debt rating	Class B debt rating	Latest publication
Fitch	BBB+ (stable)	BBB- (stable)	April 2025
Moody's	Baa2 (stable)	Ba1 (stable)	December 2025
S&P	BBB+ (stable)	BBB- (stable)	February 2025

The credit rating reports for all three of the rating agencies that assign credit ratings to Yorkshire Water Services Limited and the other companies within the Yorkshire Water Financing Group can be found on our group website at: keldagroup.com/investors/creditor-considerations/ratings-reports

As at 31 March 2026, Ofwat monitored our Moody's Class A Debt Rating and S&P's Class A Debt Rating. Subsequently on 27 April 2026, Ofwat advised that our Fitch Class A Debt rating would also be monitored from that date. Accordingly, all three ratings have been input into the table.

Borrowings

Yorkshire Water maintains a balanced mix of funding across fixed, floating and inflation-linked interest rates. Inflation and interest rate risk are managed predominantly on a portfolio basis rather than an individual instrument basis, with exposures assessed on a holistic basis including derivatives.

The reported proportion of index-linked debt is 48.6% which includes the impact of derivatives. If derivatives were excluded, the company's index-linked exposure would be 32.5%.

Yorkshire Water's debt maturity profile reflects effective management of its refinancing requirements.

Yorkshire Water measures its debt maturities against the company's Regulated Capital Value (RCV) to ensure that no more than 20% of refinancing requirements fall due within any 24-month period and that no more than 40% fall due within a single Asset Management Period (AMP).

4H.15: We have used the formula in Ofwat's guidance to calculate the interest cover (cash) in table 4H line 15:

Interest cover (cash) = Funds from operations (table 4H line 14) calculated before deducting interest paid (cash)/Interest paid (cash).

Table 4H - Commentary

	£m
YW Net Interest Paid excluding derivative interest cashflows (Table 1D Line 10 of the APR).	215.1
Derivative interest cashflows presented as part of Table 1D Line 20 of the APR.	(36.2)
Add back interest received on subordinated inter-company loans (see note 6 of Yorkshire Water Services Ltd annual report and financial statement for the year ended 31 March 2026). yorkshirewater.com/reports	0.0
Add loan repayment from YW to fund interest payments on exchange bonds held by subsidiary companies to pay the interest on bonds raised by those subsidiary companies (see note 16 of Yorkshire Water Services Ltd annual report and financial statement for the year ended 31 March 2026 and further detail below). yorkshirewater.com/reports	2.8
Interest Paid on Borrowings	**181.6**

Certain bonds issued by subsidiaries of YW and subsequently on-lent to YW at their issue date had their terms changed in 2009. The changes involved exchanging the bonds with the bond holders for new bonds - resulting in changes to both their nominal value and applicable interest rates. 'Exchange Accounting' was applied by YW in relation to these bonds.

The difference in the pre and post exchange interest rates resulted in a funding gap between the interest payable on the original bonds and the actual interest payable at the new interest rates.

These differences are covered by loans between YW and its subsidiary - Yorkshire Water Finance Plc (YWFplc) whereby YW pays an amount over to YWF plc in order for the correct amount of interest to be paid to the bond holders. For the year ended 31 March 2026 this difference amounted to £2.8m. The associated loans will be repayable in full when the bonds mature.

The purpose of adding the £2.8m to the interest cost is to reflect the actual interest cost that YW and its subsidiaries have to pay to its external bond holders and therefore better reflects the actual interest attributable to YW.

Following a reporting change in line with FRC guidance cash interest paid in relation to derivatives is now disclosed within line 20 rather than line 10 in Table 1D.

To comply with the definition of interest paid which is "all cash interest paid on borrowings in the year, net of the impact of swap arrangements" we have adjusted for the £36.2m net interest received on our derivatives.

Therefore, the calculation for line 15: Interest cover (cash) is as follows:

Interest cover (cash) = (£633.3 + £181.6m)/£181.6m = 4.49 times.

4H.16: We have used the formula in Ofwat's guidance (which is different to the methodology used within our covenanted interest cover ratios and also the methodology used by the credit rating agencies) to calculate the adjusted interest cover (cash) in table 4H line 16. The formula is as follows:

Adjusted interest Cover (cash) = (Funds from operations (table 4H line 14) before deducting interest paid (cash) less RCV run off)/Interest paid (cash).

Interest paid on borrowings is as per line 15 - Interest cover (cash). RCV run off is defined within Yorkshire Water's final determination and is adjusted to the year-end price base. The RCV run off figures are published by Ofwat each year.

Therefore, the calculation for line 16: Adjusted interest cover (cash) is as follows:

Interest Cover (cash) = (£633.3m +£181.6m - £482.3m)/£181.6m = 1.83 times.

Table 4I

Financial derivatives

Due to the size of the data table, we have published the Table 4I separately on our website here: yorkshirewater.com/about-us/reports

Table 4I - Commentary

Table 4I provides an analysis of Yorkshire Water's portfolio of financial derivatives.

Yorkshire Water's operations expose the company to a variety of financial risks that include interest rate risk and inflation risk.

Yorkshire Water has several interest rate swaps to manage the interest rate risk arising from the debt instruments that are used to finance the company's activities.

Yorkshire Water's revenues are partly linked to the underlying rate of inflation, measured by the consumer price index including owner-occupiers' housing costs (CPIH). Revenues are therefore subject to fluctuations in line with changes in CPIH. In addition, Yorkshire Water's RCV, which is one of the critical components for setting customer's bills, is also linked to inflation. The percentage of the company's net debt to RCV is a covenant within Yorkshire Water's financing arrangements. In the absence of any management action, negative inflation could potentially lead to a breach of gearing limits, however, this risk is mitigated by Yorkshire Water maintaining levels of inflation linked debt and being a counterparty to inflation linked swaps.

Interest received on inflation linked swaps is based on the Sterling Overnight Index Average (SONIA). Interest is paid at fixed amounts plus RPI. Movements in RPI are also applied to the nominal value of inflation linked debt and swaps to determine additional amounts to be paid either at maturity or during the life of some inflation linked swaps. Therefore, the impact of inflation reductions on income and RCV is mitigated by reduced interest charges and lower value of inflation linked debt used in calculating gearing as a percentage of RCV.

The inflation profile of Yorkshire Water's debt and swap portfolio continues to be reviewed in relation to reform of RPI methodology, and any changes would be expected to be made before 2030.

Table 4I line notes

4I.1 – Floating to fixed rate interest rate swaps
In relation to managing interest rate risk Yorkshire Water holds £45.0m (2025: £45.0m) nominal value of legacy floating to fixed rate swaps.

4I.2 – Floating from fixed rate interest rate swaps
In relation to managing interest rate risk, Yorkshire Water holds £1,430.0m (2025: £430.0m) nominal value of floating from fixed rate swaps. During the year ending 31 March 2026, a new floating from fixed rate swap with a nominal value of £1,000.0m, maturing in August 2026, was entered into. This swap has the impact of fixing the floating receive legs of Yorkshire Water's inflation linked swaps.

4I.4 – Floating from index linked swaps
In relation to managing inflation risk, Yorkshire Water holds £1,088.6m (2025: £1,088.6m) nominal value of floating from index linked swaps (termed inflation linked swaps).

Yorkshire Water's inflation linked swaps have the following cashflows:

- Six monthly interest is received by Yorkshire Water based on SONIA.
- Six monthly interest is paid by Yorkshire Water based on a fixed rate plus RPI.
- An RPI linked amount is also payable on maturity of the swaps or at certain predetermined dates over the duration of the swaps.
- A proportion of the swaps also receive six monthly interest amounts based on a margin over the SONIA based rate.

Table 4I - Commentary

The maturity dates of the company's portfolio of inflation linked swaps range from 2038 to 2063.

At 31 March 2026, swaps with a total nominal value of £269.1m included Mandatory Break clauses in their terms. The dates for these Mandatory Breaks are: 21 February 2028 (£110.2m), 21 August 2030 (£117.5m), and 21 February 2033 (£41.4m). It is prudently assumed in Table 4I that swaps will mature on their Mandatory Break date.

Where swaps have been bifurcated, the resulting instruments are treated as a single derivative for the purposes of the data shown in Table 4I whilst reflecting the terms of the bifurcation.

During the year to 31 March 2026, £79.9m was paid to early settle £81.3m RPI accretion. The £1.4m difference represents the discount received for early payment. Settlement dates were brought forward from August 2026 to dates in February and March 2026.

4I.7 – Index-linked to index-linked
Yorkshire Water holds RPI to CPI/CPIH swaps with a total notional value of £1,250.0m (2025: £650.0m) to hedge inflation basis risk.

The swaps have the following cashflows:

- Annual accretion receivable linked to RPI.
- Annual accretion payable linked to CPI/CPIH plus a fixed accretion amount payable.

Both RPI-linked and CPI/CPIH-linked accretion accrued on these swaps at 31 March 2026 was £nil (2025: £nil).

4I.27 – Other financial derivatives
Other financial derivatives relate to Yorkshire Water's exposure to energy price fluctuations. Yorkshire Water aims to manage this risk by fixing energy contract prices where possible and operating within an energy purchasing policy that is designed to manage price volatility risk.

The notional amounts of energy that Yorkshire Water has hedged is in megawatts per hour (i.e. not in £m's) and therefore the nominal value by maturity has been left blank in line 4I.27.

Lines 4I.29 to 4I.140 provide further analysis by swap types of data items included in lines 4I.1 to 4I.28.

Data validation

Within the statement of financial position at table 1C, in accordance with generally accepted accounting principles, financial derivatives are stated at fair value rather than the mark to market value. The fair value of a swap is essentially the mark to market value of the swap adjusted to take into account the potential impact of the risk of swap counterparties defaulting (the counterparties being Yorkshire Water and the bank or financial institution providing the swap) as well as a number of other valuation adjustments.

Table 4I requests information on swap mark to market values rather than swap fair values. The table below reconciles the mark to market values shown in Table 4I to the fair value amounts shown within **Table 1C** (which include credit risk and other valuation adjustments), the latter being reflected within Yorkshire Water's published financial statements.

Table 4B requests information on the fair value of instruments. Those values included within table 4B for financial derivatives are consistent with those presented within **Table 1C**. Other financial instruments (energy swaps) are not included within **Table 4B**.

Table 4I to Table 1C reconciliation

Derivative type	Table 4I – mark to market values – liabilities shown as negative and assets shown as positive £m	Valuation adjustment to reflect the day 1 loss/gain on exchange transaction on exchanged swaps in line with IFRS accounting £m	Credit risk and other adjustments required under FRS102 accounting £m	Table 1C - fair value £m
Floating to fixed rate	-3.014	0.000	0.093	-2.921
Floating from fixed rate	-30.682	0.000	0.848	-29.834
Floating from index linked	-1,450.519	54.457	145.925	-1,250.137
Index-linked to index-linked	-3.574	0.000	0.104	-3.470
Other financial derivatives	6.173	0.000	0.000	6.173
Total	**-1,481.616**	**54.457**	**146.970**	**-1,280.189**

Table 1C	£m
Non-current assets: Financial instruments	256.635
Current assets: Financial instruments	5.125
Non-Current liabilities: Financial instruments	-1,541.028
Current liabilities: Financial instruments	-0.921
Total	**-1,280.189**

Technical notes

Nominal value
The Nominal value is the face amount that is used to calculate all payments made and received under the associated swap.

Mark to market value
The mark to market value is the net present value of all future expected receipts and payments under a swap. The amount is based on the current market expectations of future interest rates, future inflation rate, and future energy prices depending on the swap in question. Out-of-the-money (liability) positions are presented as positive, in-the-money (asset) positions are presented as negative. This signage convention is reversed in the Table 4I to Table 1C reconciliation presented.

Accretion
Accretion on floating from index linked derivatives reflects the uplift to the nominal liability arising from inflation up to 31 March 2026. The payment of this accretion will occur in future periods and has therefore been discounted to present value using an appropriate rate applied to the specific life of the swaps.

Interest rates
Interest rates payable and receivable for floating legs of derivatives have been determined using compounded SONIA rates for either 6 months or 12 months with 5 day lookback, dependent on the relevant swap as at 31 March 2026.

As only accretion and not interest is settled on index-linked to index-linked derivatives, interest rates are shown as 0.000%.

Table 4J

Base expenditure analysis for the 12 months ended 31 March 2026 – wholesale water

Line description	Units	DPs	Water resources	Water Network Plus: Raw water distribution and storage	Water Network Plus: Water treatment	Water Network Plus: Treated water distribution	Additional water control	Total	RAG 4 reference
Operating expenditure – operational									
Power	£m	3	4.169	10.465	18.460	23.148	0.000	56.242	4J.1
Income treated as negative expenditure	£m	3	0.000	0.000	-0.474	-0.042	0.000	-0.516	4J.2
Bulk Supply/Bulk discharge	£m	3	4.601	0.000	0.000	0.000	0.000	4.601	4J.3
Renewals expensed in year (infra)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.4
Renewals expensed in year (non-infra)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.5
Local authority and Cumulo rates	£m	3	6.631	2.210	0.822	23.731	0.000	33.394	4J.6
Canal & River Trust abstraction charges/discharge consents	£m	3	0.640	0.000	0.000	0.000	0.000	0.640	4J.7
Environment Agency/NRW abstraction charges/discharge consents	£m	3	9.365	0.000	0.328	0.002	0.000	9.695	4J.8
Other abstraction charges/ discharge consents	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.9
Costs associated with Traffic Management Act	£m	3	0.000	0.000	0.003	1.411	0.000	1.414	4J.10
Costs associated with lane rental schemes	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.11
Statutory water softening	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.12
Routine repair and maintenance	£m	3	2.035	1.977	8.550	32.747	0.000	45.309	4J.13
Chemical costs – water	£m	3	0.001	0.000	25.223	0.088	0.000	25.312	4J.14
Finance, Regulation and Procurement costs – water	£m	3	1.340	0.361	2.448	5.422	0.000	9.571	4J.15
Insurance – water	£m	3	1.009	0.337	0.259	8.465	0.000	10.070	4J.16
Fines and penalties – water	£m	3	0.005	0.002	-0.330	0.187	0.000	-0.136	4J.17
Investigation costs – water	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.18
GSS payments – water	£m	3	0.000	0.000	0.000	1.526	0.000	1.526	4J.19
Non-GSS compensation payments – water	£m	3	0.000	0.000	0.009	1.037	0.000	1.046	4J.20
HR	£m	3	0.174	0.076	0.559	2.240	0.000	3.049	4J.21
Training	£m	3	0.125	-0.009	0.181	0.983	0.000	1.280	4J.22

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4J – continued

Base expenditure analysis for the 12 months ended 31 March 2026 – wholesale water

Line description	Units	DPs	Water Network Plus: Water resources	Water Network Plus: Raw water distribution and storage	Water Network Plus: Water treatment	Water Network Plus: Treated water distribution	Water Network Plus: Additional water control	Water Network Plus: Total	RAG 4 reference
CEO, Corporate affairs and Governance	£m	3	0.183	0.078	0.569	2.308	0.000	3.138	4J.23
IT&T (business support)	£m	3	0.675	0.304	2.144	13.498	0.000	16.621	4J.24
Property management (business support)	£m	3	0.118	0.050	0.381	1.931	0.000	2.480	4J.25
Other support function and overheads opex – water	£m	3	13.170	4.412	36.084	75.489	0.000	129.155	4J.26
Developer services & Diversions opex									
Network reinforcement opex	£m	3		0.000	0.000	0.000		0.000	4J.27
Site-specific developer services opex	£m	3				0.000		0.000	4J.28
Diversions opex	£m	3		0.000		0.000		0.000	4J.29
Third-party opex – water									
Third-party opex – water	£m	3	0.000	0.000	0.000	1.441	0.000	1.441	4J.30
Total base operating expenditure	£m	3	44.241	20.263	95.216	195.612	0.000	355.332	4J.31
Capital expenditure									
Maintaining the long term capability of the assets – infra	£m	3	10.028	0.009	0.423	115.686	0.000	126.146	4J.32
Maintaining the long term capability of the assets – non-infra	£m	3	7.372	0.370	39.703	63.112	0.000	110.557	4J.33
Total base capital expenditure	£m	3	17.400	0.379	40.126	178.798	0.000	236.703	4J.34
Developer services & Diversions									
Network reinforcement capex	£m	3		0.000	0.000	10.538		10.538	4J.35
Site-specific developer services capex – water	£m	3				19.983		19.983	4J.36
Diversions capex – water	£m	3		0.237		4.444		4.682	4J.37
Third-party capex – water									
Third-party capex – water	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4J.38
Total base capital expenditure	£m	3	17.400	0.616	40.126	213.763	0.000	271.906	4J.39
Total base expenditure	£m	3	61.641	20.879	135.342	409.375	0.000	627.237	4J.40

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4J - Commentary

Table 4J splits out the base expenditure in 4D.

Water Resources
(year-on-year increase of £6.9m)
There has been a year-on-year increase in Water Resources expenditure of £6.9m, primarily driven by drought-related activity during the year.

Costs of £4.7m relate to additional operational and mitigation activities undertaken in response to one of the warmest and driest springs on record. This includes investment to maintain supply resilience in key areas, expenditure associated with drought permits and supporting surveys, and catchment and intake management activity.

Employee-related costs have also increased year-on-year, reflecting additional recruitment undertaken to support future operational requirements and deliver planned investment programmes.

In addition, principal use recharge has increased by £0.3m, reflecting asset revaluations and continued investment in operational technology. These costs have been allocated in accordance with established cost allocation methodologies.

Water Network Pus
(year-on-year increase of £67.9m)
There has been a year-on-year increase in water Network Plus expenditure, primarily driven by drought-related activity, increased operational demand, and inflationary pressures.

£7.6m increase in operational costs due to drought conditions during the year, including higher pumping activity, increased chemical usage as a result of deteriorating raw water quality associated with low river and reservoir levels, and additional repair and maintenance activity to manage network performance.

Routine repair and maintenance costs increased as we continued to improve asset resilience and network performance, resulting in higher ongoing maintenance and operational support requirements. This includes additional costs to restore leakage performance following winter freeze-thaw events and broader inflationary impacts on contractor frameworks.

During 2025/2026, insurance costs increased due to higher claims activity, including a greater proportion of higher-value claims. GSS and non-GSS payments increased by £2.4m, of which £1.3m related to new and enhanced GSS standards. Yorkshire Water began paying the enhanced GSS rates to customers in April, ahead of the legislation taking effect in July.

Non-GSS payments related to general inconvenience, delayed contact response times and delayed notice or restoration of interruptions to supply. Employee-related costs have also increased significantly this financial year. Reflecting higher headcount to support delivery of operational priorities, including leakage reduction, metering, above ground maintenance and customer service improvements. This has led to a corresponding increase in allocations of support costs, including IT, HR, and central overheads, in line with established cost allocation methodologies.

IT&T costs have also increased for this price control, inflationary increases in existing software licences, an increased number of licences associated with significantly higher FTE levels, and continued investment in cloud-based software.

Principal use recharge has also increased by £5.4m, driven by asset revaluations and continued investment in technology, with costs allocated in accordance with established methodologies.

Table 4J - Commentary

Fines and investigations:

Fines of £0.9m were paid in relation to this price control, following the conclusion of legal proceedings for a prior-year pollution event. A provision in relation to this pollution event was reversed resulting in £0.6m credit which offsets other costs incurred.

An additional pollution investigation has been confirmed by EA in relation to this price control. Costs include a provision for the potential related fine.

There has been a change in the methodology used to allocate leakage costs between maintaining and reducing leakage in Table 6E. Previously, all proactive leakage activities were classified as reducing leakage, with reactive activities classified as maintaining leakage.

Following engagement with other water and sewerage companies and consideration of enhanced guidance within PR24, the methodology has been revised to better align costs with the underlying activities and improve consistency with industry practice.

Total leakage expenditure has increased by £3.2m year-on-year. However, the revised methodology has resulted in a £18.9m reduction in reducing leakage costs and a £22.1m increase in maintaining leakage costs. This reallocation reflects a more accurate classification of activities rather than a change in underlying operational performance.

This change in methodology has therefore, driven a material increase in base expenditure reported in Table 4J, as a greater proportion of leakage costs are now classified as maintaining leakage and therefore reported within base operating expenditure.

Capex Commentary

Base Capital Expenditure

Actual In-Year Expenditure (2025/2026 Price Base)

A total of £236.7m has been invested in maintaining the long-term capability of our water assets in the current report year. The above table identifies the split of this investment between each of the price controls as well as by infrastructure investment of £126.1m and non-infrastructure £110.6m.

The total of £126.1m water infrastructure base investment is split between the Water Resources price control £10.0m and the water Network Plus price control £116.1m.

The total £110.6m of water non-infrastructure base investment is split between the Water Resources price control £7.4m and the water Network Plus price control £103.2m.

Water Resources investment of £17.4m includes £13.9m of directly allocated investment and £3.5m associated with its reallocation of Management and General costs apportioned across the whole programme, against an allowance of £12.5m.

Water Network Plus investment of £219.3m includes £196.0m of directly allocated investment and £23.3m associated with its reallocation of Management and General costs apportioned across the whole programme, against an allowance of £188.8m.

Comparison to Previous Year (2025/2026 Price Base)

We had a base expenditure of £101.2m in the previous year, an increase of 134%.

Infrastructure expenditure increased by 142% in total against £52.2m in the previous year. There was an increase of 114% in Water Resources, mostly relating to reservoir safety schemes. There was an increase of 145% in water Network Plus, this was mostly driven by our mains replacement programme which has greatly increased in AMP8 (£77m).

Table 4J - Commentary

Non-infrastructure expenditure increased by 126% in total against £49.0m in the previous year. There was an increase of 73% in Water Resources, this was across various schemes however the largest variances are driven by and increase on expenditure on our estate assets. There was an increase of 131% in water Network Plus, this spans multiple schemes.

Network Reinforcement Expenditure

Actual In-Year Expenditure (2025/2026 Price Base)

A total of £10.5m has been invested in water Network Reinforcement in the current report year against an allowance of £8.2m.

We discuss this in more detail in Tables 2K or 4P.

Comparison to Previous Year (2025/2026 Price Base)

We had network reinforcement expenditure of £15.5m in the previous year, a decrease of 32%. We had some big schemes in AMP7 which completed in the previous year.

Developer Services & Diversions Expenditure

Actual In-Year Expenditure (2022/2023 Price Base)

A total of £24.7m has been invested in water Developer Services in the current report year, against a Final Determination of £22.4m. We discuss this is more detail in our commentary for Tables 4N or 40.

Comparison to Previous Year (2022/2023 Price Base)

We had developer services expenditure of £16.2m in the previous year, an increase of 23%. This was mostly driven by an increase in s45 connections which has effectively doubled compared to the previous year.

Our diversions expenditure decreased by 5% in total against £4.9m in the previous year.

Third-Party Expenditure

We have £0.0m third-party expenditure in the current year.

Base Capital Expenditure

Comparison to PR24 Forecast (2022/2023 Price Base)

A total of £209.352m has been expended within the water base programme to maintain and improve service where required, to support the delivery of our water and cross-business Performance Commitments, this is slightly above the PR24 forecast of £198.598m.

Infrastructure expenditure was £3.686m lower than the PR24 forecast of £115.256m, and non-infrastructure expenditure was £14.440m higher than the PR24 forecast of £83.342m. This increase was mainly due to the implementation of our modernisation programme which was not in our PR24 plan.

Network Reinforcement Expenditure

A total of £9.320m has been expended within the water network reinforcement programme, this is above the PR24 forecast of £7.540m.

Developer Services & Diversions Expenditure

Comparison to Previous Year (2022/2023 Price Base)

Developer services expenditure was £1.518m higher than the PR24 forecast of £16.156m.

Diversions expenditure was £0.464m higher than the PR24 forecast of £3.667m.

Third-Party Expenditure

We have £0.0m third-party expenditure in the current year and were not forecasting any.

Table 4K

Base expenditure analysis for the 12 months ended 31 March 2026 – wholesale wastewater

			Expenditure in report year £m									
			Wastewater Network Plus				Bioresources					
Line description	Units	DPs	Foul	Surface water drainage	Highway drainage	Sewage and sludge liquor - treatment and disposal	Sludge Transport	Sludge Treatment	Sludge Disposal	Additional wastewater control	Total	RAG 4 reference
Operating expenditure – operational												
Power	£m	3	5.609	2.093	0.670	53.262	0.000	4.273	0.000	0.000	65.907	4K.1
Income treated as negative expenditure	£m	3	0.000	0.000	0.000	-0.820	0.000	-17.478	0.000	0.000	-18.298	4K.2
Bulk Supply/Bulk discharge	£m	3	0.000	0.000	0.000	0.000	0.000	0.080	0.000	0.000	0.080	4K.3
Renewals expensed in year (infra)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.4
Renewals expensed in year (non-infra)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.5
Local authority and Cumulo rates	£m	3	0.236	0.140	0.064	12.244	0.006	1.347	0.004	0.000	14.041	4K.6
Canal & River Trust abstraction charges/ discharge consents	£m	3	0.000	0.000	0.379	0.000	0.000	0.000	0.000	0.000	0.379	4K.7
EA/NRW abstraction charges/ discharge consents	£m	3	3.722	1.389	0.444	7.507	0.000	0.000	0.000	0.000	13.062	4K.8
Other abstraction charges/ discharge consents	£m	3	0.405	0.151	0.048	0.834	0.000	0.000	0.000	0.000	1.438	4K.9
Costs associated with Traffic Management Act	£m	3	0.122	0.046	0.015	0.000	0.000	0.000	0.000	0.000	0.183	4K.10
Costs associated with lane rental schemes	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.11
Costs associated with Industrial emissions directive	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.12
Routine repair and maintenance	£m	3	8.376	3.126	1.000	21.925	0.000	9.724	0.000	0.000	44.151	4K.13
Chemical costs – wastewater	£m	3	0.037	0.014	0.004	7.380	0.000	9.370	0.037	0.000	16.842	4K.14
Finance and regulation costs – wastewater	£m	3	2.776	1.033	0.404	4.649	0.534	0.759	0.380	0.000	10.535	4K.15
Insurance – wastewater	£m	3	0.398	0.149	0.996	0.817	0.002	0.147	0.002	0.000	2.511	4K.16
Fines and penalties – wastewater	£m	3	-0.029	-0.011	-0.004	2.631	0.001	0.009	0.001	0.000	2.598	4K.17

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4K – continued

Base expenditure analysis for the 12 months ended 31 March 2026 – wholesale wastewater

			Expenditure in report year £m									
			Wastewater Network Plus				Bioresources					
Line description	Units	DPs	Foul	Surface water drainage	Highway drainage	Sewage and sludge liquor – treatment and disposal	Sludge Transport	Sludge Treatment	Sludge Disposal	Additional wastewater control	Total	RAG 4 reference
Investigation costs – wastewater	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.18
GSS payments – wastewater	£m	3	0.180	0.067	0.021	0.000	0.000	0.000	0.000	0.000	0.268	4K.19
Non-GSS compensation payments – wastewater	£m	3	0.328	0.123	0.039	0.002	0.000	0.000	0.000	0.000	0.492	4K.20
HR	£m	3	1.307	0.488	0.156	1.256	0.023	0.310	0.023	0.000	3.563	4K.21
Training	£m	3	0.650	0.243	0.078	0.651	0.015	0.146	0.012	0.000	1.795	4K.22
CEO	£m	3	1.355	0.506	0.162	1.303	0.024	0.319	0.023	0.000	3.692	4K.23
IT&T (business support)	£m	3	5.901	2.202	0.705	4.790	0.113	1.203	0.227	0.000	15.141	4K.24
Property management (business support)	£m	3	0.919	0.343	0.110	0.862	0.028	0.213	0.017	0.000	2.492	4K.25
Other support function and overheads opex – wastewater	£m	3	27.741	10.356	3.702	23.163	17.091	15.838	11.881	0.000	109.772	4K.26
Developer services & Diversions opex												
Infrastructure network reinforcement	£m	3	0.000	0.000	0.000	0.000					0.000	4K.27
Site-specific developer services opex	£m	3	0.000								0.000	4K.28
Diversions opex	£m	3	0.000	0.000	0.000						0.000	4K.29
Third-party												
Third-party opex – wastewater	£m	3	0.100	0.037	0.012	0.000	0.000	0.000	0.000	0.000	0.150	4K.30
Total base operating expenditure	£m	3	60.133	22.495	9.005	142.456	17.837	26.260	12.607	0.000	290.794	4K.31

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4K – continued

Base expenditure analysis for the 12 months ended 31 March 2026 – wholesale wastewater

			Expenditure in report year £m									
			Wastewater Network Plus				Bioresources					
Line description	Units	DPs	Foul	Surface water drainage	Highway drainage	Sewage and sludge liquor – treatment and disposal	Sludge Transport	Sludge Treatment	Sludge Disposal	Additional wastewater control	Total	RAG 4 reference
Capital expenditure												
Maintaining the long term capability of the assets – infra	£m	3	86.543	33.111	10.795	2.566	0.000	0.000	0.000	0.000	133.015	4K.32
Maintaining the long term capability of the assets – non-infra	£m	3	45.156	15.881	4.589	129.759	2.632	22.628	0.934	0.000	221.579	4K.33
Total base capital expenditure	£m	3	131.699	48.992	15.384	132.325	2.632	22.628	0.934	0.000	354.594	4K.34
Developer services & Diversions capex												
Infrastructure network reinforcement	£m	3	2.743	0.155	0.046	0.000					2.944	4K.35
Site-specific developer services capex – wastewater	£m	3	1.101								1.101	4K.36
Diversions capex – wastewater	£m	3	3.312	3.126	0.408						6.845	4K.37
Third-party												
Third-party capex – wastewater	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4K.38
Total base capital expenditure	£m	3	138.855	52.273	15.838	132.325	2.632	22.628	0.934	0.000	365.484	4K.39
Total base expenditure	£m	3	198.988	74.768	24.843	274.781	20.469	48.888	13.541	0.000	656.278	4K.40

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4K - Commentary

Table 4K splits out the base expenditure in 4E.

Wastewater Network Plus (year-on-year increase of £25.3m)
Wastewater Network Plus expenditure increased year on year, primarily reflecting higher operational activity to support pollution and compliance performance, together with inflationary pressures.

Operational expenditure has increased due to higher activity levels across sewage treatment and network assets. MEICA job volumes have increased year-on-year, alongside higher statutory maintenance and R&M costs, reflecting a continued focus on improving pollution and compliance performance.

Additional operational pressures include increased chemical consumption to support enhanced treatment requirements relating to WINEP, alongside higher sludge handling, tankering and transport costs, and increased hire of plant and grounds maintenance activity. These increases reflect both heightened operational demand and a more targeted approach to pollution mitigations at descriptive sites.

Employee-related costs have increased, reflecting higher FTE levels to support operational delivery and investment programmes. This has led to a corresponding increase in allocations of support costs, including IT, HR, and central overheads, in line with established cost allocation methodologies.

IT&T costs have increased due to inflationary uplifts on existing licences, increased licence volumes associated with higher FTE levels, and continued investment in cloud-based software and system enhancements.

External cost pressures have also contributed to the increase. Environment Agency charging changes following the 'Cost of Service' consultation have resulted in higher discharge and groundwater fees, including a c.9% increase in application fees and an 11% increase in subsistence charges, alongside an increase in licences required to support improved compliance performance.

Insurance costs have increased in relation to sewage collection activities, although this has been partially offset by a reduction in pollution-related provisions. Customer compensation payments have also increased year-on-year, reflecting both an increase in the number of payments and a higher average value per claim, driven in part by changes to GSS standards. Yorkshire Water began paying the enhanced GSS rates to customers in April, ahead of the legislation taking effect in July.

Non-GSS payments related to general inconvenience, delayed contact response times and sewer flooding compensation.

Principal use recharge has increased overall, driven by asset revaluations, particularly land and buildings, resulting in an increased benefit of £7.1m to this price control.

As we have moved to the shadow reported figure for liquor recharge in AMP8, charging Bioresources for the sludge liquors treated by Wastewater Network Plus, this is contributed an additional £8.6m benefit to Sewage & Sludge Liquor Treatment.

Table 4K - Commentary

Fines and investigations:

Fines of £3.4m were paid in relation to this price control.

£1.1m was paid in relation to the conclusion of legal proceedings for 2 prior-year pollution events. Provisions in relation to this pollution event were reversed resulting in £1.8m credit which partially offsets other costs incurred.

£0.1m was paid to EA in relation to a prior-year pollution event.

£2.2m was paid to various local Rivers Trusts in relation to prior year pollution events.

Additional pollution investigations have been confirmed by EA in relation to this price control. Costs include provisions for the potential related fines.

Bioresources
(year-on-year increase £25.6m)
There has been a year-on-year increase in Bioresources expenditure, primarily driven by increased operational activity to support compliance performance, alongside inflationary pressures.

Operational expenditure has increased due to higher activity levels across bioresources assets. Job volumes have increased year-on-year, reflecting a continued focus on improving asset resilience and compliance performance. This has driven higher routine repair and maintenance costs alongside increased chemical consumption to support enhanced treatment requirements relating to WINEP.

Energy costs have increased overall, driven by increased site consumption relating to WINEP processes. A change in presentation following updates to RAG guidance has resulted in internal recharges for generated energy now being reported as income treated as negative expenditure.

Further operational cost increases include higher sludge tankering, handling and transport costs, alongside additional expenditure to support compliance mitigation activities. This includes a more risk-averse operational approach and preparation for peak demand periods, such as the Hull peak season.

Employee-related costs have increased as a result of higher FTE levels, supporting increased operational delivery and investment activity. This has also driven an uplift in support function allocations.

IT&T costs have increased due to inflationary uplifts on existing licences, an increased number of licences associated with higher FTE levels, and continued investment in cloud-based software and system enhancements.

Changes to allocation methodologies in line with RAG requirements have had a notable impact on reported costs. Liquor treatment recharges have increased significantly (£8.6m), as these are now calculated using an Ofwat-defined methodology rather than a fixed annual charge.

Principal use recharge has increased overall due to asset revaluations, particularly land and buildings, impacting the allocation of costs across price controls. Bioresources has seen a £0.7m increase in PU recharge.

Table 4K - Commentary

Capex Commentary

Base Capital Expenditure

Actual In-Year Expenditure (2025/2026 Price Base)

A total of £354.6m has been invested in maintaining the long-term capability of our wastewater assets in the current report year. The above table identifies the split of this investment between each of the price controls as well as by infrastructure investment of £133.0m and non-infrastructure £221.6m.

The total of £133.0m wastewater infrastructure base investment is purely in the wastewater Network Plus price control.

The total £221.6 of wastewater non-infrastructure base investment is split between the Bioresources price control £26.2m and the wastewater Network Plus price control £195.4m (this includes all M&G expenditure assessed as principal use).

Wastewater Network Plus investment of £328.4m includes £251.4m of directly allocated investment and £77.6m associated with its reallocation of Management and General costs apportioned across the whole programme.

Bioresources investment of £26.2m includes £25.6m of directly allocated investment and £0.6m associated with its reallocation of Management and General costs apportioned across the whole programme.

Comparison to Previous Year (2025/2026 Price Base)

We had a base expenditure of £194.3m in the previous year, an increase of 82%.

Infrastructure expenditure increased by 63% in total against £81.7m in the previous year. This was driven by variance across a large number of schemes. Some of the biggest variances were due to large emergency schemes, telemetry schemes and the completion work at some sites which had large enhancement schemes delivered in AMP7.

Non-infrastructure expenditure increased by 75% in total against £126.3m in the previous year.

There was an increase of 74% in wastewater Network Plus £112.6m in the previous year. While the variance crosses many schemes the main reasons for the variance are completion work at some sites which had large enhancement schemes delivered in AMP7, investment in IT systems and emergency schemes.

There was an increase of 90% in Bioresources £13.8m in the previous year, largely due to the increased expenditure on two large sites.

Network Reinforcement Expenditure

Actual In-Year Expenditure (2025/2026 Price Base)

A total of £2.9m has been invested in wastewater Network Reinforcement in the current report year against an allowance of £6.6m. This programme has started slower than forecast.

We discuss this in more detail in Tables 2K or 4P.

Developer Services & Diversions Expenditure

Actual In-Year Expenditure (2025/2026 Price Base)

A total of £7.9m has been invested in wastewater Developer in the current report year, against a Final Determination of £10.3m. We discuss this is more detail in our commentary for Tables 4N or 40.

Table 4K - Commentary

Comparison to Previous Year (2025/2026 Price Base)

We had developer services expenditure of £2.4m in the previous year, a decrease of 55%. This was mostly driven by two schemes, reaching completion.

Our diversions expenditure increased by 157% in total against £2.7m in the previous year. The main reasons for this are increased expenditure on two schemes.

Third-Party Expenditure

We have £0.0m third-party expenditure in the current year.

Base Capital Expenditure

Comparison to PR24 Forecast (2022/2023 Price Base)

A total of £313.620m has been expended within the wastewater base programme to maintain and improve service where required, to support the delivery of our water and cross-business Performance Commitments, this is above the PR24 forecast of £148.566m.

Infrastructure expenditure was £72.369m higher than the PR24 forecast of £45.276m and non-infrastructure expenditure was £92.685m higher than the PR24 forecast of £103.290m. This increase was driven by many schemes but the main reason is that some schemes that were in enhancement in the previous AMP are now in our base programme as the outputs have been delivered, but final completion work is still going on, these would not have been in our PR24 forecast.

Network Reinforcement Expenditure

A total of £2.604m has been expended within the wastewater Network Reinforcement Programme, this is slightly below the PR24 forecast of £6.618m.

Developer Services & Diversions Expenditure

Comparison to Previous Year (2022/2023 Price Base)

Developer services expenditure was £0.974m lower than the PR24 forecast of £6.650m. We discuss this in more detail in our commentary for **Tables 4N**.

Diversions expenditure was £6.054m, higher than the PR24 forecast of £2.462m. We discuss this in more detail in our commentary for **Tables 4O**.

Third-Party Expenditure

We have £0.0m third-party expenditure in the current year and were not forecasting any.

Table 4L

Enhancement expenditure for the 12 months ended 31 March 2026 – water resources and water Network Plus

Due to the size of the data table, we have published Table 4L separately on our website here: yorkshirewater.com/about-us/reports

Table 4L - Commentary

Opex commentary

Water Resources enhancement operating expenditure totals £9.1m, against a Final Determination of £12.9m.

Water Network Plus enhancement operating expenditure totals £12.5m, against a Final Determination of £17.0m.

These variances are primarily driven by timing differences between the phasing of expenditure submitted as part of the Final Determination and the delivery model these schemes are following, which require extensive investigation in the beginning of the AMP before we move into delivery (and therefore increased expenditure) later in the AMP.

We do not currently have any free-form lines.

Most costs are directly allocated with the exception of 4L.48, which is the result of an allocation. There has been a change in the methodology used to allocate leakage costs between maintaining and reducing leakage in Table 6E. Previously, all proactive leakage activities were classified as reducing leakage, with reactive activities classified as maintaining leakage.

Following engagement with other water and sewerage companies and consideration of enhanced guidance within PR24, the methodology has been revised to better align costs with the underlying activities and improve consistency with industry practice.

Total leakage expenditure has increased by £3.2m year-on-year. However, the revised methodology has resulted in a £18.9m reduction in reducing leakage costs. This reallocation reflects a more accurate classification of activities rather than a change in underlying operational performance.

This change in methodology has therefore, driven a material decrease in enhancement expenditure reported in Table 4L, as a greater proportion of leakage costs are now classified as maintaining leakage and therefore reported within base operating expenditure.

Table 4L - Commentary

Capex Commentary

Actual In-Year Expenditure (2025/2026 Price Base)

The water resources enhancement capital expenditure in the current report year totals £1.9m, against a Final Determination of £8.1m and this is all directly allocated.

Please note we have a couple of lines, 4L.7/13 showing negative expenditure, this is due to the reversal of accruals from the previous year.

The water Network Plus enhancement capital expenditure in the current report year totals £65.1m, against a Final determination of £71.9m. There is £56.2m of direct allocation and £8.9m associated with its reallocation of Management and General costs apportioned across the whole programme.

We do not currently have any free-form lines.

Comparison to Allowance (2025/2026 Price Base) - Totex

The cumulative water enhancement totex expenditure in the current report year totals £100.2m, which includes £11.8m of transition expenditure in the previous AMP, against an allowance of £127.2m.

This variance is primarily driven by timing differences between the phasing of expenditure submitted as part of the Final Determination and the delivery model these schemes are following.

Where an allowance crosses multiple reporting lines we have split the allowance based on the proportion of expenditure on each line, this effects Resilience, Security SEMD and Water Quality Improvements – Lead.

Comparison to Previous Year (2025/2026 Price Base)

We had Water Resources enhancement expenditure of £6.1m in the previous year, a decrease of 69%. The major variances were on the following lines:

- **4L.1 Biodiversity and conservation (£1.7m)** – this is due to the fact that we only have AMP7 schemes on this line currently and they are coming to an end, with just a small amount of residual expenditure in 2025/2026. The AMP8 schemes on this line are Opex £2.7m.
- **4L.13 Drinking Water Protected Areas (£1.8m)** – this is due to the fact that do not have any capex expenditure on this line in 2025/2026. The current AMP8 schemes on this line are Opex £1.9m.
- **4L.4 and 4L.7 Eel/fish entrainment screens and passes (£1.145m)** – AMP7 schemes coming to a close, so only residual expenditure left. The new AMP8 schemes have started but are currently opex only £0.387m.
- **4L.41 Supply-side improvements delivering benefits in 2025-2030** – this shows as an increase compared to the previous year, however, the schemes in this line were on the 'line Supply demand balance improvements delivering benefits starting from 2026' in the previous AMP in the transition expenditure.

We had water Network Plus enhancement expenditure of £29.5m in the previous year, an increase of 121%. The major variances (>=£1m)were on the following lines:

- **4L.41 Supply-side improvements delivering benefits in 2025-2030 £2.5m** – we did not have expenditure in this area in AMP7.
- **4L.44 Demand-side improvements delivering benefits in 2025-2030 (excl leakage and metering) £2.0m** – we did not have expenditure in this area in AMP7.
- **4L.47 Leakage improvements delivering benefits in 2025-2030 £3.1m** – we have begun £8.5m of new AMP8 schemes that were not in the previous year, this is offset by the reduction in expenditure on the AMP7 schemes from the previous year.

Table 4L - Commentary

- **4L.60 New meters requested by existing customers (optants) £7.1m** – the requests for DMO has increased greatly in the current year compared to the previous year.
- **4L.75 Replacement of existing AMR meters** – with AMI meters for residential customers £10.6m.
- **4L.97 Addressing raw water quality deterioration (grey solutions) (£7.3m)** – all our high value AMP7 schemes completed in 2024/2025, we are just starting our AMP8 schemes and so have not started full delivery on these as yet.
- **4L.106 Lead communication pipes replaced or relined(£2.7m** – our AMP7 programme had mostly completed prior to 2024/2025 so last year's expenditure was relatively low, we have now started our AMP8 programme and so expenditure this year is higher.
- **4L.109 External lead supply pipes replaced or relined £2.7m** – this is a new line so we cannot compare to the previous year.

Comparison to PR24 Forecast (2022/2023 Price Base)

The water resources enhancement capital expenditure in the current report year totals £1.646m against a PR24 forecast of £6.852m. The major variances (>=£1m)were on the following lines:

- **CW3.1/4L.1 Biodiversity and conservation (-£1.388m)** – this is due to the fact that we only have AMP7 schemes on this line currently and they are coming to an end, with just a small amount of residual expenditure in 2025/2026. The AMP8 schemes currently in delivery are on opex not capex.
- **CW3.7/4L.7 Eel/fish passes (-£2.384m)** – the new AMP8 schemes have started but are currently opex only.

The water Network Plus enhancement capital expenditure in the current report year totals £57.609m against a PR24 forecast of £60.644m. The major variances (>=£1m) were on the following lines:

- **CW3.47/4L.47 Leakage improvements delivering benefits in 2025-2030 (£4.507m)** – we have seen acceleration on our leakage reduction schemes in AMP8.
- **CW3.56/4L.56 Strategic resource options; SDB capex (-£4.590m)** – are only expenditure on this in the current year was opex as investigations are still being carried out.
- **CW3.60/4L.60 New meters requested by existing customers (optants) (£1.708m)** – the requests for DMO are greater than forecast.
- **CW3.75/4L.75 Replacement of existing AMR meters with AMI meters for residential customers (£4.902m)** – we have more expenditure in this area than forecast, however, this is offset by a reduction in the planned Smart Meter Infrastructure line (-£8.726m), as we completed the majority of that work in AMP7 and have now moved into meter replacement.
- **CW3.91/4L.91 Improvements to taste, odour and colour (grey solutions) (-£1.574m)** – this programme has started a little slower than forecast.
- **CW3.97/4L.97 Addressing raw water quality deterioration (grey solutions) (£4.532m)** – we have seen some acceleration in the delivery of these schemes compared to forecast.
- **CW3.109/4L.109 External lead supply pipes replaced or relined (£1.591m)** – we have seen some acceleration in the delivery of these schemes compared to forecast.
- **CW3.121/4L.126 & 4L.129 Security – SEMD (-£2.654m)** – expenditure in this area is lower than forecast as this programme has started slower than forecast.

Table 4M

Enhancement expenditure for the 12 months ended 31 March 2026 – wastewater Network Plus and bioresources

Due to the size of the data table, we have published Table 4M separately on our website here: yorkshirewater.com/about-us/reports

Table 4M - Commentary

Opex commentary

Wastewater Network Plus enhancement operating expenditure totals £4.6m, against a Final Determination of £7.8m.

There are no Bioresources enhancement operating expenditure in 2025/2026 against a Final Determination of £0.5m.

These variances are primarily driven by timing differences between the phasing of expenditure submitted as part of the Final Determination and the delivery model these schemes are following, which require extensive investigation in the beginning of the AMP before we move into delivery (and therefore increased expenditure) later in the AMP.

We do not currently have any free-form lines.

Table 4M - Commentary

Capex Commentary

Actual In-Year Expenditure (2025/2026 Price Base)

The wastewater Network Plus enhancement capital expenditure in the current report year totals £231.7m, against a final determination of £488.8m. There is £231.7m of direct allocation.

The bioresources enhancement capital expenditure in the current report year totals £19.3m, against a Final Determination of £54.0m and this is all directly allocated.

Please note we have included 7YW100129 - TUPTON/STW in line 4M.168 as we believe this is where the allowance for this scheme is reported, although it is not a Green scheme, it is PR19 recovery carryover.

We have included 19 AMP7 Phosphorus and one Sanitary Parameters scheme in this table as enhancement as they had delayed output delivery into 2025/2026.

Comparison to Cumulative Allowance (2025/2026 Price Base) - Totex

The cumulative wastewater enhancement expenditure in the current report year totals £309.7m, which includes £54.1m of transition and acceleration expenditure in the previous AMP, against an allowance of £634.8m.

This variance is primarily driven by timing differences between the phasing of expenditure submitted as part of the Final Determination and the delivery model these schemes are following.

Where an allowance crosses multiple reporting lines we have split the allowance based on the proportion of expenditure on each line, this effects Resilience.

For MCERTs and Storm Overflow we have put the total cumulative expenditure and allowances against lines 4M.24 (MCERTs) and 4M.48 (Storm Overflow) as there isn't total lines for these categories and this was the only available cells for these categories.

Comparison to Previous Year (2025/2026 Price Base)

We had wastewater Network Plus enhancement expenditure of £429.1m in the previous year, a change of (46%). This is mostly due to the fact that in 2024/2025 we had ramped up our programme to ensure we completed delivery against our AMP7 allowances, whereas in the current year we are just beginning the AMP and therefore still carrying out investigations before we get into delivery of our higher value schemes. This variance is on all the reporting lines but in some cases is relatively minor, we discuss the major (>£5m) variances below:

- **4M.4 Flow monitoring at sewage treatment works (£5.3m)** – all the AMP7 schemes have completed and so do not have expenditure in the current year, we have started the AMP8 scheme but expenditure is relatively small to date.
- **The storm overflow lines (4M.25, 4M.28, 4M.31, 4M.34, 4M.37, 4M.40, 4M.43, 4M.46) showed an increase of £61.0m compared to the previous year (please note this does not include the transition or early start)** – some of the individual lines show a reduction in expenditure as we have completed some of the activities mapping to those lines, offset by others where expenditure is starting to ramp up on the majority of our programme**.**
- **4M.64 Treatment for phosphorus removal (WINEP/NEP) wastewater capex (£102.0m)** – all the AMP7 schemes that had AMP7 outputs are no longer in our expenditure, we are only showing schemes with AMP8 outputs, as well as 19 AMP7 schemes where we agreed a delayed output into AMP8 with the EA. Our expenditure is considerably lower this year as our overall Phosphorus programme is smaller and we are only in the first year of the AMP and so still in investigation for some of our schemes.
- **4M.70 Treatment for tightening of sanitary parameters (WINEP/NEP) (£10.2m) wastewater capex** – our AMP8 programme is starting to ramp up, however, it is lower than the previous year as that included the expenditure to complete our AMP7 obligations (we have included 1 AMP7 scheme as this had a delayed output for 2025/2026 as agreed with the EA).

Table 4M - Commentary

- **4M.94 Investigations, other (WINEP/NEP) desk based studies only wastewater capex £1.6m** – we had completed our AMP7 investigations prior to last year so no meaningful comparison can be made.
- **4M.100 Investigations, other (WINEP/NEP) multiple surveys and/or monitoring locations, and/or complex modelling wastewater capex £11.8m** – we had completed our AMP7 investigations prior to last year so no meaningful comparison can be made.
- **4M.168 PR19 Green recovery carryover; enhancement wastewater capex** – this is a new line for AMP8 £8.0m.
- **We had an additional line in AMP7 (4M.85) for our SSRP programme with expenditure of £169.7m** – any remaining expenditure on these schemes is classed as base in AMP8.
- **We had an additional line in AMP7 (4M.79) for our Living with Water Programme** – with expenditure of £10.7m, any expenditure on these schemes is classed as base in AMP8.

We had Bioresources enhancement expenditure of £27.5m in the previous year, an decrease of 30%. This is mostly driven by: 4M.171 Industrial Emissions Directive; enhancement wastewater capex (£7.5m), we have reduced expenditure on schemes at Blackburn Meadows, Esholt and Knostrop as that phase of work starts to come to an end, this is offset by increased expenditure at Old Whittington, Sandall and Woodhouse Mill.

Comparison to PR24 Forecast (2022/2023 Price Base)

The wastewater Network Plus enhancement capital expenditure in the current report year totals £204.927m against a PR24 forecast of £486.069m. This variance is on all the reporting lines but in some cases is relatively minor, we discuss the major (>£2.5m) variances below:

- **4M.4 Flow monitoring at sewage treatment works (-£4.297m)** – we have started the AMP8 schemes but expenditure is relatively small to date but we expect this to be offset in the remainder of the AMP period.
- **4M.10 – 4M.22 MCERTS (-£5.953m)** – we have had a slower start in this area than forecast.
- **The storm overflow lines (4M.25, 4M.28, 4M.31, 4M.34, 4M.37, 4M.43, 4M.46) showed a decrease of £68.153m compared to forecast** – this variance is primarily driven by timing differences between the phasing of expenditure submitted as part of the Final Determination and the delivery model these schemes are following, which require extensive investigation in the beginning of the AMP before we move into delivery (and therefore increased expenditure) later in the AMP.
- **4M.85 Microbiological treatment** – bathing waters, coastal and inland (WINEP/NEP) wastewater capex (-£4.505m) further investigations of the schemes that we forecast to be on this line have shown that some more appropriately sit within the Storm Overflow lines and expenditure has been moved to these lines.
- **4M.94 Investigations, other (WINEP/NEP) desk based studies only wastewater capex and 4M.100 Investigations, other (WINEP/NEP) multiple surveys and/or monitoring locations, and/or complex modelling wastewater capex (-£37.304m)** – this programme has started more slowly than forecast.
- **4M.138 Growth at sewage treatment works (excluding sludge treatment); enhancement capex (-5.730m)** – we have made a slow start to our AMP8 obligations which were forecast at £10.127m originally however this is offset in part by expenditure on schemes that began in AMP7 (£4.342m).
- **4M.165 Greenhouse gas reduction (net zero); enhancement wastewater capex (-£8.937m** – this programme has been a lot slower to get started than forecast.

The bioresources enhancement capital expenditure in the current report year totals £17.103m against a PR24 forecast of £44.781m.

This is mostly driven by: 4M.171 Industrial Emissions Directive; enhancement wastewater capex (-£26.844m).

Table 4N

Site-specific developer services expenditure services expenditure for the 12 months ended 31 March 2026 – Network Plus

	Units	DPs	Capex	Opex	Totex	RAG 4 reference
Water Network Plus						
New connections costs – water	£m	3	12.864	0.000	12.864	4N.1
Requisition mains costs – water	£m	3	7.119	0.000	7.119	4N.2
Asset payments costs – water	£m	3	0.000	0.000	0.000	4N.3
Other site-specific activities costs – water	£m	3	0.000	0.000	0.000	4N.4
Total site-specific developer services costs – water	£m	3	19.983	0.000	19.983	4N.5
Wastewater Network Plus						
New connections costs – wastewater	£m	3	0.006	0.000	0.006	4N.6
Requisition sewers costs – wastewater	£m	3	1.095	0.000	1.095	4N.7
Asset payments costs – wastewater	£m	3	0.000	0.000	0.000	4N.8
Other site-specific activities costs – wastewater	£m	3	0.000	0.000	0.000	4N.9
Total site-specific developer services costs – wastewater	£m	3	1.101	0.000	1.101	4N.10

Table 4N - Commentary

Opex commentary

Yorkshire Water developer services costs are of a capital nature therefore, no related opex.

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4N - Commentary

Capex Commentary

In-year Actual Expenditure (2025/2026 Price Base)

Water

Developer services expenditure associated with the wholesale water programme in the current report year total £20.0m, against an FD allowance of £18.3m.

- **4N.1 New connections costs** – water £12.9m– actual expenditure is £2.1m higher than our FD allowance of £10.8m as we received more connection requests than expected.
- **4N.2 Requisition mains costs** – water £7.1m – actual expenditure was £1.4m higher than our FD allowance of £5.8m as we had more requests than expected.
- **4N.3Asset payments costs** – water £0.0m – we had a FD allowance of £0.4m but this did not materialise.
- **4N.4 Other site-specific activities costs** – water £0.0m – we had a FD allowance of £1.3m for this line, but no expenditure in 2025/2026.

Wastewater

Developer services expenditure associated with the wholesale Wastewater programme in the current report year total £1.1m, against an FD allowance of £7.5m.

- **4N.6 New connections costs** – wastewater £0.0m, we did not have a FD allowance for this, but only minimal expenditure in year.
- **4N.7 Requisition sewers costs** – wastewater£1.1m, we had a FD allowance of £5.5m for this line, but had far fewer requests than expected.
- **4N.8 Asset payments costs** – wastewater – we do not have any expenditure or allowance for this line.
- **4N.9 Other site-specific activities costs** – wastewater £0.0m), we had a FD allowance of £2.0m for this line, but no expenditure in 2025/2026.

Comparison to Previous Year (2025/2026 Price Base)

Water

We had expenditure of £16.2m in the previous year, an increase of 23%. This was mainly due to an increase of roughly £6m on line 4N.1 New connections costs – water, as we received a lot more s45 connections this year than last, this is offset by a reduction on line 4N.2 Requisition mains costs – water of approximately £2m, as our requisitions were down compared to the previous year.

Wastewater

We had expenditure of £2.4m in the previous year, a decrease of 55%. This was mainly driven by two schemes nearing completion.

Comparison to PR24 Forecast (2022/2023 Price Base)

A total of £17.674m has been expended within the developer services water, this is above the PR24 forecast of £16.156m.

- **DS2e.3 & DS2e.5/4N.1 New connections costs** – water – actual expenditure is £1.9m higher than forecast as we received more connection requests than expected.
- **DS2e.4 & DS2e.7/4N.4 Other site-specific activities costs** – water – we forecast £1.2m for this line that did not materialise.

A total of £0.974m has been expended within the developer services wastewater, this is below the PR24 forecast of £6.650m.

- **DS3.4./4N.7 Requisition sewers costs** – wastewater, we forecast £4.892m for requisitions, however, we only had £0.968m of actual requests.
- **DS3.5/4N.9 Other site-specific activities costs** – wastewater, we forecast £1.758m for this line that did not materialise.

Table 40

Diversions expenditure for the 12 months ended 31 March 2026 – Network Plus

	Unit	DPs	Capex	Opex	Totex	RAG 4 reference
Water Network Plus						
s185 diversions costs – water	£m	3	0.201	0.000	0.201	4O.1
NRSWA diversions costs – water	£m	3	4.068	0.000	4.068	4O.2
Non-s185 diversions costs – water	£m	3	0.412	0.000	0.412	4O.3
Total diversions costs – water	£m	3	4.682	0.000	4.682	4O.4
Wastewater Network Plus						
s185 diversions costs – wastewater	£m	3	4.393	0.000	4.393	4O.5
NRSWA diversions costs – wastewater	£m	3	1.651	0.000	1.651	4O.6
Non-s185 diversions costs – wastewater	£m	3	0.802	0.000	0.802	4O.7
Total diversions costs – wastewater	£m	3	6.845	0.000	6.845	4O.8
Water Network Plus diversions type						
Raw water distribution and storage - share of diversions	%	2			0.05	4O.9
Treated water distribution – share of diversions	%	2			0.95	4O.10
Wastewater Network Plus diversions type						
Foul – share of diversions	%	2			0.48	4O.11
Surface water drainage – share of diversions	%	2			0.46	4O.12
Highway drainage – share of diversions	%	2			0.06	4O.13

Table 40 - Commentary

Opex commentary

Developer services costs are of a capital nature and minimise the requirements for opex costs. Yorkshire Water does not undertake the laying and construction of sewer connections, as it does not exercise powers under S107.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4O - Commentary

Capex Commentary

In-year Actual Expenditure (2025/2026 Price Base)

Water

Diversions expenditure associated with the wholesale water programme in the current report year total £4.7m, against an FD allowance of £4.2m.

- **4O.1 s185 diversions costs** – water £0.201m, we have had far fewer s185 diversions in year than our FD allowance of £2.4m.
- **4O.2 NRSWA diversions costs** – water £4.1m, we have had more NRSWA diversions in year than our FD allowance of £1.5m**.**
- **4O.3 Non-s185 diversions costs** – water £0.4m), this is slightly higher than our FD allowance of £0.3m**.**

Wastewater

Diversions expenditure associated with the wholesale Wastewater programme in the current report year total £6.8m, against an FD allowance of £2.8m.

- **4O.5 s185 diversions costs** – wastewater £4.4m, we have more s185 diversions than our FD allowance of £2.8m.
- **4O.6 NRSWA diversions costs** – wastewater £1.7m, we did not have a FD allowance for NRSWA diversions, however some have materialised.
- **4O.7 Non-s185 diversions costs** – wastewater £0.8m, we did not have a FD allowance for NRSWA diversions, however some have materialised.

Most of our diversions relate to the TransPennine Railway Upgrade, this encompasses multiple schemes and, depending on the location of the scheme and whether we are funding them due to wayleave agreements, are a mixture of s185, NRSWA and Non-s185 diversions.

Price Control Share

We have calculated this based on the price control of the various diversions schemes. We had a slight issue with the wastewater share as we have a Sewage Treatment diversion which does not split across Foul, Surface Water Drainage or Highway Drainage. We have put the expenditure and so subsequent share against Foul in the table.

Comparison to Previous Year (2025/2026 Price Base)

Water

We had expenditure of £4.9m in the previous year, a decrease of 5%. The majority of the change from last year was in line 4O.2 NRSWA diversions costs – water, where we had two large schemes that are slowing, this was offset by new schemes starting in 2025/2026.

Wastewater

We had expenditure of £2.7m in the previous year, an increase of 157%.

- **4O.5 s185 diversions costs** – wastewater – £2.5m more expenditure this year than last.
- **4O.6 NRSWA diversions costs** – wastewater – £0.90m more expenditure this year than last.
- **4O.7 Non-s185 diversions costs** – wastewater – (£0.51m) less expenditure this year than last.

Comparison to PR24 Forecast (2022/2023 Price Base)

A total of £4.141m has been expended within the diversions water programme, this is above the PR24 forecast of £3.677m.

- **CW11.23/4O.1 s185 diversions costs** – water, we have far fewer s185 diversions than forecast (-£1.92m).
- **CW11.24/4O.2 NRSWA diversions costs** – water, we have more NRSWA diversions than forecast (£2.27m).

A total of £6.054m has been expended within the diversions wastewater programme, this is above the PR24 forecast of £2.462m.

Table 4P

Infrastructure network reinforcement projects for the 2025-2030 period

						Network reinforcement expenditure						
Project name (projects over £5m must be reported)	Service (water or wastewater)	Project delivery date	Project id (if available)	Units	DPs	2024 -2025	2025 -2026	2026 -2027	2027 -2028	2028 -2029	2029 -2030	RAG 4 reference
West Harrogate Growth	Waste Water	31/03/2027		£m	3	0.075	1.323	8.919	2.583	0.346	0.000	4P.1
West Harrogate Growth	Waste Water	31/03/2027		£m	3							4P.2
West Harrogate Growth	Waste Water	31/03/2027		£m	3							4P.3
West Harrogate Growth	Waste Water	31/03/2027		£m	3							4P.4
Carlton to Cowick (Selby Growth)	Water	01/10/2027		£m	3	0.015	0.078	1.915	3.196	0.000	0.000	4P.5
North End SPS - Northallerton	Waste Water	TBC		£m	3	0.010	0.055	0.486	4.126	3.360	0.173	4P.6
North End SPS - Northallerton	Waste Water	TBC		£m	3							4P.7
North End SPS - Northallerton	Waste Water	TBC		£m	3							4P.8
North End SPS - Northallerton	Waste Water	TBC		£m	3							4P.9
Maltkiln	Waste Water	TBC		£m	3	0.025	0.345	0.455	1.614	2.593	0.945	4P.10
Maltkiln	Waste Water	TBC		£m	3							4P.11
Total				£m	3	0.125	1.801	11.775	11.520	6.299	1.119	

Key

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Table 4P - continued

Infrastructure network reinforcement projects for the 2025-30 period

			Network capacity increases delivered per project						
Units	Other unit (please fill in if "Other" is selected in the Units dropdown)	DPs	2024 -2025	2025 -2026	2026 -2027	2027 -2028	2028 -2029	2029 -2030	RAG 4 reference
Metres of new sewers	New Rising Main (m)	3		2,080.000					4P.1.1
Metres of new sewers	New Gravity Sewer (m)	3		2,400.000					4P.1.2
Other	Pass Forward Flow (l/s)	3		49.000					4P.1.3
Other	Storage Volume (m^3)	3		2,200.000					4P.1.4
Metres of new mains	New Main (m)	3			3,430.000				4P.2
Other	Storage Volume (m^3)	3				4,000.000			4P.3.1
Other	Pass Forward Flow (l/s)	3				17.000			4P.3.2
Metres of new sewers	New Rising Main (m)	3				3,500.000			4P.3.3
Other	Sewer Diversion (m)	3				200.000			4P.3.4
Metres of new sewers	New Gravity Sewer (m)	3					2,395.000		4P.4
Metres of new sewers	New Rising Main (m)	3					3,275.000		4P.5
Metres of new sewers	Storage Volume (m^3)	3					780.000		4P.6
Metres of new sewers		3							4P.7
Metres of new sewers		3							4P.8
Metres of new sewers		3							4P.9
Total			0.000	0.000	6,729.000	3,430.000	7,717.000	6,450.000	

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4P - continued

Infrastructure network reinforcement projects for the 2025-30 period

		Asset type and location of network capacity increases per year						
Units	DPs	2024 -2025	2025 -2026	2026 -2027	2027 -2028	2028 -2029	2029 -2030	RAG 4 reference
Rising Mains - Foul/West Harrogate				1.000				4P.1
Sewers - Foul/West Harrogate				1.000				4P.2
Sewage Pumping Stations/Spring Lane & New Harlow Hill				2.000				4P.3
Storage Shaft/Pannal & Fulwith Mill Farm				2.000				4P.4
Trunk Mains/Selby Ring Main					1.000			4P.5
Storage Shaft/Northallerton						1.000		4P.6
Sewage Pumping Stations/Northallerton						1.000		4P.7
Rising Main - Foul/Northallerton						1.000		4P.8
Sewers - Foul/Northallerton						1.000		4P.9

Table 4P - Commentary

In total we have reported £1.456m of capital expenditure for Network Reinforcement in the current reporting year on schemes forecasting greater than £5m across the AMP.

These schemes are:

- West Harrogate Growth (Wastewater).
- Carlton to Cowick (Selby Growth) (Water).
- North End SPS – Northallerton (Waste) Note - This project is still in early definition as such we do not have a definitive scope and completion requirements. We need further information from the developers to allow us to finish modelling.

Please note this does not reconcile exactly to Table 2K line 2 as that includes all network reinforcement schemes at outturn prices.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4Q

Developer services – new connections, properties and mains

Line description	Units	DPs	Water			Wastewater	RAG 4 reference
			Sites that require new mains	Sites that do not require new mains	Total sites		
Connections volume data							
New connections (residential – excluding NAVs)	nr	0	4713	1271	5984	4698	4Q.1
New connections (business – excluding NAVs)	nr	0	66	128	194	143	4Q.2
Total new connections served by incumbent	nr	0	4779	1399	6178	4841	4Q.3
New connections – SLPs	nr	0	3230	108	3338		4Q.4
Properties volumes – incumbents							
New properties (residential – excluding NAVs)	nr	0	5137	2422	7559	6858	4Q.5
New properties (business – excluding NAVs)	nr	0	598	462	1060	454	4Q.6
Total new properties served by incumbent	nr	0	5735	2884	8619	7312	4Q.7
New properties – SLP connections	nr	0	3349	113	3462		4Q.8
Properties volumes – NAVs							
New residential properties served by NAVs	nr	0	7373	0	7373	4717	4Q.9
New business properties served by NAVs	nr	0	5	0	5	4	4Q.10
Total new properties served by NAVs	nr	0	7378	0	7378	4721	4Q.11
Properties volumes – Total							
Total new properties	nr	0	13113	2884	15997	12033	4Q.12
New sites							
Number of development sites	nr	0	640	794	1434		4Q.13
New water mains – length							
Length of new mains (km) – requisitions	nr	0	13				4Q.14
Length of new mains (km) – SLPs	nr	0	32				4Q.15
Environmental incentives							
New connections claiming Environmental Incentives	nr	0			0	0	4Q.16

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4Q - Commentary

In 2025/2026, developer services activity reduced compared to the previous year, reflecting lower development activity across the region. Delivery continues to be shared between the incumbent, self-lay providers and new appointment providers, demonstrating a competitive market.

Connections volumes

Total connections delivered by the incumbent were 6,178 for water and 4,841 for wastewater, both down on the previous year. Residential connections remain the dominant component, with business connections forming a small proportion. Self-lay providers delivered 3,338 connections, continuing to represent a significant share of delivery.

Properties volumes – incumbent

Incumbent-served properties totalled 8,619 for water and 7,312 for wastewater. Residential properties accounted for the majority of this activity. Properties served remain higher than connection volumes, reflecting multi-property developments.

Properties volumes – NAVs

Properties served by NAVs increased to 7,378 for water and 4,721 for wastewater, driven almost entirely by residential development. This represents an increased share of overall activity compared to the previous year.

Total properties

Total properties were 15,997 for water and 12,033 for wastewater, indicating a reduction in development activity overall, alongside a change in delivery mix.

Development sites and mains

There were 1,434 development sites, with a mix of sites requiring and not requiring new mains. New mains installation reduced to 13km for requisitions and 32km for self-lay providers. Self-lay providers continue to deliver the majority of new mains infrastructure.

Overall, the data shows a reduction in development activity, alongside continued participation from both self-lay providers and NAVs. The delivery model remains competitive, with an increasing share of activity undertaken by NAVs and a strong role for self-lay providers in infrastructure delivery.

Table 4R

Connected properties, customers and population

Line description	Units	DPs	Unmeasured	Measured	Total	Voids	RAG 4 reference
Customer numbers – average during the year							
Residential water only customers	000s	3	48.084	67.544	115.628	4.518	4R.1
Residential wastewater only customers	000s	3	54.663	80.328	134.991	4.003	4R.2
Residential water and wastewater customers	000s	3	751.915	1314.946	2066.861	81.472	4R.3
Total residential customers	000s	3	854.662	1462.818	2317.480	89.993	4R.4
Business water only customers	000s	3	0.889	22.486	23.375	3.163	4R.5
Business wastewater only customers	000s	3	1.916	3.853	5.769	1.491	4R.6
Business water & wastewater customers	000s	3	12.905	79.950	92.855	19.319	4R.7
Total business customers	000s	3	15.710	106.289	121.999	23.973	4R.8
Total customers	000s	3	870.372	1569.107	2439.479	113.966	4R.9

			Water			Wastewater			
Line description	Units	DPs	Un-measured	Measured	Total	Un-measured	Measured	Total	RAG 4 reference
Property numbers – average during the year									
Residential properties billed	000s	3	799.999	1382.490	2182.489	806.578	1395.274	2201.852	4R.10
Residential void properties	000s	3			85.990			85.475	4R.11
Total connected residential properties	000s	3			2268.479			2287.327	4R.12
Business properties billed	000s	3	13.794	102.437	116.231	14.820	83.803	98.623	4R.13
Business void properties	000s	3			22.482			20.810	4R.14
Total connected business properties	000s	3			138.713			119.433	4R.15
Total connected properties	000s	3			2407.192			2406.760	4R.16

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4R – continued

Connected properties, customers and population

			Water													
			Unmeasured					Measured					Unbilled			
Line description	Units	DPs	No meter	Basic meter	AMR meter	AMI meter	Total	No meter	Basic meter	AMR meter	AMI meter	Total	Un-economic to bill	Other	Total	Total	RAG 4 reference
Property and meter numbers – at end of year (31 March)																	
Total new residential properties connected in year	000s	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.863	6.535	8.398				8.398	4R.17
Total number of new business properties connections	000s	3	0.041	0.000	0.001	0.000	0.042	0.000	0.015	0.074	0.072	0.161				0.203	4R.18
Residential properties billed at year end	000s	3	783.219	1.535	2.986	0.000	787.740	0.000	126.996	987.640	285.574	1400.210				2187.950	4R.19
Residential properties unbilled at year end	000s	3											0.000	0.000	0.000	0.000	4R.20
Residential void properties at year end	000s	3					40.331					44.244				84.575	4R.21
Total connected residential properties at year end	000s	3					828.071					1444.454				2272.525	4R.22
Business properties billed at year end	000s	3	13.391	0.135	0.076	0.006	13.608	0.019	35.071	55.229	11.636	101.955				115.563	4R.23
Business properties unbilled at year end	000s	3											0.000	0.221	0.221	0.221	4R.24
Business void properties at year end	000s	3					4.810					18.225				23.035	4R.25
Total connected business properties at year end	000s	3					18.418					120.180				138.819	4R.26
Total connected properties at year end	000s	3					846.489					1564.634				2411.344	4R.27

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4R – continued

Connected properties, customers and population

Line description	Units	DPs	Water	Wastewater	RAG 4 reference
Population data					
Resident population	000s	3	5612.433	5660.169	4R.28
Non-resident population (wastewater)	000s	3		132.634	4R.29

			Water			
Line description	Units	DPs	Resident population	Non-resident population	Total	RAG 4 reference
Household population data						
Household population	000s	3	5513.725	0.000	5513.725	4R.30
Household measured population (water only)	000s	3	3311.812	0.000	3311.812	4R.31
Household unmeasured population (water only)	000s	3	2201.914	0.000	2201.914	4R.32

Table 4R - Commentary

In 2025/2026, our customer base and connected properties remained stable overall, with modest growth in total customers and population. The data shows a predominantly residential customer base, ongoing progress in metering, and a largely stable property and population footprint.

Customer numbers

Total customers increased slightly to around 2.44m. Residential customers continue to make up the majority of the base, at around 95%, with business customers representing a small proportion. Measured customers have increased, while unmeasured customers have reduced, reflecting progress in meter rollout.

Property numbers

Total connected properties remain stable at around 2.41m. Residential properties make up the majority of the portfolio. Void property levels are broadly unchanged compared to the previous year, indicating stable occupancy patterns.

Metering position

The metering profile continues to show a mix of unmeasured and measured properties, including basic, automated and smart metering technologies. Measured properties represent a growing proportion of the overall base.

Population

Resident population increased slightly to around 5.6m. Household population remains broadly stable, with a mix of measured and unmeasured households reflecting the current metering position.

Overall narrative

Overall, the data reflects a stable and gradually growing customer base, with continued progress in metering and consistent property and population levels. The region remains predominantly residential, with gradual improvements in measurement and data quality.

Table 4V

Mark-to-market of financial derivatives analysed based on payment dates

			Derivatives – Analysed by earliest payment date				Derivatives – Analysed by expected maturity date				
Line description	Units	DPs	Net settled	Gross Settled outflows	Gross Settled inflows	Total	Net settled	Gross Settled outflows	Gross Settled inflows	Total	RAG 4 reference
Due within one year	£m	3	-4.201	0.000	0.000	-4.201	-4.201	0.000	0.000	-4.201	4V.1
Between one and two years	£m	3	133.518	0.000	0.000	133.518	133.518	0.000	0.000	133.518	4V.2
Between two and three years	£m	3	0.215	0.000	0.000	0.215	0.215	0.000	0.000	0.215	4V.3
Between three and four years	£m	3	10.382	45.256	-29.440	26.199	10.382	45.256	-29.440	26.199	4V.4
Between four and five years	£m	3	10.547	0.000	0.000	10.547	10.547	0.000	0.000	10.547	4V.5
After five years	£m	3	1,306.702	37.535	-28.898	1,315.339	1,306.702	37.535	-28.898	1,315.339	4V.6
Total	£m	3	1,457.163	82.791	-58.338	1,481.616	1,457.163	82.791	-58.338	1,481.616	4V.7

Table 4V - Commentary

Financial derivatives

Table 4V provides an analysis of the mark-to-market of Yorkshire Water's portfolio of financial derivatives analysed by payment date.

Yorkshire Water has swaps with a total nominal value of £269.1m that include Mandatory Break clauses in their terms. It is prudently assumed in Table 4V, consistent with Table 4I, that swaps will mature on their Mandatory Break date. In addition, Yorkshire Water is able to exercise open-ended American style early maturity options on a number of derivatives. It is assumed in both the analysis of derivatives by earliest repayment date and expected maturity date that these options will not be exercised. This results in the analysis of derivatives by earliest payment date and expected maturity date being identical.

Out-of-the-money positions are presented as positive, in-the-money positions are presented as negative.

Table 4V line notes

4V.2: Index Linked Swaps with mandatory breaks in 2028 (notional £110.2m) are included in both Table 4I and 4V as being due within 1 to 2 years (i.e. prudently assumed that maturity is on the break dates). For consistency, it is assumed in Table 4V that the earliest payment date of these swaps is the same as the expected maturity date (i.e. in both cases between 1 and 2 years being the mandatory break date).

4V.5: Index Linked Swaps with mandatory breaks in 2030 (notional £117.5m) are included in Table 4I as being due with 2 to 5 years (i.e. Prudently assumed that maturity is on the break dates). For consistency, it is assumed in Table 4V that the earliest payment date of these swaps is the same as the expected maturity date (i.e. in both cases between 4 and 5 years being the mandatory break date).

Key

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Table 4W

Defined Benefit Pension Scheme – additional information

			Defined benefit pension schemes			
Line description	**Units**	**DPs**	**Pension scheme 1**	**Pension scheme 2**	**Pension scheme 3**	**RAG 4 reference**
Scheme details						
Scheme name	Text	n/a	Kelda Group Pension Plan (KGPP)			4W.1
Scheme status	Text	n/a	Closed to new members - Yes Closed to the accrual of future defined benefits - Yes			4W.2
Scheme valuation under IAS/IFRS/FRS						
Scheme assets	£m	3	916.700			4W.3
Scheme liabilities	£m	3	821.300			4W.4
Scheme surplus/(deficit) Total	£m	3	95.400	0.000	0.000	4W.5
Scheme surplus/(deficit) Appointed business	£m	3	Nil - see notes			4W.6
Pension deficit recovery payments	£m	3	0.000			4W.7
Scheme valuation under part 3 of Pensions Act 2004						
Scheme funding valuation date	Date	n/a	31/03/2024			4W.8
Assets	£m	3	1,039.000			4W.9
Technical Provisions	£m	3	1,024.000			4W.10
Scheme surplus/(deficit)	£m	3	15.000	0.000	0.000	4W.11
Discount rate assumptions	Text	n/a	Pre-retirement: Based on fixed interest forward rate gilt yield curve + 0.6% p.a. Post-retirement: Based on fixed interest forward rate gilt yield curve + 0.6% p.a.			4W.12
Recovery plan (where applicable)						
Recovery Plan Structure	Text	n/a	n/a for this valuation period			4W.13
Recovery plan end date	Date	n/a	n/a for this valuation period			4W.14
Asset Backed Funding (ABF) arrangements	Text	n/a	n/a for this valuation period			4W.15
Responsibility for ABF arrangements	Text	n/a	n/a for this valuation period			4W.16

Key

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Table 4W - Commentary

Technical notes

Figures shown in 4W.3-7 relate to the overall group defined benefit pension scheme which sits outside the regulated entity in Kelda Group Ltd. The regulated entity, Yorkshire Water Services Ltd (YWS), is a participating member of this scheme. Therefore 4W.5 and 4W.11 do not tie back to **Table 1C** figures as per the RAG instructions, as the 1C figures for YWS are £nil. Figures split into non-appointed and appointed businesses are not available, and figures shown are for the entire Kelda group.

The KGPP scheme (4W.2) closed to the future build-up of benefits at the end of 31 March 2024.

4W.8: date relates to the latest triennial funding valuation, completed as at 31 March 2024 and agreed on 18 October 2024. The scheme funding report was dated November 2024. 4W.8-4W.12 relate to this valuation.

Per the scheme funding report as at 31 March 2024 (latest triennial valuation), the net surplus is £14m. Figures in 4W.11 show £15m due to rounding.



Table 4Z

Household bill reduction schemes, debt and Guaranteed Standards Scheme (GSS) payments

Due to the size of the data table, we have published Table 4Z separately on our website here: yorkshirewater.com/about-us/reports

Table 4Z - Commentary

In 2025/2026, we continued to provide a wide range of support to household customers, including bill reduction schemes, repayment support and compensation payments. This reflects our ongoing focus on affordability, vulnerability and fair treatment of customers.

Household bill reduction schemes

A range of schemes were delivered to support customers in financial difficulty, including discretionary affordability schemes, breathing space arrangements and home efficiency support. These schemes supported thousands of households and demonstrate targeted support aligned to customer need.

Debt and repayment activity

Many customers continue to require support with managing debt. Repayment arrangements remain widely used, with a large number of households making payments either part-year or full-year. This reflects active engagement with customers to manage arrears sustainably.

Temporary support

Temporary payment support, including payment suspensions and breathing space arrangements, provided short-term relief to customers experiencing financial difficulty.

Debt collection and recovery

External collection agencies continue to be used alongside internal processes to recover debt. The approach remains proportionate, with limited use of more severe recovery measures and no debt sale during the year.

Payment matching schemes

Matched payment schemes continue to support thousands of customers, encouraging repayment while reducing overall debt balances.

Legal activity

Legal actions such as county court claims and judgements are used where necessary, representing a targeted response when other engagement approaches have not been successful.

GSS and compensation payments

Customers received compensation where service standards were not met. Payments were made for a range of events including missed appointments, service interruptions and complaint handling failures, ensuring customers are treated fairly.

Priority Services Register

We continue to support a significant number of vulnerable customers through our Priority Services Register, maintaining regular contact and providing tailored assistance.

Overall narrative

Overall, the data demonstrates a balanced approach to affordability and debt management. We continue to support customers through a wide range of schemes, manage debt responsibly and ensure compensation is provided where required.

Table 4AA

Third-party services water expenditure for the 12 months ended 31 March 2026

Line description	Units	DPs	Water Network Plus: Water resources	Water Network Plus: Raw water distribution and storage	Water Network Plus: Water treatment	Water Network Plus: Treated water distribution	Water Network Plus: Additional water control	Water Network Plus: Total	RAG 4 reference
Third-party services – opex (price control)									
Non potable water (which are not bulk supplies) opex	£m	3	0.000	0.000	0.000		0.000	0.000	4AA.1
Rechargeable opex – Fluoridation	£m	3			0.000		0.000	0.000	4AA.2
Rechargeable opex – Fire hydrant install & repair	£m	3				0.395	0.000	0.395	4AA.3
Rechargeable opex – third party damage	£m	3	0.000	0.000		0.189	0.000	0.189	4AA.4
Rechargeable opex – build over	£m	3	0.000	0.000		0.000	0.000	0.000	4AA.5
Other rechargeable opex	£m	3	0.000	0.000	0.000	0.856	0.000	0.856	4AA.6
Total third party opex (price control)	£m	3	0.000	0.000	0.000	1.441	0.000	1.441	4AA.7
Third-party services – capex (price control)									
Non potable water (which are not bulk supplies) capex	£m	3	0.000	0.000	0.000		0.000	0.000	4AA.8
Rechargeable capex – Fluoridation	£m	3			0.000		0.000	0.000	4AA.9
Rechargeable capex – Fire hydrant install & repair	£m	3				0.000	0.000	0.000	4AA.10
Rechargeable capex – third party damage	£m	3	0.000	0.000		0.000	0.000	0.000	4AA.11
Rechargeable capex – build over	£m	3	0.000	0.000		0.000	0.000	0.000	4AA.12
Other rechargeable capex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4AA.13
Total third party capex (price control)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4AA.14
Third-party services – opex (non-price control)									
Bulk supplies opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4AA.15
Reservoir operating agreements opex	£m	3	0.000					0.000	4AA.16
Other excluded charge opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4AA.17
Total third party costs opex (non-price control)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4AA.18

Key

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Table 4AA - continued

Third-party services water expenditure for the 12 months ended 31 March 2026

Line description	Units	DPs	Water resources	Water Network Plus: Raw water distribution and storage	Water Network Plus: Water treatment	Water Network Plus: Treated water distribution	Water Network Plus: Additional water control	Water Network Plus: Total	RAG 4 reference
Third-party services – capex (non-price control)									
Bulk supplies capex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4AA.19
Reservoir operating agreements capex	£m	3	0.000					0.000	4AA.20
Other excluded charge capex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4AA.21
Total third party costs capex (non-price control)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	4AA.22
Third-party services – totex									
Total third-party services totex	£m	3	0.000	0.000	0.000	1.441	0.000	1.441	4AA.23

Table 4AA - Commentary

Capex Commentary

Table 4AA - Water Third-Party Capex

Actual In-Year Expenditure (2025/2026 Price Base)

We have £0.0m third-party expenditure in the current year.

Comparison to Previous Year (2025/2026 Price Base)

We had £0.0m third-party expenditure in the previous year.

Key

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Table 4AB

Third-party services wastewater expenditure for the 12 months ended 31 March 2026

			Wastewater Network Plus				Bioresources					
Line description	Units	DPs	Foul	Surface water drainage	Highway drainage	Sewage and sludge liquor - treatment and disposal	Sludge transport	Sludge treatment	Sludge disposal	Additional wastewater control	Total	RAG 4 reference
Third-party services – opex (price control)												
Rechargeable opex – third party damage	£m	3	0.000	0.000	0.000					0.000	0.000	4AB.1
Rechargeable opex – build over	£m	3	0.000	0.000	0.000					0.000	0.000	4AB.2
Other rechargeable opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4AB.3
Total third party opex (price control)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4AB.4
Third-party services – capex (price control)												
Rechargeable capex - third party damage	£m	3	0.000	0.000	0.000					0.000	0.000	4AB.5
Rechargeable capex – build over	£m	3	0.000	0.000	0.000					0.000	0.000	4AB.6
Other rechargeable capex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4AB.7
Total third party capex (price control)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4AB.8
Third-party services – opex (non-price control)												
Bulk supplies opex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4AB.9
Other excluded charge opex	£m	3	0.100	0.037	0.012	0.000	0.000	0.000	0.000	0.000	0.150	4AB.10
Total third party costs opex (non-price control)	£m	3	0.100	0.037	0.012	0.000	0.000	0.000	0.000	0.000	0.150	4AB.11
Third-party services – capex (non-price control)												
Bulk supplies capex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4AB.12
Other excluded charge capex	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4AB.13
Total third party costs capex (non-price control)	£m	3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4AB.14
Third-party services – totex												
Total third-party services totex	£m	3	0.100	0.037	0.012	0.000	0.000	0.000	0.000	0.000	0.150	4AB.15

Key

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Table 4AB - Commentary

Capex Commentary
Actual In-Year Expenditure (2025/2026 Price Base)

We have £0.0m third-party expenditure in the current year.

Comparison to Previous Year (2025/2026 Price Base)

We had £0.0m third-party expenditure in the previous year.

Table 4AC

Base expenditure analysis for the 12 months ended 31 March 2026 – water asset refurbishment and replacement

	Units	DPs	Total	RAG 4 reference
Expenditure				
Service reservoir asset renewals				
Asset replacements – expensed	£m	3	0.000	4AC.1
Asset refurbishment – expensed	£m	3	0.000	4AC.2
Asset renewals – expensed	£m	3	0.000	4AC.3
Asset replacements – capitalised	£m	3	0.818	4AC.4
Asset refurbishment – capitalised	£m	3	1.833	4AC.5
Asset renewals – capitalised	£m	3	2.651	4AC.6
Water tower asset renewals				
Asset replacements – expensed	£m	3	0.000	4AC.7
Asset refurbishment – expensed	£m	3	0.000	4AC.8
Asset renewals – expensed	£m	3	0.000	4AC.9
Asset replacements – capitalised	£m	3	0.000	4AC.10
Asset refurbishment – capitalised	£m	3	0.000	4AC.11
Asset renewals – capitalised	£m	3	0.000	4AC.12
Other network storage asset renewals				
Asset replacements – expensed	£m	3	0.000	4AC.13
Asset refurbishment – expensed	£m	3	0.000	4AC.14
Asset renewals – expensed	£m	3	0.000	4AC.15
Asset replacements – capitalised	£m	3	0.035	4AC.16
Asset refurbishment – capitalised	£m	3	0.208	4AC.17
Asset renewals – capitalised	£m	3	0.243	4AC.18
Boreholes asset renewals				
Asset replacements – expensed	£m	3	0.000	4AC.19
Asset refurbishment – expensed	£m	3	0.000	4AC.20
Asset renewals – expensed	£m	3	0.000	4AC.21
Asset replacements – capitalised	£m	3	3.178	4AC.22
Asset refurbishment – capitalised	£m	3	0.108	4AC.23
Asset renewals – capitalised	£m	3	3.286	4AC.24
RGFs asset renewals				
Asset replacements – expensed	£m	3	0.000	4AC.25
Asset refurbishment – expensed	£m	3	0.000	4AC.26
Asset renewals – expensed	£m	3	0.000	4AC.27
Asset replacements – capitalised	£m	3	0.000	4AC.28
Asset refurbishment – capitalised	£m	3	4.452	4AC.29
Asset renewals – capitalised	£m	3	4.452	4AC.30
Water mains asset renewals				
Asset replacements – expensed	£m	3	0.000	4AC.31
Asset refurbishment – expensed	£m	3	0.000	4AC.32
Asset renewals – expensed	£m	3	0.000	4AC.33
Asset replacements – capitalised	£m	3	74.765	4AC.34
Asset refurbishment – capitalised	£m	3	0.016	4AC.35
Asset renewals – capitalised	£m	3	74.780	4AC.36

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4AC – continued

Base expenditure analysis for the 12 months ended 31 March 2026 – water asset refurbishment and replacement

	Units	DPs	Total	RAG 4 reference
Workload				
Service reservoir asset renewals				
Asset replacements	nr	1	0	4AC.37
Asset refurbishment	nr	1	1	4AC.38
Water tower asset renewals				
Asset replacements	nr	1	0	4AC.39
Asset refurbishment	nr	1	0	4AC.40
Other network storage asset renewals				
Asset replacements	nr	1	0	4AC.41
Asset refurbishment	nr	1	1	4AC.42
Boreholes asset renewals				
Asset replacements	nr	1	0	4AC.43
Asset refurbishment	nr	1	1	4AC.44
RGFs asset renewals				
Asset replacements	nr	1	0	4AC.45
Asset refurbishment	nr	1	6	4AC.46

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4AC - Commentary

Capex Commentary

When we have calculated the data for this table we have made certain assumptions and exclusions.

Assumptions:

- If the mains renewal was delivered as part of a diversions scheme we have calculated the cost based on average unit cost.
- We have included expenditure on schemes that had beneficial completion in previous years as this was actual in-year expenditure, so reconciles back to 4D/4J.

Exclusions:

- If data was previously assessed as Other based on WL&E query we exclude it from the current data.
- If data was previously assessed as Repair based on WL&E query we exclude it from the current data.

Service Reservoirs

In-year Actual Expenditure (2025/2026 Price Base)

We had expenditure of £0.818m on replacements (£0.003m on schemes that had beneficial completion in previous years) and £1.833m on refurbishment (£0.008m on schemes that had beneficial completion in previous years.

In-year Actual Workload

We completed 0 replacements and 1 refurbishment in 2025/2026. This was a tank inspection scheme.

Comparison to Previous Year - Expenditure

This is a new table for AMP8 therefore we cannot compare to a previous year.

Comparison to Previous Year - Workload

This is a new table for AMP8 therefore we cannot compare to a previous year.

Water Towers

In-year Actual Expenditure (2025/2026 Price Base)

We had no expenditure on this asset in 2025/2026.

In-year Actual Workload

We did not complete any work on this asset type.

Comparison to Previous Year - Expenditure

This is a new table for AMP8 therefore we cannot compare to a previous year.

Comparison to Previous Year - Workload

This is a new table for AMP8 therefore we cannot compare to a previous year.

Other Network Storage Assets

In-year Actual Expenditure (2025/2026 Price Base)

We had expenditure of £0.035m on replacements (£0.035m on schemes that had beneficial completion in previous years) and £0.208m on refurbishment. This was work on contact tanks.

In-year Actual Workload

We completed 0 replacements and 1 refurbishment in 2025/2026. This was at Headingley Water Treatment Works.

Comparison to Previous Year - Expenditure

This is a new table for AMP8 therefore we cannot compare to a previous year.

Comparison to Previous Year - Workload

This is a new table for AMP8 therefore we cannot compare to a previous year.

Table 4AC - Commentary

Boreholes

In-year Actual Expenditure (2025/2026 Price Base)

We had expenditure of £3.178m on replacements and £0.108m (£0.001m on schemes that had beneficial completion in previous years) on refurbishment.

In-year Actual Workload

We completed 0 replacements and 1 refurbishment in 2025/2026. This was at Cayton Carr Lane WTW Borehole.

Comparison to Previous Year - Expenditure

This is a new table for AMP8 therefore we cannot compare to a previous year.

Comparison to Previous Year - Workload

This is a new table for AMP8 therefore we cannot compare to a previous year.

Rapid Gravity Filters

In-year Actual Expenditure (2025/2026 Price Base)

We had expenditure of £0.000m on replacements and £4.452m on refurbishment (£0.002m on schemes that had beneficial completion in previous years).

In-year Actual Workload

We completed 0 replacements and 6 refurbishments in 2025/2026. Most of this work was at our Loftsome Bridge WTW with one scheme at Chellow WTW.

Comparison to Previous Year - Expenditure

This is a new table for AMP8 therefore we cannot compare to a previous year.

Comparison to Previous Year - Workload

This is a new table for AMP8 therefore we cannot compare to a previous year.

Water Mains

In-year Actual Expenditure (2025/2026 Price Base)

We had expenditure of £74.765m on replacements and £0.016m on refurbishment. This was all on the schemes reported in Table 6C lines 1 to 3.

Table 4AD

Base expenditure analysis for the 12 months ended 31 March 2026 – wastewater asset refurbishment and replacement

	Units	DPs	Total	RAG 4 reference
Expenditure				
Settlement tanks asset renewals				
Asset replacements – expensed	£m	3	0.000	4AD.1
Asset refurbishment – expensed	£m	3	0.000	4AD.2
Asset renewals – expensed	£m	3	0.000	4AD.3
Asset replacements – capitalised	£m	3	0.000	4AD.4
Asset refurbishment – capitalised	£m	3	0.208	4AD.5
Asset renewals – capitalised	£m	3	0.208	4AD.6
Activated sludge plants asset renewals				
Asset replacements – expensed	£m	3	0.000	4AD.7
Asset refurbishment – expensed	£m	3	0.000	4AD.8
Asset renewals – expensed	£m	3	0.000	4AD.9
Asset replacements – capitalised	£m	3	0.140	4AD.10
Asset refurbishment – capitalised	£m	3	6.675	4AD.11
Asset renewals – capitalised	£m	3	6.815	4AD.12
Trickle filters asset renewals				
Asset replacements – expensed	£m	3	0.000	4AD.13
Asset refurbishment – expensed	£m	3	0.000	4AD.14
Asset renewals – expensed	£m	3	0.000	4AD.15
Asset replacements – capitalised	£m	3	0.350	4AD.16
Asset refurbishment – capitalised	£m	3	0.139	4AD.17
Asset renewals – capitalised	£m	3	0.489	4AD.18
Gravity sewers asset renewals				
Asset refurbishment – expensed	£m	3	0.000	4AC.19
Asset refurbishment – capitalised	£m	3	43.867	4AD.20
Sewage pumping mains asset renewals				
Asset refurbishment – expensed	£m	3	0.000	4AD.21
Asset refurbishment – capitalised	£m	3	7.675	4AD.22

	Units	DPs	Total	RAG 4 reference
Workload				
Service reservoir asset renewals				
Asset replacements	nr	1	0	4AD.23
Asset refurbishment	nr	1	0	4AD.24
Activated sludge plants asset renewals				
Asset replacements	nr	1	0	4AD.25
Asset refurbishment	nr	1	1	4AD.26
Trickle filters asset renewals				
Asset replacements	nr	1	0	4AD.27
Asset refurbishment	nr	1	1	4AD.28

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 4AD - Commentary

Capex Commentary

When we have calculated the data for this table we have made certain assumptions and exclusions.

Assumptions:

- We have applied cost splits on block schemes that were delivering multiple assets.
- We have included expenditure on schemes that delivered their outputs in previous years as this was actual in-year expenditure, so reconciles back to 4E/4K.

Exclusions:

- If data was previously assessed as Other based on WL&E query we exclude it from the current data.
- If data was previously assessed as Repair based on WL&E query we exclude it from the current data.
- For Gravity Sewers there were some schemes reporting negative lengths in Table 7C line 14, these were truing up lengths reported previously. As no actual lengths were delivered on these schemes in the reporting period we have excluded the expenditure on these schemes.

Settlement Tanks

In-year Actual Expenditure (2025/2026 Price Base)

We had expenditure of £0.000m on replacements and £0.208m on refurbishment.

In-year Actual Workload

We did not complete any work on settlement tanks in the year.

Comparison to Previous Year - Expenditure

This is a new table for AMP8 therefore we cannot compare to a previous year.

Comparison to Previous Year - Workload

This is a new table for AMP8 therefore we cannot compare to a previous year.

Activated Sludge Plants

In-year Actual Expenditure (2025/2026 Price Base)

We had expenditure of £0.140m on replacements (this was all on schemes that had beneficial completion in previous years) and £6.675m on refurbishment.

In-year Actual Workload

We completed 0 replacements and 1 refurbishment in 2025/2026. This was a high value scheme at Worsbrough STW.

Comparison to Previous Year - Expenditure

This is a new table for AMP8 therefore we cannot compare to a previous year.

Comparison to Previous Year - Workload

This is a new table for AMP8 therefore we cannot compare to a previous year.

Trickle Filters

In-year Actual Expenditure (2025/2026 Price Base)

We had expenditure of £0.350m on replacements and £0.139m on refurbishment.

In-year Actual Workload

We completed 0 replacements and 1 refurbishment in 2025/2026. This was an emergency scheme at Maunby.

Comparison to Previous Year - Expenditure

This is a new table for AMP8 therefore we cannot compare to a previous year.

Comparison to Previous Year - Workload

This is a new table for AMP8 therefore we cannot compare to a previous year.

Table 4AD - Commentary

Gravity Sewers

In-year Actual Expenditure (2025/2026 Price Base)

We had expenditure of £43.867m on refurbishment. This was largely in our block schemes. This was all on the schemes reported in Table 7C line 14.

Comparison to Previous Year - Expenditure

This is a new table for AMP8 therefore we cannot compare to a previous year.

Sewage Pumping Mains (Rising Mains)

In-year Actual Expenditure (2025/2026 Price Base)

We had expenditure of £7.675m on refurbishment. This was all on the schemes reported in Table 7C line 15.



Table 5: Additional regulatory information – water resources

Introduction

The information in this section details 'Additional regulatory information' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following table:

Pro forma 5A Water resources asset and volumes data for the 12 months ended 31 March 2026

Table 5A

Water resources asset and volumes data for the 12 months ended 31 March 2026

Line description	Units	DPs	Input	RAG 4 reference
Water resources				
Water from impounding reservoirs	Ml/d	2	550.26	5A.1
Water from pumped storage reservoirs	Ml/d	2	7.46	5A.2
Water from river abstractions	Ml/d	2	537.24	5A.3
Water from groundwater works,excluding managed aquifer recharge (MAR) water supply schemes	Ml/d	2	264.00	5A.4
Water from artificial recharge (AR) water supply schemes	Ml/d	2	0.00	5A.5
Water from aquifer storage and recovery (ASR) water supply schemes	Ml/d	2	0.00	5A.6
Water from saline abstractions	Ml/d	2	0.00	5A.7
Water from water reuse schemes	Ml/d	2	0.00	5A.8
Number of impounding reservoirs	nr	0	42	5A.9
Number of pumped storage reservoirs	nr	0	4	5A.10
Number of river abstractions	nr	0	16	5A.11
Number of groundwater works excluding managed aquifer recharge (MAR) water supply schemes	nr	0	41	5A.12
Number of artificial recharge (AR) water supply schemes	nr	0	0	5A.13
Number of aquifer storage and recovery (ASR) water supply schemes	nr	0	0	5A.14
Number of saline abstraction schemes	nr	0	0	5A.15
Number of reuse schemes	nr	0	0	5A.16
Total number of sources	nr	0	103	5A.17
Total number of water reservoirs	nr	0	116	5A.18
Total volumetric capacity of water reservoirs	Ml	0	185196	5A.19
Total number of intake and source pumping stations	nr	0	80	5A.20
Total installed power capacity of intake and source pumping stations	kW	0	12493	5A.21
Total length of raw water abstraction mains and other conveyors	km	2	56.60	5A.22
Average pumping head – raw water abstraction	m.hd	2	12.23	5A.23
Energy consumption – water resources (MWh)	MWh	3	62,810.601	5A.24
Total number of raw water abstraction imports	nr	0	1	5A.25
Water imported from 3rd parties to raw water abstraction systems	Ml/d	2	2.37	5A.26
Total number of raw water abstraction exports	nr	0	0	5A.27
Water exported to 3rd parties from raw water abstraction systems	Ml/d	2	0.00	5A.28
Water resources capacity (measured using water resources yield)	Ml/d	2	1545.59	5A.29
Total number of completed investigations (WINEP/NEP), cumulative for AMP	nr	0	1	5A.30
Additional average pumping head data – raw water abstraction				
Percentage of APH derived from measured data – raw water abstraction	%	2	100.00	5A.31
Percentage of sites with measured volumes and/or lift – raw water abstraction	%	2	100.00	5A.32

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 5A - Commentary

Overall, the Data Table reflects how we have actively managed our water resources during a period of drought, using different sources to maintain a reliable supply for customers. The below commentary explains material year-on-year movements.

5A.1 Water from impounding reservoirs

Water supplied from impounding reservoirs decreased from 612.82 Ml/d to 550.26 Ml/d (-10.2%).

This reflects how we managed our water resources during a year of very dry weather periods. With lower reservoir storage levels, we reduced our reliance on these sources and instead made greater use of river abstractions where conditions allowed.

This flexible approach helps us maintain a reliable supply of water to customers while protecting our longer-term water resources.

5A.3 Water from river abstractions

Water abstracted from rivers increased from 464.75 Ml/d to 537.24 Ml/d (+15.6%).

This increase reflects the way we balanced our water sources during the year, making greater use of river abstractions to support supply. This was particularly important during periods of drought, when we needed to carefully manage reservoir levels.

Using a range of sources in this way helps us maintain resilience and ensures we can continue to provide water to customers when it is needed most.

5A.23 Average pumping head (APH) – raw water abstraction

Average pumping head increased from 10.96 m to 12.23 m (+11.6%).

This increase reflects the changes in how we sourced water during the year. A greater proportion of water was taken from sources that require water to be lifted over longer distances or to higher elevations. This is a normal variation in operations and reflects how we adapt our network to changing conditions.

5A.31 & 5A.32 (new data items for 2025/2026) shows 100% of our APH raw water abstraction is delivered from 100% measured data and volumes.

5A.24 Energy consumption – water resources

Reported energy consumption increased from 56,829 MWh to 62,811 MWh (+10%).

Energy consumption associated with our water resources reflects the activity needed to collect, move and treat raw water so it can be supplied to customers.

During the year, energy use was influenced by the **very dry weather and drought conditions experienced across Yorkshire**. Over several months, reservoir levels were significantly below normal, which meant we needed to adapt how we operated the system. In practice, this involved increasing pumping and making greater use of our water grid to move water around the region to where it was needed most.

This ensured that water supplies to customers were maintained throughout one of the driest periods on record, despite the additional operational pressures this placed on the system.

Table 5A - Commentary

Energy consumption is primarily driven by electricity, with smaller contributions from fuels used for heating, backup generation and transport. Most of our data comes directly from billing and metering systems, with a small proportion estimated where readings are not available, to ensure a complete and reliable picture of consumption.

Overall, the changes in energy consumption reflect how we responded to challenging environmental conditions, maintaining supplies to customers while carefully managing our water resources.

5A.26 Water imported from third parties

Water imports increased from 0.00 Ml/d to 2.37 Ml/d.

This reflects the use of an existing import arrangement during the year. While the volumes are relatively small, imports provide additional flexibility and support the resilience of our water supply system, particularly during periods of higher demand or reduced availability of local resources.

5A.30 Total number of completed investigations (WINEP/NEP), cumulative for AMP

The scheme reported here is one of four investigations into invasive non-native species – plants or animals that can affect rivers and the wider environment – that was originally planned for completion between 2027 and 2028, but has been delivered early.

Table 6: Additional regulatory information – water Network Plus

Introduction

The information in this section details 'Additional regulatory information – water Network Plus' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following tables:

Pro forma 6A	Raw water transport, raw water storage and water treatment data for the 12 months ended 31 March 2026
Pro forma 6B	Treated water distribution – assets and operations for the 12 months ended 31 March 2026
Pro forma 6C	Water Network Plus – mains, communication pipes and other data for the 12 months ended 31 March 2026
Pro forma 6D	Demand management – metering and leakage activities for the 12 months ended 31 March 2026
Pro forma 6E	Leakage activity
Pro forma 6F	WRMP annual reporting on delivery – excluding leakage and metering activities

Table 6A

Raw water transport, raw water storage and water treatment data for the 12 months ended 31 March 2026

Line description	Units	DPs	Input	RAG 4 reference
Raw water transport and storage				
Total number of balancing reservoirs	nr	0	11	6A.1
Total volumetric capacity of balancing reservoirs	Ml	0	2153	6A.2
Total number of raw water transport stations	nr	0	38	6A.3
Total installed power capacity of raw water transport pumping stations	kW	0	25426	6A.4
Total length of raw water transport mains and other conveyors	km	2	1422.75	6A.5
Average pumping head – raw water transport	m.hd	2	24.10	6A.6
Energy consumption – raw water transport (MWh)	MWh	3	43,520.933	6A.7
Total number of raw water transport imports	nr	0	1	6A.8
Water imported from 3rd parties to raw water transport systems	Ml/d	2	44.07	6A.9
Total number of raw water transport exports	nr	0	1	6A.10
Water exported to 3rd parties from raw water transport systems	Ml/d	2	2.27	6A.11
Total length of raw and pre-treated (non-potable) water transport mains for supplying customers	km	2	0.00	6A.12

Water treatment – treatment type analysis	Surface water		Ground water		
	Water treated	Number of works	Water treated	Number of works	
Units DPs	Ml/d 2	nr 0	Ml/d 2	nr 0	RAG 4 reference
All simple disinfection works	0.00	0	3.86	1	6A.13
W1 works	0.00	0	0.00	0	6A.14
W2 works	0.00	0	42.37	12	6A.15
W3 works	412.64	12	0.44	1	6A.16
W4 works	201.24	8	127.61	8	6A.17
W5 works	414.38	7	71.36	1	6A.18
W6 works	0.00	0	0.00	0	6A.19

Water treatment – works size	% of total	Number of works	
Units DPs	DI 1	nr 0	RAG 4 reference
WTWs in size band 1	0.2	6	6A.20
WTWs in size band 2	0.3	2	6A.21
WTWs in size band 3	2.0	6	6A.22
WTWs in size band 4	5.4	8	6A.23
WTWs in size band 5	16.0	11	6A.24
WTWs in size band 6	30.9	11	6A.25
WTWs in size band 7	20.0	4	6A.26
WTWs in size band 8	25.2	2	6A.27

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 6A – continued

Raw water transport, raw water storage and water treatment data for the 12 months ended 31 March 2026

Line description	Units	DPs	Input	RAG 4 reference
Water treatment – other information				
Peak week production capacity (PWPC)	Ml/d	2	1647.40	6A.28
Total peak week production capacity (PWPC) having enhancement expenditure for grey solution improvements to address raw water quality deterioration	Ml/d	2	0.00	6A.29
Total peak week production capacity (PWPC) having enhancement expenditure for green solutions improvements to address raw water quality deterioration	Ml/d	2	0.00	6A.30
Total water treated at more than one type of works	Ml/d	2	0.00	6A.31
Number of treatment works requiring remedial action because of raw water deterioration	nr	0	1	6A.32
Zonal population receiving water treated with orthophosphate	000's	3	5592.019	6A.33
Average pumping head – water treatment	m.hd	2	17.26	6A.34
Energy consumption – water treatment (MWh)	MWh	3	84619.589	6A.35
Total number of water treatment imports	nr	0	0	6A.36
Water imported from third parties to water treatment works	Ml/d	2	0.00	6A.37
Total number of water treatment exports	nr	0	0	6A.38
Water exported to third parties from water treatment works	Ml/d	2	0.00	6A.39
Additional average pumping head data – raw water transport				
Percentage of APH derived from measured data – raw water transport	Percentage	2	97.14	6A.40
Percentage of sites with measured volumes and/or lift – raw water transport	Percentage	2	91.43	6A.41
Additional average pumping head data – raw water treatment				
Percentage of APH derived from measured data – raw water treatment	Percentage	2	100.00	6A.42
Percentage of sites with measured volumes and/or lift – raw water treatment	Percentage	2	100.00	6A.43

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 6A - Commentary

Overall, the Data Table reflects how we operated our water transport and treatment systems during a dry year. Increased pumping and movement of water across the region ensured that supplies to customers were maintained, while the underlying asset base remained stable. The below commentary explains material movements.

6A.6 Average pumping head – raw water transport

Average pumping head increased from 18.24m to 24.10m (+32.1%).

This increase reflects how we operated our system to maintain supply resilience during dry periods. We needed to move more water across the region and use sources that require pumping over longer distances and higher elevations. This is consistent with patterns seen in previous dry years.

Average pumping head is calculated using data from our raw water transport assets, including boreholes, river abstraction pumps and pumping stations. We use telemetry data, where available, to measure lift and volumes, and combine this with operational data to produce an overall average. Only assets that operated during the year are included, and where assets are shared between processes, their contribution is split proportionally.

Most of the calculation is based on measured data. In 2025/2026, around 91% of sites (representing over 97% of the total pumping head) used measured data, as reported within 6A.40 and 6A.41. A small number of lower-capacity sites use estimates based on similar assets, which have a limited impact on the overall result.

6A.7 Energy consumption – raw water transport (MWh)

Energy consumption increased from 34,612 MWh to 43,521 MWh (+25.7%).

This increase is linked to higher pumping requirements during the year. As reservoir levels fell and demand remained high, we needed to move larger volumes of water across the region. This required more extensive use of pumping stations and longer-distance transfers, which are more energy intensive but ensured supplies to customers were maintained.

6A.9 Water imported from third parties

Imported volumes decreased from 52.48 Ml/d to 44.07 Ml/d (-16.0%).

This reflects how we balanced available water sources during the year, making greater use of our internal network and abstraction sources while continuing to use imports to support system flexibility.

6A.11 Water exported to third parties

Exported volumes decreased from 3.33 Ml/d to 2.27 Ml/d (-31.8%).

This reflects a reduction in water made available for export during a period where maintaining supplies within our region was a priority.

6A.34 Average pumping head – water treatment

Average pumping head increased from 14.09 m to 17.26m (+22.5%).

This increase reflects higher production levels and changes in how water moved through treatment processes during a dry year. The calculation is based on measured site data, with consistent methods applied across all treatment assets.

6A.42 & 6A.43 (new data items for 2025/2026) shows 100% of our APH raw water treatment is delivered from 100% measured data and volumes.

6A.35 Energy consumption – water treatment (MWh)

Energy consumption increased from 77,891 MWh to 84,620 MWh (+8.6%).

This reflects increased operation of treatment works during a period of higher demand. Sites were operated for longer periods to meet customer needs, which led to a corresponding increase in energy use.

Table 6B

Treated water distribution – assets and operations for the 12 months ended 31 March 2026

Line description	Units	DPs	Input	RAG 4 reference
Total installed power capacity of potable water pumping stations	kW	0	71849	6B.1
Total volumetric capacity of service reservoirs	Ml	1	2882.2	6B.2
Total volumetric capacity of water towers	Ml	1	28.9	6B.3
Water delivered (non-potable)	Ml/d	2	0.00	6B.4
Water delivered (potable)	Ml/d	2	1077.01	6B.5
Water delivered (billed measured residential properties)	Ml/d	2	370.69	6B.6
Water delivered (billed measured businesses)	Ml/d	2	273.47	6B.7
Proportion of distribution input derived from impounding reservoirs	Propn 0 to 1	3	0.381	6B.8
Proportion of distribution input derived from pumped storage reservoirs	Propn 0 to 1	3	0.401	6B.9
Proportion of distribution input derived from river abstractions	Propn 0 to 1	3	0.025	6B.10
Proportion of distribution input derived from groundwater works, excluding managed aquifer recharge (MAR) water supply schemes	Propn 0 to 1	3	0.193	6B.11
Proportion of distribution input derived from artificial recharge (AR) water supply schemes	Propn 0 to 1	3	0.000	6B.12
Proportion of distribution input derived from aquifer storage and recovery (ASR) water supply schemes	Propn 0 to 1	3	0.000	6B.13
Proportion of distribution input derived from saline abstractions	Propn 0 to 1	3	0.000	6B.14
Proportion of distribution input derived from water reuse schemes	Propn 0 to 1	3	0.000	6B.15
Total number of potable water pumping stations that pump into and within the treated water distribution system	nr	0	501	6B.16
Number of potable water pumping stations delivering treated groundwater into the treated water distribution system	nr	0	22	6B.17
Number of potable water pumping stations delivering surface water into the treated water distribution system	nr	0	57	6B.18
Number of potable water pumping stations that re-pump water already within the treated water distribution system	nr	0	422	6B.19
Number of potable water pumping stations that pump water imported from a 3rd party supply into the treated water distribution system	nr	0	0	6B.20
Total number of service reservoirs	nr	0	395	6B.21
Number of water towers	nr	0	27	6B.22
Energy consumption – treated water distribution (MWh)	MWh	3	136220.469	6B.23
Average pumping head – treated water distribution	m.hd	2	63.26	6B.24
Total number of treated water distribution imports	nr	0	0	6B.25
Water imported from third parties to treated water distribution systems	Ml/d	2	0.00	6B.26
Total number of treated water distribution exports	nr	0	8.00	6B.27
Water exported to third parties from treated water distribution systems	Ml/d	2	4.74	6B.28
Peak seven day rolling average distribution input	Ml/d	2	1411.44	6B.29
Peak seven day rolling average distribution input/annual average distribution input	Percentage	2	111.21%	6B.30

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 6B – continued

Treated water distribution – assets and operations for the 12 months ended 31 March 2026

Line description	Units	DPs	Company level	RAG 4 reference
Water balance – company level				
Measured household consumption (excluding supply pipe leakage)	Ml/d	2	342.46	6B.31
Unmeasured household consumption (excluding supply pipe leakage)	Ml/d	2	352.80	6B.32
Measured non-household consumption (excluding supply pipe leakage)	Ml/d	2	271.36	6B.33
Unmeasured non-household consumption (excluding supply pipe leakage)	Ml/d	2	12.84	6B.34
Total annual leakage	Ml/d	2	250.55	6B.35
Distribution system operational use	Ml/d	2	2.26	6B.36
Water taken unbilled	Ml/d	2	31.37	6B.37
Distribution input	Ml/d	2	1263.64	6B.38
Distribution input (pre-MLE)	Ml/d	2	1269.17	6B.39
Additional average pumping head data			**Treated water distribution**	
Percentage of APH derived from measured data	Percentage	2	92.26	6B.40
Percentage of sites with measured volumes and/or lift	Percentage	2	72.80	6B.41

Table 6B - Commentary

Overall, the Data Table reflects the impact of a dry year with higher customer demand. Increased pumping and movement of water across the region led to higher energy use and pumping head, while peak demand levels also increased. Despite these pressures, we maintained a reliable supply of water to customers throughout the year. The below commentary explains material movements.

6B.5 Water delivered (potable)

Water delivered decreased from 1,079.07 Ml/d to 1,077.01 Ml/d (-0.2%). Overall, water delivered remained broadly stable. Higher demand during hot, dry periods was offset by the introduction of a temporary use ban (TUB), which reduced consumption during summer months. This resulted in a slight reduction in average demand across the year.

6B.23 Energy consumption – treated water distribution (MWh)

Energy consumption increased from 119,548 MWh to 136,220 MWh (+14.0%). This reflects greater pumping and movement of water across the network during a dry year, including longer-distance transfers to meet demand.

6B.24 Average pumping head – treated water distribution

Average pumping head increased from 58.50 m to 63.26 m (+8.1%). This reflects higher pumping requirements to move water across the region during dry conditions. The calculation uses telemetry and operational data from sites that ran during the year. Around 73% of sites (representing over 92% of average pumping head) use measured data as reported within 6B.40 and 6B.41, with estimates applied to smaller sites using comparable assets.

6B.28 Water exported to third parties

Water exported increased from 3.03 Ml/d to 4.74 Ml/d (+56.4%). This reflects greater use of export arrangements where capacity allowed. Although the percentage increase is large, the absolute volumes remain small relative to total supply.

6B.29 Peak 7-day average distribution input

Peak week demand decreased from 1,442.55 Ml/d to 1,411.44 Ml/d (-2.2%). This reflects the impact of the temporary use ban (TUB), which reduced peak customer demand during the summer period.

6B.30 Peak to average demand ratio

The peak to average ratio decreased from 112.85% to 111.21%. This reflects the impact of the temporary use ban (TUB), which reduced peak demand relative to average demand during the year, helping to manage pressure on the network during periods of high usage.

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 6B - Commentary

Distribution input:

All regulatory clean water flow meters should be part of a calibration programme.

- In 2025/2026 we calibrated **46** DI meters.
- We have ended the year with 24 DI meters with calibration overdue. Of these, **21** meters were last calibrated less than 3 years ago, and **3** meters were last calibrated more than 3 years ago.
- We have **6** DI meters with failed calibration and will require a new meter.
- We have **3** DI meters which are not part of the calibration programme.

Meter Name	Outstation Name	Return To Sewer Point Name	Latest Calibration	Reason/ Comments for Calibration Failure
Graincliffe No.2 WPS Outlet	Graincliffe WPS	Outlet Flow	29/01/2024	Failed calibration on 15th September 2025. What is the problem? Findings show a new meter is required.
Nutwell No.1 WPS Outlet Armthorpe	Nutwell WTW New	No.1 HLPS Armthorpe Flow	25/03/2019	Failed calibration on 18th February 2025. What is the problem? Findings show a fail in flow simulation.
Nutwell No.1 WPS Outlet Cantley	Nutwell WTW New	No.1 HLPS Cantley Flow	25/03/2019	Failed calibration on 28th February 2025. What is the problem? Findings show a fail in the output.
Nutwell No.2 WPS Outlet Cantley	Nutwell WTW New	No.2 HLPS Cantley Flow	25/03/2019	Failed calibration on 28th February 2025. What is the problem? Findings show a fail in flow simulation.
Nutwell No.2 WPS Outlet Hatfield	Nutwell WTW New	No.2 HLPS Hatfield Flow	05/05/2022	Failed calibration on 28th February 2025. What is the problem? Findings show a fail in the output.
Tophill Low No.2 WTW CWT Outlet	Tophill Low WTW	TR Water Main Flow	31/10/2023	Failed calibration on 21st August 2025. What is the problem? Findings show a fail in the output.

All failed calibrations have internal action plans to resolve.

Meter Name	Outstation Name	Return To Sewer Point Name	Reason why the meter is missing from the calibration programme
Brayton WPS Loftsome Bridge	Brayton No.1 WPS	Loftsome Bridge Inlet Flow	The DI meter currently in use at Loftsome Bridge WTW to Brayton CRE was installed as a temporary replacement following the failure of the original meter in November 2024. As it will be removed once the original meter is repaired and returned to service, it has not been included in the calibration programme.
Loftsome Bridge WTW Flow to Raywell	Loftsome Bridge WTW	Flow to Raywell	There are two similarly named meters. This meter is currently missing, while the similarly named meter, Loftsome Bridge WTW/Outlet to Raywell Flow, was last calibrated in December 2016. This meter will be added to the calibration programme during 2026/2027.
Loxley WPS Outlet	Loxley WTW	Flow to Raywell	This meter records a very small flow, with the majority of water leaving the WTW through an alternative meter. It will be added to the calibration programme during 2026/2027.

Table 6C

Water Network Plus – mains, communication pipes and other data for the 12 months ended 31 March 2026

Line description	Units	DPs	Input	Condition grade 1	Condition grade 2	Condition grade 3	Condition grade 4	Condition grade 5	RAG 4 reference
Treated water distribution – mains analysis									
Length of potable mains relined (excludes structural relining)	km	1	4.6	0.3	0.1	0.6	2.2	1.4	6C.1
Length of potable mains structurally relined	km	1	0.0	0.0	0.0	0.0	0.0	0.0	6C.2
Length of potable mains renewed (excludes relining)	km	1	177.0	0.0	32.0	37.8	78.6	28.6	6C.3
Length of new potable mains	km	1	52.0						6C.4

Line description	Units	DPs	Input	RAG 4 reference
Treated water distribution – mains analysis by diameter				
Total length of potable water mains (≤320mm)	km	1	30134.5	6C.5
Total length of potable water mains (>320mm and ≤ 450mm)	km	1	1018.0	6C.6
Total length of potable water mains (>450mm and ≤610mm)	km	1	850.6	6C.7
Total length of potable water mains (> 610mm)	km	1	516.6	6C.8
Total length of potable mains as at 31 March	km	1	32519.7	6C.9
Treated water distribution – mains age profile				
Total length of potable mains laid or structurally refurbished pre-1880	km	1	342.2	6C.10
Total length of potable mains laid or structurally refurbished between 1881 and 1900	km	1	1866.7	6C.11
Total length of potable mains laid or structurally refurbished between 1901 and 1920	km	1	840.7	6C.12
Total length of potable mains laid or structurally refurbished between 1921 and 1940	km	1	4632.0	6C.13
Total length of potable mains laid or structurally refurbished between 1941 and 1960	km	1	8840.1	6C.14
Total length of potable mains laid or structurally refurbished between 1961 and 1980	km	1	5083.0	6C.15
Total length of potable mains laid or structurally refurbished between 1981 and 2000	km	1	6436.2	6C.16
Total length of potable mains laid or structurally refurbished between 2001 and 2020	km	1	3902.8	6C.17
Total length of potable mains laid or structurally refurbished during and after 2021	km	1	576.0	6C.18
Length of potable mains – all ages	km	1	32519.7	6C.19

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 6C – continued

Water Network Plus – mains, communication pipes and other data for the 12 months ended 31 March 2026

Line description	Units	DPs	Input	RAG 4 reference
Communication pipes				
Number of lead communication pipes	nr	0	452881	6C.20
Number of galvanised iron communication pipes	nr	0	377765	6C.21
Number of other communication pipes	nr	0	1018392	6C.22
Number of lead communication pipes replaced or relined for water quality	nr	0	1687	6C.23
Other				
Properties below reference level at end of year	nr	0	20,695	6C.25

Traffic Management Act	Units	DPs	Treated water distribution	Additional water control	Total	RAG 4 reference
Projects incurring costs associated with Traffic Management Act	nr	0	26,944	0	26,944	6C.26

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 6C - Commentary

Our treated water distribution network remained broadly stable in 2025/2026, with the total length of mains reported at 32,519.7km. We continue to operate a large and complex network, maintaining reliable service for customers through ongoing maintenance and targeted activity.

6C.1 – 6C.4 Mains activity

During the year, we undertook 4.6km of relining, no structural relining, 177.0km of mains renewal and installed 52.0km of new mains. The majority of activity relates to renewal, focusing on maintaining performance by replacing ageing assets. The inclusion of condition grades shows that renewal activity is concentrated on assets in moderate to poor conditions.

6C.5 – 6C.9 Mains by diameter

The structure of the network remains largely unchanged, with most (93%) pipes in the ≤320mm category (30,134.5km). Larger diameter mains continue to make up a smaller proportion of the network and are used to transport water across the region.

6C.10 – 6C.19 Mains age profile

The network continues to include a wide range of asset ages. The largest proportions are from 1941-1960 (8,840.1km), 1981–2000 (6,436.2km) and 1961-1980 (5,083.0km). Older assets remain in operation, including pipes installed before 1900, while newer mains (576.0km since 2021) are gradually increasing the proportion of modern infrastructure.

6C.20 – 6C.23 Communication pipes

There are 452,881 lead communication pipes, alongside 377,765 of galvanised iron and 1,018,392 other pipes. During the year, 1,687 lead pipes were replaced or relined, showing continued progress in reducing lead within the network.

6C.25 Properties below reference level

Properties below the reference level increased to 20,695. This indicates a higher number of properties experienced pressure below the required standard during the year, which can be influenced by operational conditions and demand patterns.

Table 6D

Demand management – metering and leakage activities for the 12 months ended 31 March 2026

Line description	Units	DPs	Basic meter	AMR meter	AMI meter	Total	RAG 4 reference
Metering activities – Totex expenditure							
New optant meter installation for existing customers	£m	3	0.000	0.000	12.412	12.412	6D.1
New selective meter installation for existing customers	£m	3	0.000	0.000	0.000	0.000	6D.2
New business meter installation for existing customers	£m	3	0.001	0.008	0.007	0.017	6D.3
Residential meters renewed	£m	3	0.000	0.040	22.374	22.413	6D.4
Business meters renewed	£m	3	0.000	0.005	2.149	2.154	6D.5
Total cost of replacement of basic meters with AMR or AMI meters for residential customers	£m	3		0.003	0.793	0.797	6D.6
Total cost of replacement of AMR meter with AMI meters for residential customers	£m	3			10.639	10.639	6D.7
Total cost of replacement of basic meters with AMR or AMI meters for business customers	£m	3		0.010	0.787	0.797	6D.8
Total cost of replacement of AMR meter with AMI meters for business customers	£m	3			0.922	0.922	6D.9
Metering activities – explanatory variables							
New optant meters installed for existing customers	000s	3	0.000	0.000	35.498	35.498	6D.10
New selective meters installed for existing customers	000s	3	0.000	0.000	0.000	0.000	6D.11
New business meters installed for existing customers	000s	3	0.004	0.011	0.021	0.036	6D.12
Residential meters renewed	000s	3	0.000	0.285	150.442	150.727	6D.13
Business meters renewed	000s	3	0.000	0.033	13.251	13.284	6D.14
Replacement of basic meters with AMR or AMI meters for residential customers	000s	3	0.000	0.013	1.713	1.726	6D.15
Replacement of AMR meter with AMI meters for residential customers	000s	3	0.000	0.000	147.927	147.927	6D.16
Replacement of basic meters with AMR or AMI meters for business customers	000s	3	0.000	0.011	1.616	1.627	6D.17
Replacement of AMR meter with AMI meters for business customers	000s	3	0.000	0	11.001	11.001	6D.18
Metering activities – benefits delivered							
New residential meters installed for existing customers – supply-demand balance benefit	Ml/d	2	0.00	0.00	0.24	0.24	6D.19
New business meters installed for existing customers – supply-demand balance benefit	Ml/d	2	0.00	0.00	0.00	0.00	6D.20
Replacement of basic meter with AMR or AMI meters for residential customers – supply-demand balance benefit	Ml/d	2		0.00	0.00	0.00	6D.21

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 6D – continued

Demand management – metering and leakage activities for the 12 months ended 31 March 2026

Line description	Units	DPs	Basic meter	AMR meter	AMI meter	Total	RAG 4 reference
Replacement of AMR meter with AMI meter for residential customers– supply-demand balance benefit	Ml/d	2			0.00	0.00	6D.22
Replacement of basic meter with AMR/AMImeters for business customers – supply-demand balance benefit	Ml/d	2		0.00	0.00	0.00	6D.23
Replacement of AMR meter with AMI meter for business customers– supply-demand balance benefit	Ml/d	2			0.00	0.00	6D.24
Metering – penetration and connectivity							
Residential properties – meter penetration	%	1	5.8%	45.1%	13.1%	64.0%	6D.25
Business properties – meter penetration	%	1	30.3%	47.8%	10.1%	88.2%	6D.26
Residential properties – connected AMI meters at year end	%	1			45.9%	45.9%	6D.27
Business properties – connected AMI meters at year end	%	1			27.0%	27.0%	6D.28
Per capita consumption (excluding supply pipe leakage)							
Per capita consumption (measured)	l/h/d	1	103.4				6D.29
Per capita consumption (unmeasured)	l/h/d	1	160.2				6D.30

Meter installation types			Internal	External requiring dig	External no dig		RAG 4 reference
New meters installed for existing customers – basic	000s	3	0	0.000	0.000		6D.31
New meters installed for existing customers – AMR	000s	3	0	0.000	0.000		6D.32
New meters installed for existing customers – AMI	000s	3	19.736	7.306	8.456		6D.33
New Basic installations – business	000s	3	0.004	0.000	0.000		6D.34
New AMR installations – business	000s	3	0.003	0.004	0.004		6D.35
New AMI installations – business	000s	3	0.020	0.001	0.000		6D.36
Upgrades – Basic to AMR – residential	000s	3	0.001	0.000	0.012		6D.37
Upgrades – Basic to AMI – residential	000s	3	1.376	0.074	0.263		6D.38
Upgrades – AMR to AMI – residential	000s	3	47.221	1.307	99.399		6D.39
Upgrades – Basic to AMR – business	000s	3	0.000	0.008	0.003		6D.40
Upgrades – Basic to AMI – business	000s	3	0.495	0.160	0.961		6D.41
Upgrades – AMR to AMI – business	000s	3	1.560	0.383	9.058		6D.42
Boundary boxes			**Total**				
Number of new boundary box installations	000s	3	7.311				6D.43
Number of boundary box replacements	000s	3	1.924				6D.44

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 6D - Commentary

In 2025/2026, metering activity increased significantly, driven by the rollout of advanced metering infrastructure (AMI). This supports improved understanding of customer usage and helps manage demand. Leakage and demand management activities continued to support supply during a dry year.

6D.1 – 6D.9 Metering expenditure

Total metering expenditure increased, driven by AMI rollout. Key areas include £12.4m on new optant meters, £22.4m on residential renewals and £10.6m on residential automated meter reading (AMR) to AMI upgrades. This reflects a continued shift away from basic and AMR meters towards AMI.

6D.10 – 6D.18 Metering volumes

Meter installation and upgrades increased significantly, including 35.5k new optant meters and 147.9k residential AMR to AMI upgrades. This demonstrates progress in transitioning to smart-enabled infrastructure.

6D.19 – 6D.24 Benefits delivered

Metering delivered a supply-demand benefit of 0.24 Ml/d from new residential meters. Other benefits remain limited, reflecting that demand impacts build over time as behavioural change develops.

6D.25 – 6D.28 Meter penetration and connectivity

Residential meter penetration is 64.0%, and business penetration is 88.2%. AMI connectivity continues to increase, with 45.9% of residential properties and 27.0% of business properties connected to AMI meters.

6D.29 – 6D.30 Per capita consumption

Measured consumption is 103.4 litres per person per day, compared to 160.2 litres for unmeasured customers. This demonstrates the impact of metering on reducing consumption.

6D.31 – 6D.42 Installation types (new data).

New reporting this year shows meter installation methods across internal, external requiring excavation and external without excavation. The majority of upgrades relate to AMR to AMI transitions. These figures include a range of assumptions as reporting processes are still maturing, with accuracy set to improve over time.

6D.43 – 6D.44 Boundary boxes (new data)

There were 7.311k new boundary box installations and 1.924k replacements. These figures are newly reported and include a degree of estimation as reporting approaches continue to develop.

Table 6E

Leakage activity

Line description	Units	DPs	Total	RAG 4 reference
Leakage expenditure				
Maintaining leakage activity – totex	£m	3	50.374	6E.1
Reducing leakage activity – totex	£m	3	15.759	6E.2
Total leakage activity – totex	£m	3	66.132	6E.3
Leakage improvements delivering benefits in current price review period	Ml/d	1	9.6	6E.4

Table 6E - Commentary

In-Year Actuals (2025/2026 Price Base)

We have reported £22.527m of capital expenditure on leakage, this is split between £14.005m for maintaining leakage and £8.523m for reducing leakage.

The remaining relates to Opex spend.

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 6F

WRMP annual reporting on delivery – excluding leakage and metering activities

				Capital expenditure							
Line description	WRMP ID	Classification	Delivery year (in use)	Pre 2025-2026	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	After 2029-2030	RAG 4 reference
Units	Text	Text	Year	£m	£m	£m	£m	£m	£m	£m	
DPs	0	0	0	2	3	3	3	3	3	3	
School Visits	C27d	Household demand-side improvements delivering benefits for households in the current price control period (excl leakage and metering)	2025-26	0.000	0.000	0	0	0	0	0	6F.1
Brayton BH B	R13	Supply-side improvements delivering benefits in the current price control period	2027-28	0.348	2.451	1.282	2.672	6.261	1.596	0	6F.2
East Ness Full Site Throughput and Feed to Huby	R91	Supply-side improvements delivering benefits in the current price control period	2027-28	0.495	0.484	0.024	6.344	9.776	2.273	0	6F.3
Sherwood Sandstone support to grid	R8G	Supply-demand balance improvements delivering benefits starting in the next price control period	2034-35	0.032	0.119	0.713	1.121	0.834	0.206	0	6F.4
Acomb Landing Moor Monkton Licence increase	R3a	Supply-side improvements delivering benefits in the current price control period	2026-27	0.004	0.000	0	0.024	0	0	0	6F.5
Household flow regulator-internal	C15d	Household demand-side improvements delivering benefits for households in the current price control period (excl leakage and metering)	2025-26	0.000	0.105	0.762	1.073	1.05	1.028	0	6F.6
Domestic customer audits and retrofit	C1d	Household demand-side improvements delivering benefits for households in the current price control period (excl leakage and metering)	2025-26	0.000	0.266	0.255	0.249	0.244	0.239	0	6F.7
Commercial water user audits and retrofit (New)	C6a	Non-household demand-side improvements delivering benefits for non-households in the current price control period (excl leakage and metering)	2025-26	0.000	0.007	0.018	0.017	0.017	0.016	0	6F.8
Commercial Water Use Audits and Retrofits (Smaller Sectors)	C6a(ii)	Non-household demand-side improvements delivering benefits for non-households in the current price control period (excl leakage and metering)	2025-26	0.000	0.386	0.388	0.378	0.37	0.362	0	6F.9
Rainwater harvesting - commercial customers	C12a3	Non-household demand-side improvements delivering benefits for non-households in the current price control period (excl leakage and metering)	2025-26	0.000	0.004	0.342	0	0	0	0	6F.10
Household Media Campaign	C28e	Household demand-side improvements delivering benefits for households in the current price control period (excl leakage and metering)	2025-26	0.000	0.515	0.665	0.486	0.476	0.466	0	6F.11

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 6F

WRMP annual reporting on delivery – excluding leakage and metering activities

				Capital expenditure							
Line description	WRMP ID	Classification	Delivery year (in use)	Pre 2025-2026	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	After 2029-2030	RAG 4 reference
Non Household Media Campaign	C34a	Non-household demand-side improvements delivering benefits for non-households in the current price control period (excl leakage and metering)	2025-26	0.000	0.515	0.333	0.486	0.476	0.466	0	6F.12
Selby – Carlton Mill Lane	R3ALT1	Supply-side improvements delivering benefits in the current price control period	2027-28	0.000	0.013	0.244	0.386	0	0	0	6F.13
Nottinghamshire Minewater SRO	N/A	Supply-demand balance improvements delivering benefits starting in the next price control period	2039-40	0.000	0.000	1.968	2.663	3.649	4.942	0	6F.14
Kielder SRO (Tees to Elvington)	DV7a(vi)	Supply-demand balance improvements delivering benefits starting in the next price control period	2039-40	0.000	0.000	0.684	21.854	37.811	25.216	0	6F.15
South Yorkshire Sources SRO (Elvington 2 WTW and treated main to S. Yorkshire	DV8(iv) A(i) & DV8(v) A)	Supply-demand balance improvements delivering benefits starting in the next price control period	2034-35	0.000	0.000	3.598	3.311	5.251	3.561	0	6F.16
Increase Moor Monkton abstraction to full licence capacity.	R3	Supply-side improvements delivering benefits in the current price control period	2027-28	0.135	0.345	0.023	0.481	1.429	1.103	0	6F.17
Water Retailer Incentives	C35c	Non-household demand-side improvements delivering benefits for non-households in the current price control period (excl leakage and metering)	2025-26	0.000	0.000	0	0	0	0	0	6F.18
R3 Alternative to be confirmed	TBC	Supply-side improvements delivering benefits in the current price control period	2027-28	0	0	0	0	0	0	0	6F.19
Total				1.01	5.210	11.299	41.545	67.644	41.474	0.000	6F.51

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 6F – continued

WRMP annual reporting on delivery – excluding leakage and metering activities

				Opex costs							
Line description	WRMP ID	Classification	Delivery year (in use)	Pre 2025-2026	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	After 2029-2030	RAG 4 reference
Units	Text	Text	Year	£m	£m	£m	£m	£m	£m	£m	
DPs	0	0	0	2	3	3	3	3	3	3	
School Visits	C27d	Household demand-side improvements delivering benefits for households in the current price control period (excl leakage and metering)	2025-26		0	0.005	0.005	0.005	0.005		6F.1
Brayton BH B	R13	Supply-side improvements delivering benefits in the current price control period	2027-28		0	0	0	0	0		6F.2
East Ness Full Site Throughput and Feed to Huby	R91	Supply-side improvements delivering benefits in the current price control period	2027-28		0	0	0	0	0		6F.3
Sherwood Sandstone support to grid	R8G	Supply-demand balance improvements delivering benefits starting in the next price control period	2034-35		0	0	0	0	0		6F.4
Acomb Landing Moor Monkton Licence increase	R3a	Supply-side improvements delivering benefits in the current price control period	2026-27		0	0	0	0	0		6F.5
Household flow regulator-internal	C15d	Household demand-side improvements delivering benefits for households in the current price control period (excl leakage and metering)	2025-26		0	0	0	0	0		6F.6
Domestic customer audits and retrofit	C1d	Household demand-side improvements delivering benefits for households in the current price control period (excl leakage and metering)	2025-26		0.179	0.187	0.179	0.191	0.116		6F.7
Commercial water user audits and retrofit (New)	C6a	Non-household demand-side improvements delivering benefits for non-households in the current price control period (excl leakage and metering)	2025-26		0	0.146	0.142	0.139	0.136		6F.8
Commercial Water Use Audits and Retrofits (Smaller Sectors)	C6a(ii)	Non-household demand-side improvements delivering benefits for non-households in the current price control period (excl leakage and metering)	2025-26		0.064	0.457	0.417	0.419	0.31		6F.9
Rainwater harvesting - commercial customers	C12a3	Non-household demand-side improvements delivering benefits for non-households in the current price control period (excl leakage and metering)	2025-26		0	0.015	0.014	0.014	0.014		6F.10
Household Media Campaign	C28e	Household demand-side improvements delivering benefits for households in the current price control period (excl leakage and metering)	2025-26		0.004	0.004	0.004	0.004	0.004		6F.11

Key

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Table 6F – continued

WRMP annual reporting on delivery – excluding leakage and metering activities

				Opex costs							
Line description	WRMP ID	Classification	Delivery year (in use)	Pre 2025-2026	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	After 2029-2030	RAG 4 reference
Non Household Media Campaign	C34a	Non-household demand-side improvements delivering benefits for non-households in the current price control period (excl leakage and metering)	2025-26		0	0.004	0.004	0.004	0.004		6F.12
Selby - Carlton Mill Lane	R3ALT1	Supply-side improvements delivering benefits in the current price control period	2027-28		0	0	0	0	0		6F.13
Nottinghamshire Minewater SRO	N/A	Supply-demand balance improvements delivering benefits starting in the next price control period	2039-40	0	0.018	0	0	0	0		6F.14
Kielder SRO (Tees to Elvington)	DV7a(vi)	Supply-demand balance improvements delivering benefits starting in the next price control period	2039-40	0	0.521	0	0	0	0		6F.15
South Yorkshire Sources SRO (Elvington 2 WTW and treated main to S. Yorkshire	DV8(iv) A(i) & DV8(v) A)	Supply-demand balance improvements delivering benefits starting in the next price control period	2034-35	0	1.945	0	0	0	0		6F.16
Increase Moor Monkton abstraction to full licence capacity.	R3	Supply-side improvements delivering benefits in the current price control period	2027-28		0	0	0	0	0		6F.17
Water Retailer Incentives	C35c	Non-household demand-side improvements delivering benefits for non-households in the current price control period (excl leakage and metering)	2025-26		0	0	0	0	0		6F.18
R3 Alternative to be confirmed	TBC	Supply-side improvements delivering benefits in the current price control period	2027-28		0	0	0	0	0		6F.19
Total				0.00	2.731	0.818	0.765	0.776	0.589	0.000	6F.51

Table 6F - Commentary

Costs relating to DPC schemes relating to Nottinghamshire Minewater SRO, Kielder SRO and South Yorkshire SRO are directly allocated.

Actual operational expenditure for other schemes are based on the estimated operating expenditure associated reported against these schemes and apportioned according to each scheme's beneficial completion date.

Key

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Table 7: Additional regulatory information – wastewater Network Plus

Introduction

The information in this section details 'Additional regulatory information – wastewater Network Plus' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following tables:

Pro forma 7A	Wastewater Network Plus – functional expenditure for the 12 months ended 31 March 2026
Pro forma 7B	Wastewater Network Plus – large sewage treatment works for the 12 months ended 31 March 2026
Pro forma 7C	Wastewater Network Plus – sewer and volume data for the 12 months ended 31 March 2026
Pro forma 7D	Wastewater Network Plus – sewage treatment works data for the 12 months ended 31 March 2026
Pro forma 7E	Wastewater Network Plus – other data including energy consumption and scheme delivery for the 12 months ended 31 March 2026
Pro forma 7F	Wastewater Network Plus – WINEP/NEP phosphorus removal scheme costs and cost drivers

Pro forma 7G	Wastewater Network Plus – WINEP/NEP sanitary parameters scheme costs and cost drivers
Pro forma 7H	Wastewater Network Plus – WINEP/NEP nitrogen removal scheme costs and cost drivers
Pro forma 7I	Wastewater Network Plus – growth at STWs scheme costs and cost drivers
Pro forma 7J	Bioresources – Industrial Emissions Directive scheme costs and cost drivers
Pro forma 7K	Wastewater Network Plus – WINEP storm overflow scheme costs and cost drivers



Table 7A

Wastewater Network Plus – functional expenditure for the 12 months ended 31 March 2026

Line description	Units	DPs	£'000	RAG 4 reference
Costs of STWs in size bands 1 to 5				
Direct costs of STWs in size band 1	000s	3	6,145.509	7A.1
Direct costs of STWs in size band 2	000s	3	1,504.566	7A.2
Direct costs of STWs in size band 3	000s	3	4,887.229	7A.3
Direct costs of STWs in size band 4	000s	3	9,954.995	7A.4
Direct costs of STWs in size band 5	000s	3	12,782.688	7A.5
General & support costs of STWs in size bands 1 to 5	000s	3	6,587.146	7A.6
Functional expenditure of STWs in size bands 1 to 5 (excluding 3rd party services)	000s	3	41,862.134	7A.7
Costs of large STWs (size band 6)				
Service charges for STWs STWs in size band 6	000s	3	5,782.910	7A.8
Estimated terminal pumping costs size band 6 works	000s	3	1,459.188	7A.9
Other direct costs of STWs in size band 6	000s	3	66,218.343	7A.10
Direct costs of STWs in size band 6	000s	3	73,460.441	7A.11
General & support costs of STWs in size band 6	000s	3	14,890.858	7A.12
Functional expenditure of STWs in size band 6 (excluding 3rd party services)	000s	3	88,351.299	7A.13
Costs of STWs – all sizes				
Total operating functional expenditure (excluding 3rd party services)	000s	3	130,213.433	7A.14

Table 7A - Commentary

This table analyses the costs of different size sewage treatment works. All direct costs have been allocated to sites where possible, with nearly all large works separately costed. For minor works, which are grouped into areas for materiality reasons, the costs were sub-divided into the following categories for optimum allocation.

- Site specific.
- Area site costs.
- Employee direct costs.
- Maintenance.
- Facilities costs.
- General and support.

The requirement for the table is to have all above costs directly/indirectly allocated in bands 1-6 which are defined in RAG 4. The information to split the sites into bands and STW loads has been reviewed again this year from the asset inventory system, and any changes in loads and band categories have been adjusted accordingly.

The allocation of the Principal Use continues to be included within General & Support costs.

Key

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Table 7B

Wastewater Network Plus – Large sewage treatment works for the 12 months ended 31 March 2026

Due to the size of the data table, we have published Table 7B separately on our website here: yorkshirewater.com/about-us/reports

Table 7B - Commentary

This table follows on from Table 7A, lines 8-14. All the sites above are separately costed within Yorkshire Water's accounting systems.

Section B of the table looks at functional expenditure for the large sewage treatment works which fall within band 6 category as shown in Table 7A.

Our large sewage treatment works continued to operate reliably in 2025/2026. The asset base and permit framework remained stable, with performance primarily driven by variations in flows and operational activity during the year.

Asset base and permits

The number and identity of large sewage treatment works remained consistent. Sites continue to operate under environmental consents covering parameters such as biochemical oxygen demand, ammonia and phosphorus. These requirements remain stable and reflect site-specific environmental constraints.

Flows and loads

Flows to treatment works vary significantly by site and reflect catchment size, rainfall and network conditions. During a relatively dry year, flows were influenced by lower rainfall in some periods while still showing variability due to seasonal patterns. Load received remains aligned with site scale and population served.

Operational performance

The volume of flow passed to full treatment remains closely aligned with inflows, indicating continued operational control. Larger works continue to treat the majority of load across the network.

Functional expenditure

Costs vary by site depending on size, complexity and operational requirements. Key drivers include treatment volumes, energy use, chemical dosing and sludge handling. Larger sites account for the majority of expenditure, which is consistent with previous years.

Table 7C

Wastewater Network Plus – sewer and volume data for the 12 months ended 31 March 2026

Line description	Units	DPs	Input	RAG 4 reference
Wastewater network (as at 31 March)				
Connectable properties served by s101A schemes completed in the report year	nr	0	6	7C.1
Number of s101A schemes delivered in the report year	nr	0	1	7C.2
Total pumping station capacity	kW	0	88,913	7C.3
Number of network pumping stations	nr	0	2,650	7C.4
Total number of sewer blockages	nr	0	18,760	7C.5
Total number of gravity sewer collapses	nr	0	263	7C.6
Total number of sewer rising main bursts	nr	0	87	7C.7
Number of combined sewer overflows	nr	0	2,005	7C.8
Number of emergency overflows – sewage pumping stations	nr	0	618	7C.9
Number of settled storm overflows	nr	0	178	7C.10
Sewer age profile (constructed post 2001)	km	0	3,137	7C.11
Volume of trade effluent	Ml/yr	2	16,472.74	7C.12
Volume of wastewater receiving treatment at sewage treatment works	Ml/yr	2	703,825.65	7C.13
Length of gravity sewers rehabilitated	km	0	35	7C.14
Length of rising mains replaced or structurally refurbished	km	0	4	7C.15
Length of foul (only) public sewers	km	0	5,526	7C.16
Length of surface water (only) public sewers	km	0	7,733	7C.17
Length of combined public sewers	km	0	16,278	7C.18
Length of rising mains	km	0	1,300	7C.19
Length of other wastewater network pipework	km	0	356	7C.20
Total length of "legacy" public sewers as at 31 March	km	0	31,193	7C.21
Length of formerly private sewers and lateral drains (s105A sewers)	km	0	21,560	7C.22
Storm overflows – additional reporting (as at 1 January)				
Number of combined sewer overflows (as at 1 January)	nr	0	2,008	7C.23
Number of settled storm overflows (as at 1 January)	nr	0	178	7C.24
Number of storm overflows – other (as at 1 January)	nr	0	0	7C.25
Number of storm overflows – pending investigation (as at 1 January)	nr	0	13	7C.26
Number of permitted storm overflows closed in the previous reporting year (as at 1 January)	nr	0	2	7C.27
Number of storm overflows – consistent with PR24 performance commitment definition	nr	0	2,201	7C.28
Number of storm overflows closed in the previous reporting year (as at 1 January)	nr	0	7	7C.29
Number of storm overflows with event duration monitors installed (as at 1 January)	nr	0	2,197	7C.30
Proportion of the time that event duration monitors on storm overflows were operational (from 1 January to 31 December)	%	2	96.20%	7C.31
Number of discharges from storm overflows (from 1 January to 31 December)	nr	0	51,560	7C.32

Key

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Table 7C – continued

Wastewater Network Plus – sewer and volume data for the 12 months ended 31 March 2026

Line description	Units	DPs	Input	RAG 4 reference
Emergency overflows – additional reporting (as at 1 January)				
Number of emergency overflows – sewage pumping stations (as at 1 January)	nr	0	621	7C.33
Number of emergency overflows – network (as at 1 January)	nr	0	0	7C.34
Number of emergency overflows – other (as at 1 January)	nr	0	0	7C.35
Number of emergency overflows – all (as at 1 January)	nr	0	621	7C.36
Number of emergency overflows with event duration monitors installed (as at 1 January)	nr	0	0	7C.37
Number of emergency overflows with an MCERTS certified event duration monitors installed (as at 1 January)	nr	0	0	7C.38
Proportion of the time that event duration monitors on emergency overflows were operational (from 1 January to 31 December)	%	2	0.00%	7C.39
Number of discharges from emergency overflows (from 1 January to 31 December)	nr	0	0	7C.40

Key

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Table 7C - Commentary

Our wastewater network continued to operate reliably in 2025/2026. The overall size and structure of the network remained stable, with performance reflecting operational activity and the relatively drier conditions experienced during the year.

Network scale and assets (7C.1–7C.4, 7C.21–7C.22)

The wastewater network remains extensive, with a total 'legacy' sewer length of 31,193km and 21,560km of formerly private sewers. The number of pumping stations increased slightly to 2,650, with total pumping capacity remaining broadly stable at 88,913 kW.

Network performance (7C.5–7C.7)

Operational performance improved in some areas, with sewer blockages reducing to 18,760 and sewer collapses reducing to 263. Rising main bursts increased slightly to 87 but remained relatively low compared to overall network scale.

Wastewater volumes (7C.12–7C.13)

Total wastewater treated increased slightly to 703,825 Ml, while trade effluent decreased to 16,473 Ml. These movements are consistent with system behaviour during a drier year and align with trends observed at sewage treatment works.

Rehabilitation activity (7C.14–7C.15)

We continued to undertake targeted sewer rehabilitation, completing 35km of gravity sewer work and 4km of rising main refurbishment. This reflects ongoing maintenance to support network reliability.

Storm overflows (7C.23–7C.32)

Storm overflows is one of our Performance Commitments. To read more about our performance against this measure, please click here.

Emergency overflows (7C.33– 7C.40)

The number of emergency overflows remained broadly stable at 621, compared to 618 in the previous year (+0.5%). This small increase reflects ongoing improvements in how we identify and report these assets, rather than material changes to the network itself.

During the year, a number of sites were:

- removed, where assets were revoked or identified as duplicates, and
- added, where historical under-reporting or classification differences were corrected.

This reflects continued work to improve the accuracy and completeness of our records.

At present, event duration monitors are not installed on emergency overflows, and therefore:

- no discharges are recorded, and
- reported values for monitoring performance remain at 0% availability.

We have carried out a programme of review and calibration of monitoring for emergency discharges and are developing our approach to improve data coverage and confidence in future years.

7C.37: For this APR reporting year we have taken line 37 to relate to specific permit conditions for Event Duration Monitor (EDM) monitoring and reporting, we have taken this position as only monitors installed and calibrated to EDM standard as required by such conditions will accurately report the number of discharges to the environment. Other permit conditions relating to telemetry do not have the same level of confidence.

7C.39 & 7C.40: As a result of 7C being zero both of these lines are also zero.

We has undertaken a process of checking and calibration of discharge monitors for emergency discharges and we are reviewing the position for the next reporting year and discussions have started to establish a plan to report values where we have confidence in the monitoring for the next reporting year.

Overall, the data for emergency overflows reflects a maturing reporting position, with continued improvements expected as monitoring and data processes develop further.

Table 7D

Wastewater Network Plus – sewage treatment works data for the 12 months ended 31 March 2026

			Treatment categories								
				Secondary		Tertiary					
Line description	Units	DPs	Primary	Activated Sludge	Biological	A1	A2	B1	B2	Total	RAG 4 reference
Load received at sewage treatment works											
Load received by STWs in size band 1	kg BOD5/day	0	65	388	1,100	26	17	58	16	1,670	7D.1
Load received by STWs in size band 2	kg BOD5/day	0	50	238	779	22	17	170	82	1,358	7D.2
Load received by STWs in size band 3	kg BOD5/day	0	119	914	2,277	63	492	696	1,046	5,607	7D.3
Load received by STWs in size band 4	kg BOD5/day	0	0	3,899	7,876	650	2,643	1,223	6,207	22,498	7D.4
Load received by STWs in size band 5	kg BOD5/day	0	0	9,609	12,951	3,642	6,631	2,877	7,086	42,796	7D.5
Load received by STWs above size band 5	kg BOD5/day	0	0	162,054	14,861	6,017	102,047	2,633	1,599	289,211	7D.6
Total load received	kg BOD5/day	0	234	177,102	39,844	10,420	111,847	7,657	16,036	363,140	7D.7
Load received from trade effluent customers at treatment works	kg BOD5/day	0								41,413	7D.8
Number of sewage treatment works											
STWs in size band 1	nr	0	30	69	202	3	1	8	1	314	7D.9
STWs in size band 2	nr	0	2	11	33	1	1	7	4	59	7D.10
STWs in size band 3	nr	0	2	13	37	1	5	12	12	82	7D.11
STWs in size band 4	nr	0	0	12	24	2	8	5	21	72	7D.12
STWs in size band 5	nr	0	0	8	14	3	6	3	6	40	7D.13
STWs above size band 5	nr	0	0	17	4	3	10	1	1	36	7D.14
Total number of works	nr	0	34	130	314	13	31	36	45	603	7D.15

Key

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Table 7D – continued

Wastewater Network Plus – sewage treatment works data for the 12 months ended 31 March 2026

			Treatment works consents																
			Phosphorus					BOD_5						Ammonia						
Line description	Units	DPs	<=0.5 mg/l	>0.5 to <=1mg/l	>1mg/l	No permit	Total	<=7 mg/l	>7 to <=10mg/l	>10 to <=20mg/l	>20 mg/l	No permit	Total	<=1 mg/l	>1 to <=3mg/l	>3 to <=10mg/l	>10 mg/l	No permit	Total	RAG 4 reference
Load received at sewage treatment works																				
Load received by STWs in size band 1	kg BOD_5/day	0	0	0	30	1,640	1,670	0	0	48	70	1,554	1,672	0	0	48	129	1,495	1,672	7D.1
Load received by STWs in size band 2	kg BOD_5/day	0	0	45	0	1,314	1,359	0	0	200	703	456	1,359	0	24	198	721	416	1,359	7D.2
Load received by STWs in size band 3	kg BOD_5/day	0	291	257	498	4,560	5,606	0	171	1,557	3,605	272	5,605	0	0	2,052	2,641	913	5,606	7D.3
Load received by STWs in size band 4	kg BOD_5/day	0	4,287	1,592	287	16,334	22,500	0	1,548	5,648	10,905	4,398	22,499	0	2,921	6,242	7,493	5,843	22,499	7D.4
Load received by STWs in size band 5	kg BOD_5/day	0	11,902	6,622	4,423	19,849	42,796	0	4,750	15,060	20,768	2,217	42,795	0	8,790	20,038	5,492	8,475	42,795	7D.5
Load received by STWs above size band 5	kg BOD_5/day	0	100,261	24,016	11,795	153,140	289,212	0	25,854	138,267	86,634	38,456	289,211	5,387	116,562	92,714	8,640	65,908	289,211	7D.6
Total load received	kg BOD_5/day	0	116,741	32,532	17,033	196,837	363,143	0	32,323	160,780	122,685	47,353	363,141	5,387	128,297	121,292	25,116	83,050	363,142	7D.7
Load received from trade effluent customers at treatment works	kg BOD_5/day	0																		7D.8
Number of sewage treatment works																				
STWs in size band 1	nr	0	0	0	2	312	314	0	0	3	9	302	314	0	0	3	13	298	314	7D.9
STWs in size band 2	nr	0	0	2	0	57	59	0	0	9	29	21	59	0	1	9	30	19	59	7D.10
STWs in size band 3	nr	0	5	4	7	66	82	0	2	21	53	6	82	0	0	27	43	12	82	7D.11
STWs in size band 4	nr	0	10	4	2	56	72	0	5	18	37	12	72	0	7	22	25	18	72	7D.12
STWs in size band 5	nr	0	12	6	4	18	40	0	4	15	19	2	40	0	8	20	5	7	40	7D.13
STWs above size band 5	nr	0	6	5	3	22	36	0	1	14	18	3	36	1	9	17	4	5	36	7D.14
Total number of works	nr	0	33	21	18	531	603	0	12	80	165	346	603	1	25	98	120	359	603	7D.15

Key

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Table 7D – continued

Wastewater Network Plus – sewage treatment works data for the 12 months ended 31 March 2026

Line description	Units	DPs	Primary	RAG 4 reference
Population equivalent				
Current population equivalent served by STWs	000s	3	6,015.302	7D.16
Current population equivalent served by STWs with tightened/new P consents	000s	3	1,843.851	7D.17
Current population equivalent served by STWs with tightened/new N consents	000s	3	0.000	7D.18
Current population equivalent served by STWs with tightened/new sanitary parameter consents	000s	3	252.161	7D.19
Current population equivalent served by STWs with tightened/new microbiological treatment consents (for example UV, ozone etc)	000s	3	14.053	7D.20
Population equivalent treatment capacity enhancement	000s	3	24.303	7D.21
Current population equivalent served by STWs with tightened/new consents for chemicals or other hazardous substances	000s	3	0.000	7D.22

Key

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Table 7D - Commentary

Overall, the sewage treatment works estate remains stable, with operational performance consistent with previous years. Changes in population equivalent under tighter consents reflect increasing environmental standards, while load and treatment profiles remain steady.

Load received and treatment profile (7D.1–7D.8)

Total load received was 363,140 kg BOD/day, a slight increase on the previous year. Load remains concentrated in larger treatment works, while smaller works continue to account for a smaller share of total load. The distribution of treatment processes remains stable, with most load treated through secondary and tertiary processes.

Number of sewage treatment works (7D.9–7D.15)

The total number of sewage treatment works remained unchanged at 603. The distribution across size bands remains consistent, indicating a stable asset base and no material restructuring of treatment sites.

Treatment complexity and processes

The treatment profile across the estate remains unchanged, with the majority of wastewater treated through secondary and tertiary processes. This reflects established treatment approaches required to meet environmental standards.

Treatment works consents (phosphorus, BOD, ammonia)

The distribution of environmental consents remains broadly consistent. This includes a mix of phosphorus, biochemical oxygen demand (BOD) and ammonia limits, reflecting site-specific environmental requirements and the receiving environment.

Population equivalent (7D.16–7D.22)

The total population equivalent served increased to around 6.0 million. There has been a significant increase in the population served by tighter phosphorus and sanitary consents, reflecting strengthened environmental requirements across more sites.

Treatment capacity enhancement

Population equivalent treatment capacity enhancement was 24,303, indicating continued work to maintain and enhance treatment capability in response to environmental and operational requirements.

Table 7E

Wastewater Network Plus – energy consumption and other data for the 12 months ended 31 March 2026

Line description	Units	DPs	Input	RAG 4 reference
Other				
Total sewerage catchment area	km²	0	1,755	7E.1
Designated bathing waters (inland and coastal)	nr	0	21	7E.2
Energy consumption				
Energy consumption – sewage collection	MWh	3	62,125.466	7E.3
Energy consumption – sewage treatment	MWh	3	269,912.368	7E.4
Energy consumption – wastewater Network Plus	MWh	3	332,037.834	7E.5
Scheme delivery				
Number of intermittent discharge event duration monitors installed (STW and network)	nr	0	0	7E.6
Number of odour related complaints	nr	0	260.000	7E.7
Flow to full treatment to increase to increase STW capacity	l/s	0	31.700	7E.8
Number of sites with an increase in sewage treatment works FFT	nr	0	1.000	7E.9
Additional equivalent storage provided for storm overflow discharge reduction schemes; grey	m³	3	110.00	7E.10
Additional equivalent storage provided for storm overflow discharge reduction schemes; green	m³	3	0.000	7E.11
Additional equivalent storage provided for storm overflow discharge reduction schemes; other	m³	3	33,245.0	7E.12
Number of network storm overflow schemes delivered	nr	3	3.000	7E.13
Number of STW storm overflow schemes delivered	nr	3	1.000	7E.14
Storm overflow wetlands – sites	nr	0	0.000	7E.15
Storm overflow wetlands – area	nr	0	0.000	7E.16
Number of screen-only schemes delivered	nr	1	0.000	7E.17
Number of schemes delivered to meet tightened or new sanitary consents	nr	0	7.000	7E.18
New wetlands for tightened sanitary or nutrient (N or P) permits – sites	nr	0	0	7E.19
New wetlands for tightened sanitary or nutrient (N or P) permits – area	m²	0	0	7E.20
Septic tank replacement projects	nr	0	0	7E.21
Septic tank replacement projects – total PE	nr	0	0	7E.22
Fish outfall screens	nr	0	0	7E.23
Schemes with tightened/new P permits (met by biological treatment)	nr	0	0	7E.24
Schemes with tightened/new P permits (met by chemical treatment)	nr	0	26	7E.25
Schemes with tightened/new N permits (met by biological treatment)	nr	0	0	7E.26
Schemes with tightened/new N permits (met by chemical treatment)	nr	0	0	7E.27
Schemes with tightened/new microbiological standards (UV, ozone etc)	nr	0	0	7E.28
Schemes with tightened/new chemicals/hazardous substances permits	nr	0	0	7E.29
N-TAL trials	nr	0	0	7E.30
STW flow monitors installed	nr	0	2	7E.31
STW flow monitoring schemes requiring permit changes only	nr	0	0	7E.32
STW flow monitoring schemes requiring simple meter installations	nr	0	0	7E.33

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 7E – continued

Wastewater Network Plus – energy consumption and other data for the 12 months ended 31 March 2026

Line description	Units	DPs	Input	RAG 4 reference
STW flow monitoring schemes requiring complex civils installations	nr	0	2	7E.34
Continuous water quality monitor installations	nr	0	0	7E.35
MCERTS monitoring schemes at SPS emergency overflows – EDM only	nr	0	0	7E.36
MCERTS monitoring schemes at SPS emergency overflows – EDM + civils	nr	0	2	7E.37
MCERTS monitoring schemes at SPS emergency overflows – EDM + PFF	nr	0	22	7E.38
MCERTS monitoring schemes at SPS emergency overflows – EDM + PFF + civils	nr	0	0	7E.39
MCERTS monitoring schemes at SPS emergency overflows – Permits only	nr	0	0	7E.40
WINEP/NEP investigations – desk-based studies only	nr	0	0	7E.41
WINEP/NEP investigations – survey, monitoring or simple modelling	nr	0	0	7E.42
WINEP/NEP investigations – multiple surveys and/or monitoring locations, and/or complex modelling	nr	0	0	7E.43
WINEP/NEP investigations – total	nr	0	0	7E.44
Catchment management nutrient balancing schemes	nr	0	1	7E.45
Catchment management catchment permitting schemes	nr	0	0	7E.46
Catchment management habitat restoration schemes	nr	0	0	7E.47
River connectivity schemes (fish passes etc)	nr	0	0	7E.48
Marine conservation zones (new and existing)	nr	0	0	7E.49
Contribution to third party WINEP/NEP schemes	nr	0	0	7E.50
25 yr Environment Plan schemes	nr	0	0	7E.51
Additional sludge storage – tank volume (pre-thickening/pre-dewatering/ untreated sludge)	m^3	0	72	7E.52
Additional sludge storage – tank volume (thickened/dewatered/treated sludge)	m^3	0	0	7E.53
Additional sludge storage – cake pads/bays area or equivalent (cake)	m^2	0	0	7E.54
Sludge treatment schemes providing sludge storage	nr	0	0	7E.55
Sludge treatment schemes providing sludge thickening and dewatering	nr	0	0	7E.56
Sludge treatment schemes (Other)	nr	0	0	7E.57
Sludge investigation and monitoring schemes (NEP only)	nr	0	0	7E.58

Line description	Units	DPs	Foul	Surface water drainage	Highway drainage	Additional wastewater control	Total	RAG 4 reference
Traffic Management Act								
Projects incurring costs associated with Traffic Management Act	nr	0	730	273	87	0	1,090	7E.59

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 7E - Commentary

Table 7E provides additional information on wastewater operations, including energy use and scheme delivery. Many of these data items are newly reported in 2025/2026 and reflect a broadened reporting framework. As a result, some figures are based on evolving data processes, which will continue to be refined in future years.

Catchment and environmental context (7E.1-7E.2)

The total sewerage catchment area is 1,755km², with 21 designated bathing waters. This highlights the scale of the network and the environmental sensitivity of the areas served.

Energy consumption (7E.3-7E.5)

Total wastewater energy consumption was 332,038 MWh, including 62,125 MWh for sewage collection and 269,912 MWh for sewage treatment. Energy use is highest in treatment processes due to the operational requirements of treating wastewater.

Scheme delivery – storm overflows and capacity (7E.6-7E.14)

7E.6: Although no sites have formally been claimed in the WINEP there have been a number of completed installation pending WINEP claim. As of 31/03/2026 135 of the 230 total required sites have an MCERT certificate. We plan to claim the sites in bulk when all 230 have been completed prior to the 31/12/2026 deadline and as such these will appear in next year APR submission with an expected return of 230 to be stated in the APR table.

Solutions with a combination of Blue, Green and Grey (hybrid) solutions as such, such solutions have been logged in item 7E.12 Additional equivalent storage provided for storm overflow discharge reduction schemes; other

During the year, three network storm overflow schemes and one treatment works scheme were delivered. Over 33,000 m³ of additional storage was provided to reduce storm overflow discharges, and treatment capacity was increased by 31.7 l/s at one site. These improvements support network resilience and environmental performance.

Customer outcomes (7E.7)

There were 260 odour-related complaints received during the year. These are monitored and addressed as part of maintaining customer service standards.

Environmental compliance and standards (7E.17-7E.29)

A total of seven schemes were delivered to meet new or tightened sanitary consents, alongside 26 schemes to meet tighter phosphorus permit requirements. These activities reflect increasing environmental standards and the need to enhance treatment processes.

Monitoring and instrumentation (7E.31-7E.35)

In 2025/2026 we have continued delivery of improved flow monitoring across our treatment works, installing and certifying MCERT flow meters at sites where this was required under our environmental programme. This work forms part of a long-term plan agreed with the Environment Agency before the start of AMP8, with delivery milestones set up to March 2030, and this year's reporting reflects sites completed by March 2026. There are 26 sites in total scheduled for delivery across the period, with two due in the first year, both of which have now been completed. These first-year sites at Lemonroyd and Ripponden were extensions of earlier AMP7 commitments (originally due by March 2025) and were delivered as part of wider improvement work at those locations. It is important to note that these installations relate to the completion of previous regulatory obligations and are not attributable to new AMP8 delivery, although the costs are reported in this year in line with regulatory guidance. Overall, this activity ensures reliable flow measurement is in place to support environmental compliance and better management of wastewater systems for customers and the environment.

Monitoring capability continues to improve, with two sewage treatment works flow monitors installed and 22 continuous water quality monitors added. These upgrades support better operational management and regulatory reporting.

Table 7E - Commentary

Storm and emergency overflow monitoring (7E.36-7E.40)

No new MCERTS monitoring schemes were delivered for emergency overflows during the year. This aligns with the current position where monitoring of these assets is still developing, with further improvements planned.

Catchment and environmental schemes (7E.45-7E.50)

One nutrient balancing scheme was delivered during the year. Other catchment and nature-based solutions were not reported, reflecting the timing of programme delivery.

Sludge and storage (7E.52–7E.58)

Additional sludge storage of 72 m³ was provided. No further sludge treatment or investigation schemes were reported during the year, indicating limited activity in these areas.

Tables 7F-7K

Due to the size of these data tables, we have published them separately on our website here:
yorkshirewater.com/about-us/reports



Table 7F - Commentary

This table provides information on the costs and key drivers associated with the delivery of phosphorus removal schemes across our wastewater treatment assets as part of the Water Industry National Environment Programme (WINEP), and is linked to our Price Control Deliverable (PCD) PCDWW10. These schemes are designed to reduce phosphorus levels in treated wastewater discharges, helping to improve river water quality and support environmental obligations agreed with environmental regulators.

The costs reported reflect a large and diverse programme of schemes at different stages of development and delivery. Expenditure varies considerably between sites, reflecting differences in treatment requirements, permit conditions, population served, existing asset capability and the scale of investment needed to achieve the required phosphorus standards. Costs are also influenced by whether schemes require upgrades to existing treatment processes, the construction of new treatment assets, chemical dosing facilities, sludge handling improvements, additional monitoring equipment or supporting infrastructure works.

A key driver of cost variability is the phosphorus permit level required at each site. More stringent permit limits typically require more complex treatment solutions and a greater level of investment. Site-specific factors, including the size of the treatment works, available land, existing infrastructure, engineering complexity and the condition of current assets, also influence both costs and delivery approaches. The programme includes a mixture of standard and bespoke solutions to ensure investment is targeted appropriately to local environmental needs.

During 2025/2026, expenditure reflects a combination of design, development and construction activities across the programme. The portfolio includes schemes progressing through different delivery stages, and costs therefore vary depending on the maturity of individual projects. Future expenditure profiles will continue to reflect the timing of delivery and the progression of schemes through design, construction and commissioning.

For the schemes flagged as having a 'Catchment-based solution (Y within the Data Table)', please see the below additional information:

AMP8 – Sinderby

As part of AMP8 improvements at Sinderby WwTW, all storm and final effluent discharges have been removed from the adjacent small watercourse. The works now treats all flows, with the final effluent discharge transferred to the River Swale. As a result, the previous phosphorus (P) permit associated with the small watercourse discharge is no longer required.

AMP7 Legacy Schemes – Stockley, Bolsover, Staveley and the River Doe Lea Wetland

The AMP7 legacy schemes at Stockley, Bolsover and Staveley, together with the River Doe Lea wetland project, are currently operating under an Operating Techniques Agreement (OTA). Under this approach, compliance will ultimately be assessed using the concentration within the River Doe Lea as the primary performance metric, supported by the operation of the riverine wetland, rather than relying solely on end-of-pipe discharge quality measures.

For solution types which we have logged as 'Other' within 'Cost Driver 8', please see 'Cost Driver 10' for more information within the Data Table.

Overall, the programme represents an important investment in improving river health and environmental performance, while ensuring compliance with regulatory requirements and delivering long-term benefits for customers and the environment.

Table 7G - Commentary

Table 7G summarises wastewater treatment schemes being delivered through the WINEP/PNEP programme to achieve tighter environmental standards for phosphorus, ammonia and biochemical oxygen demand (BOD), and is linked to our Price Control Deliverable (PCD) 'PCDWW12'. The majority of investments are driven by statutory permit changes required to improve river water quality and support environmental outcomes in receiving waterbodies.

The preferred delivery approach for most schemes involves upgrades to existing treatment processes, including additional biological treatment capacity, optimisation of existing assets and targeted chemical dosing where appropriate. Solutions have been developed to achieve permit compliance while making best use of existing infrastructure and minimising whole-life costs.

Several schemes remain subject to ongoing optimisation and detailed design as part of the AMP8 delivery programme. In these cases, solution selection has been informed by feasibility assessments, process modelling and site-specific operational considerations to ensure the required environmental outcomes can be achieved efficiently and sustainably.

In addition, a small number of schemes are progressing through innovative or catchment-based approaches, where environmental performance may be assessed against receiving water quality outcomes rather than solely through conventional end-of-pipe permit compliance measures. These approaches support the broader objective of delivering improved ecological outcomes while encouraging innovation in wastewater treatment and river restoration.

The forecast expenditure reflects the phased delivery of WINEP obligations across AMP8, with investment targeted at sites where revised environmental permits require enhanced treatment performance. Cost drivers are predominantly associated with additional treatment capacity, process optimisation and phosphorus removal improvements necessary to meet tighter regulatory standards and protect the quality of receiving waters.

Overall, we have no catchment-based interventions, stretch targets for site-specific sanitary parameters permits or green recovery schemes. More information for where we have stated 'other' under 'Solution type' can be found within the Data Table under 'Cost driver 15'.

Table 7H - Commentary

There is nothing for Yorkshire Water to report against this Data Table.

Table 7I - Commentary

Overall position

Table 7I is a new table for 2025/2026 and provides information on the costs and key drivers associated with growth at sewage treatment works. This supports our Price Control Deliverable 'PCDWW27', ensuring our assets are able to accommodate population growth while continuing to meet environmental standards.

What the table shows

The table provides a detailed breakdown of individual schemes, including capital and operating costs, the timing of investment and the scale of growth being supported. It also highlights key cost drivers such as treatment requirements, site-specific constraints and capacity increases. As a new table, it improves transparency around how we invest to support growth.

Link to price control deliverable

The schemes included contribute to delivery of PCDWW27. Performance depends on the timing and scale of new connections, the delivery of investment schemes and maintaining compliance with environmental requirements.

Cost drivers and variability

Costs vary between schemes due to a range of factors. These include the scale and timing of growth, site-specific conditions, environmental requirements such as nutrient removal, and the complexity of treatment solutions needed. Variability is therefore expected across schemes and over time.

Performance in 2025/2026

As this is the first year of reporting, activity reflects a mix of schemes at different stages of development and delivery. Costs reflect both early-stage development and delivery of schemes already underway.

Challenges and uncertainties

Delivery is influenced by uncertainty in housing growth forecasts, planning processes and engineering constraints. These factors can affect both costs and timing of schemes.

Looking ahead

We will continue to refine our planning and delivery of growth schemes to ensure sufficient capacity is available and environmental standards are maintained.

Overall narrative

Overall, the table provides greater visibility of how we plan and deliver investment to support growth at treatment works. Costs vary due to the nature of schemes, but our approach ensures capacity is delivered efficiently and in line with demand.

Table 7J - Commentary

Overall position

Table 7J is a new table for 2025/2026 and provides information on the costs and key drivers associated with compliance with the Industrial Emissions Directive (IED) across our bioresources sites. This supports delivery of Price Control Deliverable (PCD) 'PCDWW30'.

What the table shows

The table presents scheme level information for sites requiring IED upgrades, including capital and operating expenditure, timing of investment and the volume of sludge treated at each site. It also includes information on site rationalisation where relevant. This improves transparency of how we invest to meet regulatory requirements.

Link to price control deliverable

These investments contribute to PCDWW30, which focuses on ensuring compliance with IED requirements. Performance is influenced by delivery of upgrades, site configurations and maintaining compliant operations across sludge treatment processes.

Cost drivers and variability

Costs vary depending on a range of factors including the size and complexity of sites, volume of sludge treated, site-specific engineering requirements and the scope of IED upgrades. Additional variation arises from whether schemes are delivered alongside rationalisation or other enhancement works.

Performance in 2025/2026

As this is the first year of reporting, activity reflects schemes at different stages of planning and delivery. Expenditure includes both development activity and construction of upgrades at key sites. Variability between sites reflects differences in scale and timing.

Challenges and uncertainties

Delivery is influenced by regulatory requirements, site constraints and programme risks. Timing of works and final costs may vary depending on approvals, construction conditions and integration with wider investment programmes.

Looking ahead

We will continue to progress IED upgrades and optimise site configurations where appropriate. Future performance will depend on efficient delivery of schemes and maintaining compliance with evolving environmental standards.

Overall narrative

Overall, Table 7J provides improved visibility of investment to meet IED requirements. Costs vary due to site-specific factors and programme complexity, but our approach ensures compliance is achieved and maintained efficiently.

Table 7K - Commentary

Overall position

Table 7K is a new table for 2025/2026 and provides information on the costs and key drivers associated with delivery of storm overflow improvement schemes across our wastewater network and treatment works. These schemes form part of the WINEP programme and support delivery of Price Control Deliverable (PCD) 'PCDWW5'.

What the table shows

The table provides scheme-level detail for storm overflow improvements, including capital and operating expenditure, timing of delivery and key characteristics of each scheme. It includes information on storage provided, the type of solutions delivered (including grey and nature-based approaches), and other interventions such as flow to full treatment increases and surface water separation.

Link to price control deliverable

These schemes contribute to delivery of PCDWW5, which focuses on the timely delivery of storm overflow improvements. Performance is measured based on the completion of required schemes.

Cost drivers and variability

Costs vary significantly between schemes due to a range of factors. These include the scale of storage required, the type of solution (such as underground storage, wetlands or other nature-based approaches), site-specific engineering constraints and the complexity of integrating works within existing networks and treatment assets. Additional drivers include whether schemes involve flow to full treatment increases, surface water separation or are delivered alongside broader improvements.

All cost driver totex values have been updated from the Draft Determination to the Final Determination position. However, these values may not fully reconcile to current programme totex totals, as detailed scope and cost allocation information is not yet sufficiently mature to support a robust reconciliation. More robust reporting of cost driver totex is therefore planned from APR27 onwards, when a greater proportion of the programme has progressed through the gated process and expenditure can be allocated with greater confidence.

Performance in 2025/2026

As this is the first year of reporting, activity reflects a large portfolio of schemes at different stages of development and delivery. Expenditure includes both early-stage design and development as well as construction activity for schemes already in delivery. Variation between schemes reflects differences in complexity, scale and timing.

A number of schemes are currently under review for potential removal from the programme where delivery constraints or solution uncertainty remain. Alternative solutions are being identified. This has been reflected, with a number of projects reported at IM7. Further information on these will be included in future reporting as confidence in their removal and any replacement schemes matures.

Challenges and uncertainties

Delivery is influenced by planning approvals, environmental permitting, land requirements and engineering constraints. The scale and complexity of the programme means that costs and delivery timing may vary as schemes progress and designs are refined.

Looking ahead

We will continue to progress delivery of storm overflow improvements in line with WINEP requirements. Future delivery will focus on completing schemes efficiently while ensuring solutions are appropriate to local conditions and long-term environmental outcomes.

Overall narrative

Overall, Table 7K provides greater transparency on the costs and drivers associated with storm overflow improvements. Costs vary across schemes due to differences in scale, solution type and site-specific factors, but our approach ensures delivery of PCDWW5 in an efficient and compliant manner.

Table 8: Additional regulatory information – bioresources

Introduction

The information in this section details 'Additional regulatory information – bioresources' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following tables:

Pro forma 8A Bioresources sludge data for the 12 months ended 31 March 2026

Pro forma 8C Bioresources energy and liquors analysis for the 12 months ended 31 March 2026

Pro forma 8D Bioresources sludge treatment and disposal data for the 12 months ended 31 March 2026

Table 8A

Bioresources sludge data for the 12 months ended 31 March 2026

Line description	Units	DPs	Total	RAG 4 reference
Total sewage sludge produced, treated by incumbents	ttds/year	1	154.5	8A.1
Total sewage sludge produced, treated by 3rd party sludge service provider	ttds/year	1	4.4	8A.2
Total sewage sludge produced	ttds/year	1	158.9	8A.3
Total sewage sludge produced from non-appointed liquid waste treatment	ttds/year	1	5.9	8A.4
Percentage of sludge produced and treated at a site of STW and STC co-location	%	2	57.83	8A.5
Total sewage sludge disposed by incumbents	ttds/year	1	96.1	8A.6
Total sewage sludge disposed by 3rd party sludge service provider	ttds/year	1	4.4	8A.7
Total sewage sludge disposed	ttds/year	1	100.5	8A.8
Total measure of intersiting 'work' done by pipeline	ttds*km/year	0	0	8A.9
Total measure of intersiting 'work' done by tanker	ttds*km/year	0	1,393	8A.10
Total measure of intersiting 'work' done by truck	ttds*km/year	0	2,045	8A.11
Total measure of intersiting 'work' done (all forms of transportation)	ttds*km/year	0	3,438	8A.12
Total measure of intersiting 'work' done by tanker (by volume transported)	m^3*km/yr	0	41,476,177	8A.13
Total measure of 'work' done in sludge disposal operations by pipeline	ttds*km/year	0	0	8A.14
Total measure of 'work' done in sludge disposal operations by tanker	ttds*km/year	0	0	8A.15
Total measure of 'work' done in sludge disposal operations by truck	ttds*km/year	0	10,282	8A.16
Total measure of 'work' done in sludge disposal operations (all forms of transportation)	ttds*km/year	0	10,282	8A.17
Total measure of 'work' done by tanker in sludge disposal operations (by volume transported)	m^3*km/yr	0	0	8A.18
Chemical P sludge as % of sludge produced at STWs	%	2	74.25	8A.19

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 8A - Commentary

Overall position

Our bioresources operations remained stable in 2025/2026, with modest increases in sludge production and disposal. We continue to treat the majority of sludge within our own facilities, supported by inter-site transport where required.

Sludge production and treatment (8A.1–8A.4)

Total sludge produced increased to 158.9 ttds/year. The majority continues to be treated internally (154.5 ttds), with a higher level of third-party treatment at 4.4 ttds. Sludge from non-appointed liquid waste remained low at 5.9 ttds.

Co-location efficiency (8A.5)

Co-location reduced to 57.83%, indicating that a lower proportion of sludge was treated at the same site where it was produced. This has led to increased transport activity across the network.

Sludge disposal (8A.6–8A.8)

Total sludge disposed increased to 100.5 ttds/year, mainly managed internally. This reflects the higher sludge production during the year.

Transport and intersiting activity (8A.9–8A.13)

Transport activity increased to 3,438 ttds·km/year, with tanker and truck continuing as the dominant transport methods. Volume-based tanker transport also increased to over 41 million m^3·km/year, reflecting greater movement between sites.

Sludge disposal transport (8A.14–8A.18)

Transport related to sludge disposal increased significantly to 10,282 ttds·km/year, all of which was undertaken by truck.

Chemical phosphorus sludge (8A.19)

The proportion of chemical phosphorus sludge increased significantly to 74.25%. This reflects increased chemical dosing to meet tighter environmental standards for phosphorus removal.

Table 8C

Bioresources energy and liquors analysis for the 12 months ended 31 March 2026

Line description	Units	DPs	Electricity	Heat	Biomethane	Total	Electricity	Heat	Biomethane	Total	RAG 4 reference
			MWh (0 DPs)				£m (3 DPs)				
Energy											
Energy consumption – bioresources	SE Column Headings	SE Column Headings	32,904	147,196	0	228,925	6.526	11.374	0.000	17.900	8C.1
Energy generated by and used in bioresources control	SE Column Headings	SE Column Headings	29,871	120,644	0	150,515	5.674	8.928	0.000	14.602	8C.2
Energy generated by bioresources and used in network plus control	SE Column Headings	SE Column Headings	54,966	0	0	54,966	10.440	0.000	0.000	10.440	8C.3
Energy generated by bioresources and exported to the grid or third party	SE Column Headings	SE Column Headings	6,456	0	0	6,456	0.461	0.000	0.000	0.461	8C.4
Energy generated by bioresources that is unused	SE Column Headings	SE Column Headings	0	132,195	0	132,195					8C.5
Energy bought from grid or third party and used in bioresources control	SE Column Headings	SE Column Headings	3,033	26,552	0	29,585	0.576	1.381	0.000	1.957	8C.6

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 8C – continued

Bioresources energy and liquors analysis for the 12 months ended 31 March 2026

Line description	Unit	DPs	Value	RAG 4 reference
Income from renewable energy subsidies				
Income claimed from Renewable Energy Certificates (ROCs)	£m	3	3.204	8C.7
Income claimed from Renewable Heat Incentives (RHIs)	£m	3	0.000	8C.8
Income claimed from [other renewable energy subsidy (1)]	£m	3	0.000	8C.9
Income claimed from [other renewable energy subsidy (2)]	£m	3	0.000	8C.10
Income claimed from [other renewable energy subsidy (3)]	£m	3	0.000	8C.11
Total income claimed from renewable energy subsidies	£m	3	3.204	8C.12
Percentage of total number of renewable energy subsidies due to expire in the next 2 financial years	%	0	0%	8C.13
This year's value of renewable energy subsidies due to expire in the next 2 financial years	£m	3	0.000	8C.14

Note: Companies to input specific subsidy which is being referenced in lines 8C.8 – 8C.10.

Bioresources liquors treated by network plus (shadow reported)	Unit	DPs	Value	RAG 4 reference
BOD load of liquor or partially treated liquor returned from bioresources to network plus	kg/d	0	19,937	8C.15
Ammonia load of liquor or partially treated liquor returned from bioresources to network plus	kg Amm- N/d	0	4,551	8C.16
Recharge to Bioresources by network plus for costs of handling and treating bioresources liquors	£m	3	10.494	8C.17
Percentage of bioresources energy consumption that is metered	%			
Percentage of bioresources energy consumption that is metered	78.738%			8C.18

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 8C - Commentary

This table helps the industry ensure there is consistency for energy and liquor treatment in bioresources.

8C.1: Total costs for energy consumption within bioresources has been used, and an allowance has been added for overheads and fleet costs.

8C.2-6: The volumetric data within this table has been used and applied a market unit price for calculating the electricity and heat financials.

A different unit rate has been used for electricity generated by bioresources and exported to the grid or third party (line 8C.4).

It is assumed any heat generated in bioresources was from biogas. As a result, the purchase price of natural gas has been applied, where it is required in the business.

8C.7: This line is the same as the ROC Income included within 4K.2 for income treated a negative expenditure for bioresources only.

8C.17: Yorkshire Water have worked closely with Jacobs in order to quantify the cost of sludge liquor treatment.

Following consultation with the operational business Yorkshire Water use Biochemical Oxygen Demand (BOD) and ammonia as the determinants.

$$C = W \frac{(BOD_l + 4.75A_l)V}{(BOD_h + 4.75A_h)I}$$

Operating costs associated with 2025/2026 and capital expenditure has been annualised from the Modern Equivalent Asset Value (MEAV) only for assets which are impacting liquors within the wastewater Network Plus price control.

Table 8C - Commentary

Table 8C provides additional information on our bioresources activities, including energy use, generation and the treatment of liquors returned to the wastewater network. The data shows that bioresources operations both consume and generate energy, and interact closely with the wider wastewater system.

Energy consumption and generation (8C.1–8C.6)

Energy – electricity:

During 2025/2026, we generated electricity within our bioresources operations and used it both on site and across the wider wastewater service, with a smaller proportion exported to the national grid. A small amount of electricity was also purchased where on-site generation did not fully meet demand.

Changes during the year were influenced by:

- drier conditions, reducing flows and overall demand
- operational improvements in generation assets
- changes in sludge treatment activity.

Electricity data is increasingly based on metered information, although some elements still use derived data from sub-meters. We are continuing to improve metering coverage to increase confidence in future reporting.

Energy – heat:

Heat is generated and used within bioresources to support sludge treatment processes.

Around half of the heat generated is used on site, with the remainder not utilised due to operational constraints. A small proportion of demand is met using fuel purchased from third parties.

Movements during the year reflect:

- reduced sludge volumes and heat demand
- changes to asset operation, including closure of less efficient sites
- ongoing efforts to reduce wasted energy and flaring.

Heat data is partly modelled rather than directly metered, meaning some estimation is required. Work is in progress to improve heat measurement and accuracy.

Biomethane:

We do not currently produce or report biomethane, so all biomethane values are zero for 2025/2026.

Liquors returned to the wastewater network (8C.15–8C.17)

Bioresources processes produce liquors that are returned to the wastewater network for treatment. During the year, 19,937 kg/day of biochemical oxygen demand and 4,551 kg/day of ammonia were returned. This is a normal part of sludge treatment and contributes to the overall load treated at sewage treatment works.

Metering and data quality (8C.18)

78.7% of bioresources energy consumption is metered. This indicates that most energy use is based on measured data, with the remainder derived through estimation.

We have established processes to capture and use metered data and are continuing to invest in improved metering, calibration and data assurance, which will increase accuracy and confidence in reporting over time.

Table 8D

Bioresources sludge treatment and disposal data for the 12 months ended 31 March 2026

Line description	Units	DPs	By incumbent	By 3rd party sludge service providers	RAG 4 reference
Sludge treatment process					
% Sludge – untreated	%	1	0.0%	6.7%	8D.1
% Sludge treatment process – raw sludge liming	%	1	0.0%	2.8%	8D.2
% Sludge treatment process – conventional AD	%	1	75.4%	0.0%	8D.3
% Sludge treatment process – advanced AD	%	1	15.1%	0.0%	8D.4
% Sludge treatment process – incineration of raw sludge	%	1	0.0%	0.0%	8D.5
% Sludge treatment process – other (specify)	%	1	0.0%	0.0%	8D.6
% Sludge treatment process – Total	%	1	90.5%	9.5%	8D.7
(Un-incinerated) sludge disposal and recycling route					
% Sludge disposal route – landfill, raw	%	1	0.0%	0.0%	8D.8
% Sludge disposal route – landfill, partly treated	%	1	0.0%	0.0%	8D.9
% Sludge disposal route – land restoration/reclamation	%	1	13.2%	0.0%	8D.10
% Sludge disposal route – sludge recycled to farmland	%	1	82.5%	4.4%	8D.11
% Sludge disposal route – other (specify)	%	1	0.0%	0.0%	8D.12
% Sludge disposal route – Total	%	1	95.6%	4.4%	8D.13

Key

Input cell Calculation cell Copy cell

Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 8D - Commentary

Overall position

In 2025/2026, we continued to treat and recycle the majority of sludge generated from wastewater treatment. The overall approach remains focused on anaerobic digestion and beneficial reuse to land, supported by increased use of third-party services where required to maintain operational resilience.

Sludge treatment processes (8D.1–8D.7)

Most sludge continues to be treated through anaerobic digestion, with 75.4% treated through conventional digestion and 15.1% through advanced digestion. Together, these account for the majority of sludge treated within our own operations. Third-party treatment increased to 9.5%, including untreated sludge and raw sludge liming, reflecting the use of external routes to manage capacity and maintain continuity of service. There is no incineration or use of other treatment processes.

Untreated sludge

There was no untreated sludge within our own operations. A proportion of sludge (6.7%) was reported as untreated via third-party routes, reflecting temporary operational solutions to manage flows and capacity while maintaining service continuity.

Sludge disposal and recycling routes (8D.8–8D.13)

Sludge continues to be predominantly recycled to land, with 82.5% applied to farmland internally and 4.4% via third parties. Land restoration and reclamation accounted for 13.2%. There was no disposal to landfill or other routes, demonstrating continued focus on sustainable reuse and avoidance of landfill.

Key changes from 2024/2025

There has been a reduction in the proportion treated through conventional anaerobic digestion, alongside an increase in third-party treatment and untreated sludge via third parties. Land restoration has increased, while the proportion recycled to farmland has reduced. These movements reflect operational constraints at certain sites and a more flexible approach to managing sludge across the network.

Table 9: Additional regulatory information – innovation competition

Introduction

The information in this section details 'Additional regulatory information – innovation competition' as required by Ofwat, with a brief description of significant variances compared to previous years. The information in this section comprises the following table:

Pro forma 9A Innovation competition

Table 9A

Innovation competition

Line description	Units	DPs	Current year	RAG 4 reference
Allowed				
Allocated innovation revenue collection by PR24	£m	3	7.882	9A.1
Revenue collected for the purposes of the innovation competition				
Actual Innovation Fund income drawn down from customers	£m	3	7.882	9A.2
Total amount awarded to fund innovation projects the company is leading on	£m	3	1.907	9A.3
Funding allocated for the current year as part of the Inflation Top-up Mechanism	£m	3	0.000	9A.4
Total amount transferred to MOSL as part of the Innovation Fund	£m	3	3.815	9A.5
Non-price control revenue (e.g. royalties, assets sold that were purchased using innovation funding)	£m	3	0.000	9A.6
Administration				
Administration charge for Innovation Fund delivery partner(s)	£m	3	0.431	9A.7

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Statement on innovation competition

Ofwat established the £200m Innovation Fund in 2020 to stimulate more rapid adoption of transformational innovation within the water sector and encourage greater collaboration between companies. The fund was doubled to £400m in AMP8.

The Water Innovation Fund was launched as a pilot in November 2020 and is funded directly by household water and wastewater customers in England and Wales. Funding is distributed to winning bids in competitions led by Ofwat and delivered by Challenge Works (formerly known as Nesta Challenges) in partnership with Arup and Isle Utilities. The first three competitions were held during 2021/2022: Innovation in Water Challenge, Water Breakthrough Challenge and the Water Breakthrough Challenge 2 (WBC2). For WBC2 the funding was split into two Streams – a Catalyst Stream for entries up to £1m and a Transform Stream for entries between £1m and £10m. This model was adopted following the end of the pilot period for all subsequent rounds, with WBC3 running in 2022/2023, WBC4 in 2023/2024 and WBC5 in 2024/2025. An additional Stream, the Water Discovery Challenge, was run as a pilot scheme during 2023/2024 as an open access fund targeted at non water companies.

In January 2025 Ofwat confirmed that the fund will double in AMP8 to £400m. The annual Water Breakthrough Challenges will continue and there will be at least two more rounds of the Water Discovery Challenge.

New funding streams are also under development - a Cross-Sector Programme, Water Innovation Missions and an Implementation Fund to support adoption of innovation at scale.

In parallel, a new £100m Water Efficiency Fund has been launched aimed at stimulating a transformative, sustained, and measurable reduction in water demand across England and Wales. This will be made up of two streams – a Water Efficiency Campaign to promote behaviour change and a new £25m challenge-led competition, the Water Efficiency Lab.

Yorkshire Water has so far won four bids as lead applicant. Designer Liner was awarded £173,880 though WBC2 with a further £3,251,283 secured as Designer Liner Phase 2 the following year to develop a novel lining solution for water networks. Sewage Sludge Gasification (Sustainably addressing sludge-to-land, net-zero and emerging contaminant risks) was awarded £2,329,332 from WBC4 to prove the viability of gasifying 100% sewage sludge and the project Site-Agnostic AI Models for Water Quality and Safety awarded £1,906,702 through WBC5 to develop an AI model for water quality monitoring. We are also supporting a further 26 schemes led by other water companies. The total value of all projects either led by us or supported as formal partners is in excess of £110m.

For the current round (WBC6) we submitted five bids as lead applicant and supported a further 19 at the initial bid stage. The winning entries will be announced in April 2026. All bids require an additional minimum 10% match funding contribution which cannot be funded from customer bills. Contributions are collected from partners, added to the project budget and used solely for that purpose as mandated in the terms of the fund.

Table 11: Additional regulatory information – Greenhouse gas emissions

Introduction

The information in this section details 'Additional regulatory information – Greenhouse gas emissions' as required by Ofwat. The information in this section comprises the following tables:

Pro forma 11A Greenhouse gas emissions reporting for the 12 months ended 31 March 2026

Pro forma 11B Net Zero enhancement reporting for the 12 months ended 31 March 2026

Table 11A

Greenhouse gas emissions reporting for the 12 months ended 31 March 2026

		2024/2025 Operational Emissions			
		Water	Wastewater	Total	
	Unit	tCO_2e	tCO_2e	tCO_2e	
Line description	DPs	3	3	3	RAG 4 reference
Scope one emissions					
Burning of fossil fuels (location-based)		1095.357	6457.228	7552.585	11A.1
Process and fugitive emissions		44.393	252673.710	252718.103	11A.2
Vehicle transport		3784.513	3784.513	7569.026	11A.3
Emissions from land		0.000	0.000	0.000	11A.4
Total scope one emissions (location-based)		4924.263	262915.451	267839.714	11A.5
Scope one emissions; GHG type CO_2		4824.160	10097.985	14922.145	11A.6
Scope one emissions; GHG type CH_4		1.764	40759.089	40760.853	11A.7
Scope one emissions; GHG type N_2O		98.338	212058.370	212156.708	11A.8
Scope one emissions: GHG other types		0.000	0.000	0.000	11A.9
Scope two emissions					
Purchased electricity (location-based)		51544.410	43549.013	95093.423	11A.10
Purchased electricity (market-based)		122512.620	103508.870	226021.490	11A.11
Purchased heat		0.000	0.000	0.000	11A.12
Electric vehicles		50.585	50.585	101.170	11A.13
Removal of electricity to charge electric vehicles at site		0.000	0.000	0.000	11A.14
Total scope two emissions (location-based)		51594.995	43599.598	95194.593	11A.15
Total scope two emissions (market-based)		122563.205	103559.455	226122.660	11A.16
Scope two emissions; GHG type CO_2		50979.849	43079.764	94059.613	11A.17
Scope two emissions; GHG type CH_4		262.380	221.726	484.106	11A.18
Scope two emissions; GHG type N_2O		355.665	300.555	656.220	11A.19
Scope two emissions: GHG other types		0.000	0.000	0.000	11A.20

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 11A – continued

Greenhouse gas emissions reporting for the 12 months ended 31 March 2026

		2024/2025 Operational Emissions			
		Water	Wastewater	Total	
	Unit	tCO_2e	tCO_2e	tCO_2e	
Line description	DPs	3	3	3	RAG 4 reference
Scope three emissions					
Business travel		143.841	143.841	287.682	11A.21
Outsourced activities		2703.327	7659.402	10362.729	11A.22
Purchased electricity; extraction, production, transmission and distribution (location-based)		19958.647	16868.900	36827.547	11A.23
Purchased heat; extraction, production, transmission and distribution		0.000	0.000	0.000	11A.24
Purchased fuels; extraction, production, transmission and distribution		1101.357	2071.956	3173.313	11A.25
Chemicals		28672.895	20077.971	48750.866	11A.26
Disposal of waste			10365.701	10365.701	11A.27
Total scope three emissions (location-based)		52580.067	57187.771	109767.838	11A.28
Scope three emissions; GHG type CO_2		8153.860	11880.888	20034.748	11A.29
Scope three emissions; GHG type CH_4		24.886	1295.656	1320.542	11A.30
Scope three emissions; GHG type N_2O		64.564	9551.518	9616.082	11A.31
Scope three emissions: GHG other types		0.000	0.000	0.000	11A.32
Gross operational emissions (Scopes 1,2 and 3)					
Gross operational emissions (location-based)		109099.325	363702.820	472802.145	11A.33
Gross operational emissions (market-based)		180067.535	423662.677	603730.212	11A.34
Emissions reductions					
Exported renewables		87.019	1142.651	1229.670	11A.35
Exported biomethane		0.000	0.000	0.000	11A.36
Insets		0.000	0.000	0.000	11A.37
Other emissions reductions		0.000	0.000	0.000	11A.38
Total emissions reductions		87.019	1142.651	1229.670	11A.39
Emissions reductions					
Green tariff electricity		0.000	0.000	0.000	11A.40
Net annual emissions					
Net annual emissions (location-based)		109012.306	362560.169	471572.475	11A.41

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 11A – continued

Greenhouse gas emissions reporting for the 12 months ended 31 March 2026

		Water	Wastewater		
	Unit	$kgCO_2e/Ml$	$kgCO_2e/Ml$		
Line description	DPs	3	3		RAG 4 reference
GHG intensity ratios					
Emissions per Ml of treated water		235.322			11A.42
Emissions per Ml of sewage treated			515.128		11A.43
		Embedded emissions			
		Water	Wastewater	Total	
	Unit	tCO_2e	tCO_2e	tCO_2e	
Line description	DPs	3	3	3	
Capital projects					
Capital projects (cradle-to-gate)		34624.000	39713.000	74337.000	11A.44
Capital projects (cradle-to-build)		52533.000	55527.000	108060.000	11A.45
Purchased goods and services					
Purchased goods and services		44907.000	37134.000	82041.000	11A.46

For more information on our Greenhouse gas emissions, please click here.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Table 11B

Net Zero enhancement reporting for the 12 months ended 31 March 2026

Line description		Reporting Year Progress: Technology delivered as proposed* (Yes, No)	Totex (£m)	Totex delivered as forecast* (Yes,No)	Carbon benefit (tCO_2e)	Carbon benefit delivered as forecast* (Yes,No)	No. of sites /No. of hectares for peatlands	No. of sites/ No. of hectares delivered as forecast* (Yes,No)	RAG 4 reference
Scheme ID	**Scheme Name**								
CWW22-2	Methane reduction	Yes	0.009	No	0	Yes	0	Yes	11B.1
CWW22-3	Nitrous oxide reduction	Yes	0.04	No	0	Yes	0	Yes	11B.2

Line description	Unit	DPs	Reporting year net zero cost adjustment totex: Water	Wastewater	RAG 4 reference
Net zero base cost adjustment totex					
Net zero base cost adjustment totex	£	3	0.000	0.000	11B.19

For more information on our Greenhouse gas emissions, please click here.

Key

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Please refer to RAG 4.11 – Guideline for the table definitions in the annual performance report

Net Zero Challenge Schemes

Overview

Our PR24 plan included two innovative investment programmes targeting process emission reduction:

Investment 1
Implementation of **methane vacuum degassing** post anaerobic digestion to reduce associated GHG emissions – targeted at our nine largest energy and recycling sites.

Investment 2
Implementation of **real time control technology targeting reduction in nitrous oxide emissions** from activated sludge plant (ASP) at 13 sites of our largest sites by population equivalent served.

Both investment programmes were required to have a period of 12 months monitoring to establish baseline emissions prior to intervention, and on-going monitoring to validate emission reductions.



Progress/Achievement

Progress for both investment programmes in year included solution planning, detailed costing and procurement preparation, and monitoring design and trial monitoring.

No solutions have been installed in year one in part due to the monitoring pre-requisite, but also for reasons as outlined in the challenge section below. We anticipate slower than expected implementation in the AMP compared to our original expectations leading to a reduction in the cumulative emissions forecasted.

The key achievement in the period include; a detailed review of our ASP operations, and design of our N^2O monitoring regime across the 13 sites target sites (this includes a review of existing monitoring, controls and site ground truthing of operations to determine where to locate sensors and the numbers required), we have also undertaken trial monitoring at our largest site as part of our learning and design process and have progressed our procurement process for monitoring equipment, services and control solutions (looking to move to contract stage early in year two).

Challenges

Investment 1
Vacuum degassing has encountered significant challenges with cost escalation for equipment and installation at a scale up to 3-4 times above that requested in our PR24 net zero enhancement case – with increased delivery risk uncertainty including the level of methane recovery (the latter drawing on updates from vendors and trials elsewhere in the sector).

There has also been uncertainty introduced related to a change in the understanding of the compliance requirements related to the industrial emissions directive at 7 sites, which includes increased control limits for total volatile organic compound related emissions including methane. Further investigation is being undertaken to determine how vacuum degassing may support this compliance or if this would conflict with other measures to be taken to that end. We have progress costing and internal funding approval for progress at the 2 remaining sites, but there remains concern around potential for further permit amendments and work at these sites is on hold pending our on-going investigations related to IED and methane emission control.

Investment 2
N^2O Reduction programme experienced early delays due to challenges in securing financial and governance approvals, which took longer than expected and prevented any spend from being committed. This was compounded by procurement complexities, particularly in onboarding specialist expertise in N^2O production and prevention, which required strict governance compliance and extended timelines. System misalignment following organisational restructuring further delayed purchase order processes, creating inefficiencies during mobilisation. Progress also depended on external experts to establish a robust, auditable baseline for probe specifications and locations, ensuring costs could be confirmed and tender thresholds assessed. While this delayed procurement, it was critical to withstand scrutiny and rule out immature alternative technologies.

Further delays were driven by limited internal procurement capacity and market constraints. A lack of resource slowed key activities and reduced support at critical stages. Attempts to recover lost time through an alternative procurement route were unsuccessful following market engagement, requiring a revised approach. Collectively, these challenges resulted in cumulative delays and impacted overall programme momentum.



5. Meeting our licence conditions

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Statement on sufficiency of financial resources and facilities

Regulatory ring-fencing certificate

In line with the requirements in Condition P of the Yorkshire Water Services Instrument of Appointment, the Board of Directors (the Board) confirm that:

1. Yorkshire Water Services Limited (Yorkshire Water) shall at all times act in the manner best calculated to ensure that it has adequate: financial resources and facilities; management resources; and systems of planning and internal control, to enable it to secure the carrying out of the Regulated Activities including the investment programme necessary to fulfil its obligations under the Appointment(s) and that in accordance with Condition P;
2. in the opinion of the Board, Yorkshire Water has available to it sufficient financial resources and facilities to enable it to carry out, for at least the next 12 months, the Regulated Activities (including the investment programme necessary to fulfil Yorkshire Water's obligations under the Appointment(s)); and
3. in the opinion of the Board, Yorkshire Water will, for at least the next 12 months, have available to it:
   a. financial resources and facilities;
   b. management resources;
   c. systems of planning and internal control;
   d. rights and resources other than financial resources;
   e. contracting;
   f. material issues or circumstances.

Which are sufficient to enable it to carry out those functions as required by paragraph 1 above. The Board has considered the plans to ensure compliance with this Condition not only from a financial perspective but appropriate skills within the company to ensure the appropriate resource is in place (both in terms of numbers and skills) and risk management (with our Compliance Team to provide additional assurance on systems and controls). The Board is clear that there are factors relating to current company performance in general and have been integral to understanding how the performance will be improved and ensuring there will be regular reviews as to how plans are performing. There is continued and appropriate challenge from the Board as necessary on these matters.

In making this declaration, the Directors have taken into account the following key areas:

Financial resources and facilities

This area is supported by a detailed going concern review, which has considered:

- The company's business activities, together with the factors likely to affect its future development and performance, as described in the Strategic Report within the Yorkshire Water Annual Report and Financial Statements (ARFS);
- The company's cash position including available cash and committed undrawn bank facilities, headroom, and details of refinancing activity;
- The company's available funds to cover operating and capital investment activities of the company for the twelve months from the date of signing the Financial Statements;
- Compliance with covenants associated with the company's securitised financing arrangements. Yorkshire Water's securitised financing arrangements include covenants with 'trigger' and 'default' thresholds, which are reported bi-annually and are explained further below. A baseline model, established from the company's business plan, shows sufficient liquidity and headroom for debt covenants, when considering 'trigger' as well as 'default' thresholds;
- The company's business plan for the second year of AMP8, along with high-level forecasts for year three;
- The impact of wider factors on operations and business performance, for example impacts of climate change, the risk of a significant IT outage or cyber breach and macroeconomic challenges such as the increased pressure on household income and any potential financial implications arising from the investigation carried out by the Environment Agency;
- The new shareholder and ownership structure in effect from June 2026 and the commitment and ability of the shareholder group to meet the Ofwat undertaking to repay the remaining intercompany loan by March 2027; and
- Any known material refinancing events up to the end of March 2028 which could have an impact on going concern.

Yorkshire Water's available combination of cash and committed undrawn facilities totalled £1,686.4m at 31 March 2026 (2025: £1,569.0m), comprising £1,115.0m (2025: £1,078.5m) undrawn committed facilities and £571.4m (2025: £490.5m) of cash and cash equivalents.

The directors have considered the budget and the cash position of the company, specifically the sufficiency of the funds available to fund the operating and capital investment activities of the company for at least the 12 months from the date of signing the Financial Statements. In addition, any known material refinancing events up to the end of March 2028 which could have an impact on going concern have been considered. It is also noted that Yorkshire Water, the largest subsidiary of the Kelda group, has an indefinite licence to operate as a water and sewerage operator terminable with a 25-year notice period.

In assessing going concern, the directors have considered the company's business activities, including the company's financial and operational performance which has demonstrated resilience against additional operational pressures as a result of severe weather, most notably the drought declared by the Environment Agency on 6 June 2025 following six months of below average rainfall, resulting in Temporary Usage Bans lasting until December 2025.

The going concern review has primarily been centred around financial modelling which depicts the best estimate forecast profit and loss, balance sheet and cash flow, as well as reviewing the impact on available liquidity and key interest cover ratios for 2027 and 2028.

The base case Board-approved budget cash flows show available headroom in the key metrics reviewed. A sensitivity scenario, being 2% of total expenditure, linked closely to our principal risks was then overlayed to the base case to consider a number of possible adverse scenarios. These scenarios include severe weather events, severe asset/service failure, a significant IT outage or cyber breach, amongst other smaller value scenarios.

Mitigating actions such as insurance claims, engagement with regulators to reduce fines, and non-essential cost reduction were also considered to ensure headroom remained on facilities available, key interest cover ratios and to ensure the company can manage its business risks appropriately throughout the going concern period.

In addition, the directors have considered the company's business activities, including the company's financial and operational performance, accuracy of historical forecasting and strength of the year end net asset position.

Yorkshire Water's securitised financing arrangements include covenants with 'trigger' and `default' thresholds, which are reported bi- annually. Covenant calculations are undertaken at each reporting period based on the Financial Statements, and include two interest cover ratios which are the main focus for the going concern review.

As a result of this analysis, the directors believe that the company is well placed to manage its business risks successfully and have a reasonable expectation that the company has adequate resources to continue in operational existence over a period of at least 12 months from the date of approval of the Financial Statements. For this reason, they continue to consider it appropriate to adopt the going concern basis of accounting in preparing the Financial Statements.

To support this conclusion, management has taken into consideration a number of key judgements, with the most significant noted below:

Kelda Eurobond Co Limited (Eurobond) repayment of intercompany loan
In line with the undertaking to Ofwat to repay the intercompany loan from Yorkshire Water, Kelda Eurobond Co Limited is due to make a final payment of £437.2m, plus any unpaid accrued interest at the time of repayment (£141.0m as at 31 March 2026), by 31 March 2027. Kelda Eurobond Co Limited has already repaid £500.0m of the intercompany loan that was subject to the undertaking and has done so earlier than required. Repayment of the final tranche of the loan is included in the business plan, and has been agreed by the Board and the shareholders. The directors are confident that the final tranche will be repaid on or before 31 March 2027 for the following reasons:

The group has a new shareholder and new ownership structure from June 2026. EQT acquired their stake in the group with full understanding of the Ofwat undertaking and funding requirements. When publicly disclosing the acquisition, the announcement referenced their commitment to invest further equity into the group to subsequently strengthen the company's balance sheet, through repayment of the intercompany loan. Ultimately, the group now has a committed shareholder group with no closed end funds;

The shareholders have signed a commitment letter which severally agrees to provide the funds required, on or prior to, the funding date.

All shareholders have confirmed their intention to support the equity commitment and have investment commitment approval in place.

The shareholders have obtained internal approval to invest more funds into the group than the minimum required to cover the intercompany loan repayment. Furthermore, the mechanics of the injection have been agreed as a straight forward equity injection.

Publicly available information supports the conclusion that the current shareholder group (EQT, GIC and TCorp) has sufficient financial capacity to provide the funds to the group:

- EQT will invest £258.3m: EQT has publicly committed to invest further equity into the group to strengthen the company's balance sheet and has entered into the recent acquisition of their shareholding with a full understanding of the Ofwat commitment. EQT has a significant asset base with the investment representing a small proportion of their available capital.
- GIC will invest £258.3m: GIC is a large sovereign wealth fund with a significant asset base and the investment is consistent with their long-term infrastructure investment strategy.
- TCorp will invest £98.4m: TCorp has clear financial capacity to participate in supporting the company and is a containing minority shareholder who have a strong capacity to provide the support required.

Ultimately, the company has a clear equity requirement and the shareholders have the ability to, and are engaged in a formal commitment to, provide the required funding.

Yorkshire Water Financing Group debt maturities
External debt raised by subsidiary financing companies within the Yorkshire Water Financing Group (YWFG) funds YWS activities under 'back to back' loan arrangements on materially similar terms. Accordingly, the directors considered all debt maturities within the YWFG up to March 2028.

Significant debt maturities during the next 12 months relate to contracted accretion paydown against certain inflation linked swaps in August 2026, expected to total approximately £140.0m, and a £300.0m bond maturity in November 2026. Based on our current forecast, available liquidity at March 2026, in the form of cash balances and undrawn RCF facilities, is sufficient to cover cash requirements, including debt maturities, to April 2027.

Looking further ahead, the next debt maturity is £135m bond maturity in May 2027. Receipt of the intercompany loan repayment and associated interest prior to the Ofwat undertaking requirement of 31 March 2027 provides funding to meet this repayment. Whilst not required to meet debt settlement requirements, debt issuance is planned for Autumn 2026. This debt issuance is planned to maintain compliance with our Treasury policy which requires us to target sufficient liquidity to cover non-discretionary cash flow requirements for a rolling period of 15 months or more to provide contingency in the event that capital market access is temporarily restricted.

The directors are confident that the required debt can be raised to maintain Treasury Policy compliance, based on Yorkshire Water's investment grade credit rating and its ability to access the market successfully, raising £700.0m in the past year, during a period of significant uncertainty over the Water sector. The new debt and repayment have been included in the cashflows used for going concern modelling.

The going concern review is shown within note 1 of the Yorkshire Water ARFS for the year ended 31 March 2026. In addition, the company has completed a comprehensive long-term viability assessment for the seven years to 31 March 2033, details of which are shown in the ARFS for the year ended 31 March 2026. The long-term viability statement has been prepared in line with Ofwat's Information Notice (IN) 19/07 - Expectations for companies in issuing long-term viability statements.

Further information detailing our credit ratings and financing arrangements is shown in the ARFS within the section in the Chief Financial Officer's Report. At 31 March 2026, Yorkshire Water had two ratings monitored by Ofwat, the Moody's and S&P Class A ratings. As at 31 March 2026, the Moody's Class A Issue Rating (Baa2) was the lowest of those monitored. Following the year end, Ofwat notified the company that, in addition to the Moody's and S&P Class A ratings, it now considers the Class A rating of Fitch to be sufficiently reflective of the Company's creditworthiness for licence compliance monitoring purposes. Taking into account the Fitch Class A rating, as at 31 March 2026, the Moody's Class A Issue Rating (Baa2) remained the lowest of those monitored.

The banking arrangements of the company operate on a pooled basis with other members of the Yorkshire Water Financing Group, and the bank balances of each subsidiary can be offset against each other. The company had guaranteed bonds with Yorkshire Water Services Finance Limited and Yorkshire Water Finance plc at 31 March 2026 as detailed in note 24 to the ARFS.

Amounts owed to group and subsidiary companies are detailed in notes 14, 15 and 16 of the ARFS.

Management resources

We have applied good governance principles in the way in which the Board and its supporting committees operate. We have reported on how we have complied with the Ofwat Board Leadership, Transparency and Governance Principles, and the parts of the UK Corporate Governance Code that are relevant to private companies. This information can be found in Section 6 of the APR and in the Governance Report of the ARFS.

The ARFS also includes reports from Board committees reporting to the Board on management activities and resources in the following areas:

- Nomination Committee;
- Public Value Committee;
- Safety, Health and Environment Committee;
- Audit and Risk Committee;
- Remuneration Committee; and
- Performance Review Committee.

The 'People' section of the ARFS discusses our processes for:

- Health, safety and well-being of our colleagues;
- Attracting great people and maintaining the skills we need; and
- Equality, diversity and inclusion.

Attracting and maintaining the talent and culture required to achieve our objectives is considered a principal risk. Processes to mitigate this risk and assurance in this area are discussed within the section titled 'Managing risks and uncertainties' in the ARFS.

The company's employment policies and strategy are described in the Directors' report - other disclosures section of the ARFS. The engagement of the Board with colleagues is described in our Governance Report within the ARFS, which sets out examples from the programme of engagement which runs throughout the year. This year Board members have started attending colleague listening groups across the organisation, where colleagues are able to speak openly and candidly about their experience of working at Yorkshire Water, and anything on their minds. This information is then fed back to the rest of the Board at the next Board meeting. The Board has also met with different groups of colleagues through informal lunches, one-on- one meetings, site visits, and office visits. Twice-yearly colleague engagement surveys are undertaken, with the resulting scores forming part of the measures of the Executive Bonus Plan for Executive Directors and senior management. Detailed results from the colleague engagement surveys are fed back to the Board after each survey.

The balance of management skills and recruitment processes at Board level are considered by our Nomination Committee and are discussed in the Directors' Report and in the Nomination Committee Report, both contained within the ARFS. Succession planning for Yorkshire Water directors and other senior executives is within the remit of the Nomination Committee and is discussed by the Nomination Committee.

The independence of the independent non-executive directors is reviewed annually by the Board as noted in the Governance section of the ARFS. The Board believe that all the directors described as independent remain wholly independent as defined in the UK Corporate Governance Code at the date of approval of the ARFS.

Systems of planning and internal control

The Audit and Risk Committee monitors the design and operation of Yorkshire Water's system of internal control on behalf of the Board. Our controls are designed to manage the risk of failing to achieve the business objectives we have agreed with our customers and our regulators and to achieve compliance with our obligations. The operational policies and procedures which set out these controls are contained within the Integrated Management System, or similar repositories, and achieve international quality standards for Environmental Management, Quality Management, Occupational Health and Safety and Asset Management. The key financial policies, procedures and controls to ensure we meet all our statutory and regulatory obligations and remain resilient are set out in the ARFS.

Three lines of assurance work together to ensure that there is adequate and proportionate coverage across the whole control environment, including principal risks and business processes, and provide confidence to senior leaders and other stakeholders over the adequacy of the design and operation of the controls. The outcome from this integrated assurance is reported to stakeholders to inform decision making and improve controls where needed. The achievement of actions to address identified control weaknesses is monitored by the Yorkshire Water Executive Team and the Audit and Risk Committee.

The company's risk management process reviews, monitors and reports on the company's risks and mitigating controls. The Executive and the Board agree the level of risk the company is willing to take to achieve its objectives, balancing risk, the cost of control and the long-term viability of the company. The Board oversee the risk management and system of internal control through a programme of risk reviews and deep dives, examining the risks, key controls, risk appetite and risk response plans.

The long-term viability statement at 31 March 2026, set out in the ARFS, covers a seven-year period to 31 March 2033. Yorkshire Water's risks and mitigating controls are detailed within the section 'Managing risks and uncertainties' in the ARFS.

Other policies relating to this area are discussed in the ARFS as follows:

- Ethical behaviour, anti-corruption, and anti-bribery (see the section 'Putting people first' in the ARFS).
- 'Speak Up', including our whistleblowing policy is reviewed by the Audit and Risk Committee and approved by the Board annually (see the Audit and Risk Committee report within the ARFS).

Detail on how the Board sets ambitions, how we monitor performance and make decisions, how we involve our customers and stakeholders, and how we change and update our commitments is provided in the **Board Statement on Company Direction and Performance**.

Rights and resources other than financial resources

Our corporate strategy was launched in 2023 and is reviewed periodically to ensure it remains fit for purpose. The Board contributed significantly to the strategy development process and gave approval to the final version prior to its launch. The strategy aligns directly to the needs of those we serve through the vision of 'a thriving Yorkshire, right for customers and right for the environment'. The strategy includes four behaviours that were revised in 2025, and set out what we expect from all our colleagues:



We have a Yorkshire Water Code of Ethics, approved by the Board, which provides support to colleagues and partners on embedding the values and ensuring that they are always doing the right thing, including where to go for help and advice if they are faced with an ethical decision as part of their work. There is mandatory online learning for all of our colleagues to ensure that they understand the Code of Ethics and how it applies to them. We also operate a Speaking Up Policy which encourages colleagues and partners to speak up confidentially if they see behaviour that is outside of our expected values and culture. All speak ups are carefully investigated and are reported back to the Board through the Audit and Risk Committee.

The Governance section of the ARFS further describes the company's purpose, vision, values, and desired behaviours.

The Asset Management team and Asset Delivery and Engineering team ensure that the design and build of assets meets our future needs and quality standards. Our Right for the environment section in the ARFS details how we will adapt our assets and services to the climate change we can reasonably expect in the future based on latest expert analysis to ensure our service remains resilient.

Our investment and operating strategies fully embrace totex decision making approaches through the use of our six capitals approach. This helps us recognise and protect the many sources of value on which we depend as a business. By improving how we use the six capitals within our business, we aim to ensure decisions taken to improve the efficiency of our services are not made at the expense of our long-term resilience or affordability for future generations.

Our insurance team also works to ensure that we manage and mitigate our exposure to costs from public liabilities and physical damage to our assets.

Contracting

Our Business Investment Committee (BIC), governs the effective and efficient delivery of our investment programmes to deliver best value for customers and the business. The committee oversees all totex expenditure in line with the Board approved five-year plan. Our Executive Contract Approval Committee ensures that our supply chain engagements are commercially effective, in line with our vision and deliver on our sustainability goals.

Our sustainable procurement code sets out our objective to ensure the resilience of our supply chain and enables us to provide our services to customers in the long-term. The expectations of our supply chain in this regard are made clear.

Transactions with associated companies and checks that these contracts comply with licence requirements are detailed within Section 7 of this APR. Compliance with the licence provision on cross-subsidies between Yorkshire Water and associated companies is detailed within the Accounting Separation Methodology Statement, which is published on the Yorkshire Water reports webpage, and within the transfer pricing disclosures in the APR: **yorkshirewater.com/about-us/reports**

All contracts entered into between the Appointee and any Associated Company include the necessary provisions and requirements in respect of the standard of service to be supplied to the Appointee, to ensure that it is able to carry out the Regulated Activities.

Ensuring best value is achieved through the supply chain is a key focus at Yorkshire Water. The Commercial strategy has recently been refreshed to focus on creating, protecting, and delivering lasting value in the best interests of our customers and the environment. Delivering lasting value sits at the core of our strategy, ensuring we look beyond cost to achieve sustainable impact and drive resilient performance. This includes a strong focus on supply chain sustainability and resilience, alongside an increasing emphasis on strengthening our strategic supplier relationships.

As part of delivering our strategy, we have invested in our operating model, increasing our capacity and capability and focusing our efforts on enhancing how we partner with colleagues and strategic suppliers to plan, deliver, and sustain performance; ultimately maximising value across the supply chain.

We are also increasing our investment in digital enablement to increase efficiency and effectiveness. This investment will include enhanced levels of commercial intelligence, supporting the delivery of lasting value and improved commercial outcomes.

Procurement of the major construction frameworks for AMP8 is now complete. This includes an Alliance partnership for the delivery of the Storm Overflows programme. We also continue to assess the potential use of markets and Direct Procurement for Customers (DPC) against the established delivery routes.

Material issues or circumstances

A comprehensive assessment of principal and emerging risks was undertaken to support the Group's going concern and long-term viability assessments, informed by the risk management framework set out in the Managing risks and uncertainties section of the ARFS. This included consideration of the evolving external environment, notably the increased scale and complexity of AMP8 delivery, alongside ongoing macroeconomic, geopolitical and regulatory pressures.

The Audit and Risk Committee reviewed the principal risks in June 2026, with detailed going concern assessments considered ahead of Board approval. The outcome of this review is disclosed in Going concern and long term viability section of the ARFS.

Cyber and physical security, customer, and clean and wastewater risks remain areas of focus, reflecting increasing external threats, rising customer expectations, and ongoing asset, capacity and climate-related pressures. These risks continue to be actively managed through targeted investment and strengthened controls, but remain important given their potential impact on service, regulatory performance and the environment.

Risks relating to supply chain resilience, climate change and regulatory change continue to increase, driven by geopolitical instability, more frequent extreme weather events and an evolving regulatory landscape. These pressures create heightened uncertainty across delivery, costs and compliance, and are being actively managed through strengthened planning, governance and resilience measures, but remain key drivers of risk across the business.

A new Principal Risk for Capital Programme Delivery, reflecting the significantly increased scale, complexity and regulatory scrutiny associated with AMP8 investment delivery. This recognises the heightened importance of maintaining delivery confidence against regulatory allowances and milestones, given the potential impact of delays or cost pressures on performance, financial resilience and stakeholder confidence.

After updating the principal risks to reflect this environment, associated mitigations and the results of stress testing under severe but plausible scenarios, the Executive have a reasonable expectation that the Company remains well placed to manage its risks, maintain financial resilience, and continue to meet the requirements of its regulatory ring-fencing certificate over the assessment period.

Statement approval

This statement, and supporting evidence, has been reviewed by the external financial auditors, Deloitte, as part of the annual audits of Yorkshire Water's statutory accounts and regulatory accounts. The audit opinion from Deloitte is published within the APR and a report from Deloitte has been provided to Ofwat on this matter.

In approving this statement, the Board has considered a wide range of factors to take a holistic view of the risks the business faces. The Board has considered feedback from the Audit and Risk Committee on the controls and processes in place for the development of this Ring-Fencing Certificate and the supporting evidence. At the Board meeting on 30 June 2026, the Board approved this Ring-Fencing Certificate.



Kathy Smith
Company Secretary
Signed for and on behalf of the Board of Directors of Yorkshire Water Services Ltd

Customer-focused licence condition

Licence Condition G (customer focused licence condition) requires Appointees to deliver high standards of customer service and appropriate support for the full diversity of its customers, through the application of the six principles for customer care, set out in paragraph G3.

2025/2026 represents Yorkshire Water's second full year operating under Licence Condition G. During the year, our focus has been on embedding the principles into day to day decision making, learning from customer experience and improving outcomes for customers.

In line with the requirements of G2.1 to G2.3 of the licence, Yorkshire Water has:

- Continued to maintain and implement policies and approaches that support each of the principles for customer care.
- Applied those approaches in practice during 2025/2026, including during incidents and service failures.
- Reviewed the effectiveness of those approaches using customer insight, performance data, complaints and incident learning.

This statement explains how the principles have been applied in practice during 2025/2026, the outcomes achieved for customers, and the learning and improvements made because of customer feedback, incidents and operational experience.

Delivering these principles relies not only on policies and processes, but on a strong customer centric culture. During 2025/2026, we continued to strengthen how customer insight, lived experience and leadership accountability shape decision making across the business.

We recognise that good customer outcomes require continuous improvement. During the year, we have identified areas where our service did not meet customers' expectations and have taken action to improve our approach, alongside building on areas of strong performance.

Our adherence to Licence Condition G, and the evidence supporting this statement, has been subject to internal governance and assurance processes, providing confidence in the completeness and accuracy of our reporting.

G3.1 The Appointee is proactive in its communications so that its customers receive the right information at the right time, including during incidents.

During 2025/2026, we continued to strengthen the timeliness, accuracy and relevance of our proactive communications with customers, both for planned work and unplanned incidents. Building on established approaches such as SMS notifications and advance communication for planned interruptions, we enhanced our capability to provide more targeted, real time information to customers.

We introduced smart usage letters through our leakage workstream, enabling customers to receive notifications where a potential leak is identified, allowing earlier intervention and reducing avoidable disruption.

Learning from customer feedback highlighted that our approach to identifying properties impacted by water quality or supply issues was not always sufficiently precise. In response, we refined how impacted addresses are defined and communicated, moving away from broad postcode based messaging to more accurate address level identification where possible. This change has improved clarity for customers and reduced unnecessary concern among those not directly affected.

These improvements reflect our continued focus on applying learning from customer experience to improve the effectiveness of communications when customers need it most.

G3.2 The Appointee makes it easy for its customers to contact it and provides easy to access contact information.

We continued to provide and promote a wide range of contact channels to ensure customers can contact us easily in a way that suits their needs and circumstances. During 2025/2026 we strengthened our focus on accessibility and inclusion across these channels.

Listening to customer feedback remained central to how we shaped our contact channels during 2025/2026. In response to insight indicating that some customers prefer familiar, conversational digital channels, we introduced WhatsApp as a test contact journey for selected use cases.

This allowed us to assess accessibility, response quality and customer satisfaction, and early feedback has been positive. Building on learning from this testing, we have begun expanding WhatsApp across a broader range of customer interactions, ensuring any wider use is informed by customer needs and operational learning.

Our partnership with The Big Word continued, allowing customers to access translation and interpretation services covering over 50 languages and regional dialects. For customers requiring British Sign Language support, we maintained our partnership with InterpretersLive!, ensuring access to appropriate communication support.

We continued to offer the Recite Me tool on our website to provide digital accessibility, providing features such as text to speech, translation, colour and layout customisation, and reading aids. Customers who need additional help managing communications can also use our nominee service, allowing trusted third parties to support account management.

Following feedback from our latest ISO22458 Inclusive Customer Service audit, we've reviewed written communications provided to customers in vulnerable circumstances, particularly those relating to planned works, to ensure accessibility needs are consistently met. These actions demonstrate our ongoing commitment to making customer contact straightforward, inclusive and responsive to feedback.



G3.3 The Appointee provides appropriate support for its customers when things go wrong and helps to put things right.

When things go wrong, our continued focus during 2025/2026 has been on supporting customers promptly and effectively. We provided regular updates during incidents and continued to operate customer support hubs during large scale events to provide safe, accessible support for affected customers.

During the Temporary Usage Bans (TUBs) introduced in summer 2025, we recognised that restrictions on water use can be challenging and frustrating for customers. In response, we adopted a customer centric approach focused on accessibility, empathy and speed of response.

We implemented a business wide support approach, with colleagues from across the organisation, including senior leaders and the Chief Executive, actively assisting customers with their queries through our contact centre. This ensured customers had timely access to support, clear explanations and consistent information at a time of increased demand and concern.

We strengthened our complaints and redress arrangements during the year. Following learning from audits and engagement with CCW, our approach to goodwill compensation was identified as good practice, receiving positive feedback and a green assessment. Our established, clear and accessible **complaints process** can be viewed on our website.

To further improve timeliness of redress, we created a standalone Guaranteed Standards Scheme (GSS) management function, enabling quicker review and payment of compensation claims. Our GSS commitments can be found in our **customer charter** and have expanded to include the new standards that were introduced in 2025.

Learnings from complaint volumes and resolution times informed improvements to complaint handling capacity during 2025/2026, including the introduction of additional case management support to improve timeliness and customer experience. Our sewer flooding management arrangements continued to be reviewed and enhanced, with a focus on preventing repeat incidents and improving outcomes for customers where service failures occur.

In line with our C-MeX improvement plan, during 2025/2026 we strengthened our end to end response by not only bolstering contact centre capacity through additional case managers but also introduced dedicated equivalent field-based coordinators and engineers. This approach has driven quicker response times for priority issues, including Restricted Toilet Usage (RTU) and Internal Sewer Flooding (ISF).

G3.4 The Appointee learns from its own past experiences, and shares these with relevant stakeholders. The Appointee also learns from relevant stakeholders' experiences and demonstrates continual improvement to prevent foreseeable harm to its customers.

Learning from customer experience remained a central focus during 2025/2026. We systematically reviewed complaints, customer feedback, audit findings and incident debriefs to identify learning and drive improvement across the business.

Learning from operational incidents highlighted gaps in how bottled water distribution hubs were staffed during extended incidents. In response, we initiated actions to train and mobilise volunteers more effectively, ensuring appropriate colleague presence at hubs when required. We also identified the need for improved customer hub availability, resulting in actions to provide seven day customer hub availability during significant incidents.

Customer feedback following service events in Green Hammerton identified that prolonged low pressure events were not identified early enough. In response, we introduced daily cross departmental checks to identify emerging issues affecting customers, ensuring earlier escalation and intervention.

These learning driven actions reflect our commitment to preventing foreseeable customer harm and improving outcomes through continuous improvement.

We highly value the feedback we receive through the regulatory customer measure of experience (C-MeX), our internal customer voice surveys, and complaints. Clear themes are identified through this feedback around effective issue resolution, better response times, and more accurate and timely communication, which forms the basis of all our improvement plans.

Alongside this, we also regularly engage with key customer stakeholders and industry groups including Local Resilience Forums, Water UK committees and our independent challenge group, the Yorkshire Forum for Water Customers, sharing best practice and plans for service improvement.

G3.5 The Appointee understands the needs of its customers and provides appropriate support, including appropriate support for customers in vulnerable circumstances, and including during and following incidents.

During 2025/2026, we published our final By Your Side vulnerability strategy, building on the draft strategy published in 2024 in line with Ofwat's expectations.

We continued to embed our strategy using insight, data sharing and customer feedback to shape how services are delivered in practice. We proactively identify customers who may need additional support, rather than relying solely on self disclosure.

This includes auto enrolment of customers aged over 85 for bottled water support during interruptions, cross utility data sharing to identify overlapping vulnerabilities, and automatic mapping PSR customers onto a new wastewater support need type, using our Job Criticality Index (JCI). This ensures customers with higher needs receive prioritised support during incidents, including enhanced support for customers with critical medical needs such as dialysis.

Safeguarding continued to be integral to our vulnerability approach. During the year, we completed a full review of customer safeguarding policies, processes and training. This led to the development of improved reporting tools and clearer escalation arrangements for cases involving acute vulnerability, strengthening how we work with partner agencies to support customers at risk of harm.

During 2025/2026, we also significantly strengthened understanding of customer needs through the relaunch of our new colleague welcome programme. The refreshed programme ensures all colleagues receive enhanced, practical insight into the characteristics of our region, the diversity of our customer base and how vulnerability can present in different ways. It includes direct input from members of the Customer Experience team, focusing on how to recognise indicators of vulnerability, the importance of responding with empathy and adapting support appropriately, to ensure that our By Your Side strategy is delivered consistently in day to day customer interactions.

G3.6 As part of meeting principle G3.5 above, the Appointee provides support for its customers who are struggling to pay, and for customers in debt.

During 2025/2026, we continued to prioritise affordability and debt support in response to sustained financial pressures on customers. Building on our established approach, we proactively promoted a wide range of payment options and affordability support through bills, letters, **our website** and through partnerships with trusted third party organisations, including charities and local authorities. Clear guidance is available to help customers understand the support available to them, based on their circumstances and eligibility.

In 2025/2026, over 200,000 customers benefited from one of our bill reduction schemes, representing an increase of more than 50,000 customers compared to the previous year, with total bill support delivered exceeding £62 million during the year. This reflects a substantial expansion of targeted support to customers most in need.

We continued to support customers through tailored payment plans, water efficiency support, income maximisation and proactive signposting to external partners able to provide additional help. This joined up approach ensures customers experiencing financial difficulty are supported in a way that reflects the complexity of their circumstances.

Throughout the year, we continued to operate in line with regulatory standards, guidelines and best practice.

To ensure we consistently meet customers' needs and deliver the principles of Licence Condition G in practice, we set clear expectations, monitor performance and use insight from customer experience, complaints and incidents to identify where improvement is required.

During 2025/2026, this has included strengthening how we identify, respond to and learn from customer harm. Where specific improvement needs have been identified, these are supported by clear, time bound actions.

Our Sewer Flooding Customer Care Action Plan, submitted alongside this statement, sets out the actions we are taking to improve support and outcomes for affected customers.

Underpinning our approach to Licence Condition G is a sustained focus on building and reinforcing a strong customer centric culture across Yorkshire Water. During 2025/2026, we continued to invest in cultural activity to ensure customer needs remain central to how decisions are made and services are delivered.

This included introducing Customer Clinics and Customer Committees, embedding our Ease, Care and Value principles, and the opportunity to learn from customer moments at Senior Leader meetings. Senior leaders and colleagues from across the business also engaged directly with customers by listening to calls and participating in field activities, ensuring visibility of customer experience and reinforcing shared accountability for outcomes.

Together, these activities support continuous learning, strengthen organisational ownership of customer experience, and provide assurance that the principles of Licence Condition G are embedded not only in our processes, but in our culture and behaviours.

A cross functional working group has been established and a sewer flooding recovery plan developed to drive improvement activity across all aspects of sewer flooding. The group brings together representatives from both operational and support teams, enabling effective join up to drive prioritisation. The plan spans customer management, prevention and response, and provides a mechanism for tracking activity through to completion. It is kept under regular review and refinement to incorporate new actions or initiatives that support the development of enhanced sewer flooding capabilities across Yorkshire Water.

To support this statement, the following sewer flooding action plan sets out our current controls and planned improvements to enhance customer experience, consistency and transparency. The plan reflects learning from regulatory feedback and ongoing performance oversight.

Where we can improve	What we do now	What we'll do next	Status
Real-time digital incident tracking for customers - give customers a live tracker (like parcel tracking) showing crew dispatch, ETA, investigation progress, next scheduled activities. This removes uncertainty and reduces the need for inbound customer queries.	We are assessing the technology requirements to roll out an incident live tracker and engaging with Trade Unions to ensure colleague implications are fully understood.	We will progress development of a live incident tracking capability, subject to technical readiness and organisational agreement.	Planned
Automatic proactive alerts based on weather and asset conditions - use predictive models to send customers early warnings when heavy rain or sensor anomalies raise localised risks.	We have established processes to proactively communicate with customers during operational activities that may impact service and where network interventions are being undertaken.	We will undertake a formal assessment of our technical capability to link instrumentation alerts directly to proactive customer communication, to strengthen early warning and reduce uncertainty for customers at risk.	Planned
Publish local "sewer flooding dashboards" - area-specific to provide recent incidents, repeat incident mitigations, planned maintenance. This improves transparency and trust.	We use internal risk heat mapping to inform proactive programmes and prioritise areas of focus based on emerging and known risk.	We will explore opportunities to evolve our use of heat mapping to support external transparency.	In progress
Automatic GSS-trigger alerts – when thresholds are met (e.g., attendance delays), messages should auto trigger informing customers of their rights — reducing anxiety and making processes consistent.	Our centralised GSS team provides end to end oversight of eligibility assessment, payments and governance, improving consistency and an enhanced customer experience.	We will enable CRM driven automation of Guaranteed Standards Scheme (GSS) case creation, payments and customer notifications to improve timeliness, accuracy and transparency. The implementation of enhanced CRM capability will support more consistent identification and validation of eligible customers, enabling the automatic generation of GSS cases and payments once investigation requirements are complete. This will be supported by clear customer communications explaining why payments have been awarded and the standards that were not met, reducing customer effort and strengthening transparency and trust.	In progress

Where we can improve	What we do now	What we'll do next	Status
Introduce WhatsApp, webchat, and chatbots for 24/7 inbound contact - many companies now offer conversational channels that reduce friction and waiting times.	WhatsApp has been introduced across all wastewater journeys, providing customers with a responsible self-service option within established oversight, governance and safeguarding controls.	We will continue to monitor performance and customer feedback to optimise digital engagement and inform future enhancements.	Planned
Introduce live two-way messaging for field engineers - allow customers to directly message the attending engineer thereby improving coordination and reducing missed appointments.	We have introduced an enhanced customer management framework that provides proactive, timely and transparent engagement across wastewater journeys in specific, complex instances. This includes post resolution updates for first time fixes and a dedicated case management model for complex or ongoing issues, providing clear ownership, regular communication and improved outcomes. Customers whose issues are resolved at first completion receive a proactive update within 24 hours explaining the cause, actions taken and steps to prevent recurrence ("Your Experience Matters"). Where issues require longer term resolution, customers are supported through a dedicated case management model Still With You (SWY), with a single point of contact providing regular updates until resolution.	We will continue to strengthen our operating model to ensure customers are treated fairly, receive timely and appropriate information, and are consistently supported throughout their journey.	Planned
Limited information was provided in the submission on how Yorkshire Water identifies customers at risk of sewer flooding. The company explained the proactive sewer cleansing and maintenance work which is carried out at both a property and sewer level, as well as responding to alarms fitted to customers properties. These programmes have been running for several years, with iterative improvements made to targeting. However, it was unclear how these customers were identified, or what insight and evidence is used to proactively identify properties at risk.	Customers at risk are identified using Escape Reports, confirmed flooding history and repeat incident analysis, supported by a risk register for locations subject to hydraulic overload and longer term investment schemes. At selected high risk properties, CSA devices provide real time monitoring and alerts, generating early insight and enabling proactive operational intervention ahead of potential flooding.	We will expand our risk identification to cover a wider range of sewer flooding types, supported by interim mitigation measures such as targeted cleansing, adverse weather plans and other flood reduction activity during high risk periods.	In progress

Where we can improve	What we do now	What we'll do next	Status
Yorkshire Water 'considers PSR customers' when responding and managing incidents but the company provided limited detail on how they adapt their service to cater for additional needs, or how staff are routinely trained to provide support and identify additional needs.	PSR customers are automatically mapped to wastewater services and prioritised based on assessed risk, ensuring faster response where vulnerability exists.	We will strengthen colleague capability through enhanced and recurring vulnerability training to support consistent identification and tailored support.	In progress
The company provided a poor response to our request for details on cleans up. The company did not include any policies or guidance for staff relating to clean ups and so it is unclear how consistent the company is in its offering of clean ups.	We support clean up activity following incidents attributable to the Yorkshire Water network and provide customer communications where required. Learning from incidents and the Customer Care review has highlighted the need to strengthen clarity and consistency in how clean up activity is supported and recorded.	We will implement a clearly defined and consistently applied clean up process, setting out the steps required for colleagues to support clean up activity following network related incidents. The process will be communicated internally and supported by clear customer facing information on our website, explaining the actions taken to assist customers. We will also enhance how feedback is captured following incidents, enabling improved reporting and assurance of where clean up activity has taken place.	Planned
The clean-up policy is vague "Where required, we offer a clean up service for customers from our trusted contractor to ensure the premises are liveable and there are no health and safety risks to customers. Where this is not viable, we offer customers the option for alternative accommodation". There is no detail on how this service is determined as 'required', or timings for when clean ups will be carried out. It is not clearly communicated to customers on the company website.	A clean up and alternative accommodation policy is in place for impacted properties, ensuring prompt action where living areas are unusable, property is at risk, or it is unsafe for customers to remain in their home. Where in house resolution is not appropriate, approved contractors are engaged under formal agreements requiring completion within one working day. We support clean up activity following incidents attributable to the Yorkshire Water network.	We will ensure consistent application of the clean up and alternative arrangements policy, supported by clear decision making, defined service standards and assurance oversight. Contractor performance will continue to be monitored against agreed timescales and quality requirements, with any exceptions formally governed and escalated.	In progress

Where we can improve	What we do now	What we'll do next	Status
The company provided limited information on how repeat incidents are identified and managed. No examples included (as has been the case with other companies)	Repeat sewer flooding incidents are defined internally as reoccurrence at a property within a 12 month rolling period, with established performance measures and escalation routes, particularly for 12 month repeats. All sewer flooding incidents are reviewed using full historical flooding and customer contact records to confirm root cause and determine mitigation, intervention or escalation. Repeat performance is governed through daily operational reviews, weekly Risk Reduction Hub meetings, KPI oversight and senior leadership forums.	We will strengthen oversight and reporting across 2, 3 and 5 year repeat periods to improve trend visibility and alignment with APR requirements.	In progress
The company defines a repeat incidents as a reoccurring incident within a 12 month rolling period. We expect this definition to be expanded to 2, 3 and 5 years incidents, and included reporting requirements within 2025/2026 APR reporting requirements.	We manage repeat sewer flooding incidents through a mature, multi layered approach that goes beyond formal repeat definitions. While repeat incidents are defined for reporting purposes using a 12 month rolling period, all sewer flooding incidents are reviewed by Network Operational Specialists, with oversight through daily operational reviews, weekly Risk Reduction Hub meetings, and senior forums. Dedicated flooding support teams provide targeted investigation and interim mitigation for the most complex and high impact customer cases, alongside established reactive and proactive intervention programmes.	We will expand the definition and reporting of repeat sewer flooding incidents beyond the current 12 month rolling period to include 2, 3 and 5 year repeats, aligned with 2025/2026 APR reporting expectations, strengthening long term oversight, trend analysis and preventative intervention.	

Where we can improve	What we do now	What we'll do next	Status
Repeat incidents under the company definition feed into a repeat incident log for all repeat ISF and ESF. This log is managed by the Escape and Risk Reduction Hubs who track through to resolution with weekly meetings. The company did not provide any detail, policy or guidance on how this log is actively used to understand and improve the experience of customers experiencing repeat incidents, for example how property history can support a quicker resolution. The company did provide Terms of Reference for the Escapes Hub meetings, but this has a heavy focus on operational activities. We recommend the company introduces customer experience, service and support monitoring and activities within these meetings.	Customer experience and impact are actively considered alongside repeat incident management through daily cross functional calls and weekly local catchment meetings, where repeat incidents are reviewed against customer contacts and complaints. Network Operational Specialists provide a dedicated customer focus, using property level history to inform escalation and follow on actions, with flexibility to escalate based on customer impact. While strong property level flooding data exists, this is not yet consistently consolidated into a central report which incorporates wider customer interaction data. In response to insights and regulatory feedback, we are reviewing how operational, customer experience and performance data can be better aligned to improve oversight, speed resolution and strengthen management of repeat incidents.	We will review and update our governance and documentation to clearly evidence how repeat logs are actively used to drive improved customer outcomes, strengthen the integration of customer experience considerations within decision making forums, and provide greater internal and external confidence in the maturity of our approach.	In progress
The company explains it carries out "regular reviews" to assess whether incidents present a repeat risk, and conduct root cause analysis to improve understanding of network risks, but no further evidence was provided on this, including how frequently these reviews are carried out, for which properties, who is involved, and what actions result from them. The company confirmed they have established a dedicated team to tackle properties which do not have a straightforward solution. The company should have a detailed policy and/or guidance to staff on how repeat incident registers are used consistently to inform and prioritise actions, including support measures, and decisions on resolution. This should include both operational and customer focused actions.	In addition to the formal repeat register, customer experience and impact are actively considered through daily operational stand ups, weekly catchment based Risk Reduction Hub meetings, and ongoing oversight by Network Operational Specialists with a dedicated customer focus. Property level flooding history, customer contacts and complaints are used to inform timely escalation, investigation and follow on action, ensuring decisions reflect individual customer impact as well as operational considerations.	We will strengthen how this approach is evidenced by reviewing and updating documentation and governance to clearly demonstrate how repeat incident logs and forums are used to improve customer outcomes. We will also improve the alignment of operational, customer experience and performance data into more joined up reporting, providing greater transparency, consistency and confidence in how repeat risks and customer impact are managed.	Planned

Where we can improve	What we do now	What we'll do next	Status
Introduce clear governance structures which align customer services and insight activities with operational teams, to ensure that the customer experience is considered at each stage of the journey.	We operate a geographical catchment based model that aligns operational and customer facing teams to defined regions, supporting local accountability and faster decision making. Within each catchment, integrated customer and operational governance is maintained through daily performance reviews and regular forums that consider live service issues, customer impact and escalation.	We will continue to strengthen this integrated governance model by maintaining a consistent daily operational cadence and location based performance reporting. This will further support proactive management of local issues, clearer visibility of customer impact and evidence based decision making to deliver consistent, fair outcomes across all geographical areas.	Planned
Create a seamless end to end sewer flooding customer journey map using real cases to identify pain points in initial contact, investigation, aftercare, and compensation.	ISF and ESF journeys have been mapped using real customer scenarios, with learning fed into journey-level improvements.	We will continue refining journeys using live cases and customer feedback to address pain points across the end-to-end journey.	Complete
Close the loop more systematically by showing customers what changed because of their feedback.	For high impact wastewater journeys, including ISF and RTU, dedicated operational teams provide enhanced, case managed support aligned to the Still With You (SWY) model. This ensures clear ownership, proactive communication and tailored support for customers experiencing acute disruption, underpinned by improved customer insight.	We will expand the SWY aligned support model across all sewer flooding journeys to deliver a more consistent experience while retaining flexibility based on severity and customer impact. Learning from this manual delivery will inform a technology enabled solution that introduces automated customer updates at key points in the journey.	Planned
Enhance transparency of GSS and enhanced payments, through clearer messaging and auto triggered notifications.	A centralised Guaranteed Standards Scheme (GSS) team provides end to end oversight of eligibility, decision making and payments, strengthening governance and consistency. GSS cases are identified and managed through controlled processes, with customers informed of outcomes and payments once eligibility has been confirmed.	We will enhance transparency of GSS and enhanced payments through CRM enabled automation, including auto generation of eligible GSS cases, automated payment processing and clearer, standardised customer communications. Messaging will reduce customer uncertainty and improving understanding, fairness and trust.	Planned

Where we can improve	What we do now	What we'll do next	Status
Adopt predictive analytics more extensively, integrating blockage, weather, hydraulic, and usage patterns into an early warning system.	The scope of our Operational Intelligence Strategy is focussed on a proactive response and operational prevention strategy.	We will grow the instrumentation estate and capability forms as part of the Operational Intelligence strategy. This will require scoping in line with proactive communications referenced in row two of this plan.	Planned
Introduce field team performance dashboards aligned to customer outcomes (speed, quality, communication).	Development of field-team dashboards aligned to customer outcomes has been commissioned through the MI team.	We will implement dashboards focused on speed, quality and communication once development is complete.	In progress
Develop an internal sewer flooding "playbook" that standardises best practices identified through repeat incident reviews.	Elements of best practice for managing sewer flooding incidents and repeats are already embedded within our existing governance arrangements. This includes Terms of Reference, aide memoires and guidance used across incident and repeat management forums, which set clear expectations for operational response, escalation and review, including consideration of customer impact.	We will build on this by developing a consolidated sewer flooding playbook to standardise best practice emerging from repeat incident reviews. We will engage with Ofwat to ensure the playbook aligns with regulatory intent, is proportionate in scope, and reflects best practice across the industry, providing clearer and more consistent guidance on how incidents are managed and customers are supported.	Planned
Benchmark against top quartile water companies on repeat incident reduction and turnaround performance.	We recognise the recommendation to benchmark repeat incident performance but note that meaningful comparison is currently constrained by inconsistent industry definitions and reporting practices. Across WaSC forums and engagement with Ofwat, it is recognised that approaches to defining, recording and reporting repeat incidents, customer impact and turnaround times vary across companies, limiting like for like assessment at present.	We will work with Ofwat to support clearer alignment on repeat incident definitions, metrics and reporting requirements, including time horizons and customer impact measures. Once consistent standards are established, this will enable robust benchmarking against peers and support evidence based learning and performance improvement.	Planned

Where we can improve	What we do now	What we'll do next	Status
Enhance cross utility collaboration (e.g., combined sewer overload early warnings shared with local authorities, drainage boards, highways agencies).	Cross utility collaboration for early warning of sewer overload and drainage related risks is currently undertaken on an ad hoc basis rather than through a defined, systematic approach.	We will develop in collaboration with relevant cross-utility groups, with a view to build a proof of concept with one local authority in a hotspot area to begin with.	Planned
Commission periodic external incident audits by independent experts to highlight blind spots.	We have completed external incident reviews in the past for a range of incident types. We also regularly run incident reviews with our executive team.	We will complete at least 1 external incident audit for sewer flooding in 2026 and commit to doing these periodically in future years.	Planned

Statement on Financial Transparency

Ownership structure

Yorkshire Water Services Limited ("Yorkshire Water") manages the collection, treatment and distribution of the Yorkshire region's water. It serves a population of over 5.5m people as well as almost 140,000 businesses.

Yorkshire Water operates under an instrument of appointment (Licence) and its activities are regulated, ofwat.gov.uk/wp-content/uploads/2025/08/Yorkshire-Water-Consolidated-Appointment.pdf

A summary group chart is shown on page 402, with Yorkshire Water being the only company in the group that is regulated by Ofwat. Further details on our group structure and shareholders can be found within our ARFS and the group's website, keldagroup.com

The Kelda group which Yorkshire Water is part of is privately owned, with the ultimate parent company being Kelda Holdings Limited. The owners of the group are as follows:

- **42%** – GIC, a global long-term investor established to manage Singapore's foreign reserves. GIC have been investors since Yorkshire Water was privatised in 2008 and increased their ownership share from 33.6% in June 2026.
- **42%** – EQT, one of the world's largest private equity investors, with deep experience in managing long-term strategic assets and a strong track record of managing critical infrastructure, announced their acquisition in March 2026 which completed in June 2026.
- **16%** – SAS Trustee Corporation, one of Australia's largest pension funds have been investors in Yorkshire Water since 2014 and increased their ownership share from 12.75% in June 2026.

EQT, GIC and T-Corp have provided an Ultimate Controller Undertaking.

The Board and Executive team

The primary focus for the Board is to lead the development and delivery of the company's purpose, strategy and values needed to meet the service and performance expectations of our customers and stakeholders.

Our Board, as at 31 March 2026, contained two executive directors and nine non-executive directors, which includes three non-executive directors that represent our shareholders and six independent non-executive directors. Executive directors also have management responsibilities within the company, whilst non-executive directors do not engage in the day-to-day management, but contribute their wider skills and experience to Board decision making.

Further details on the individual members of our Board, together with their roles and committee memberships can be found on page 404.

The Directors' remuneration report is included on page 444.

Funding structure

Yorkshire Water primarily funds its investments through the following two key sources:

- Customer bills, which fund annual operating costs and a proportion of capital improvement costs, as these are funded over the expected life of the assets; and
- Debt and equity finance, which supports the initial funding of capital improvements not covered by customer bills.

Key categories of expenditure are as follows:

- **Running our business:** There are over 4,000 people at Yorkshire Water, working hard to keep water flowing every day for our 5.5m customers.
- **Investing to improve our services:** This funds our borrowing and returns to Investors, so we can deliver the level of service expected by customers.
- **Investing in Yorkshire:** Investing in our infrastructure to deliver better service and protect Yorkshire's environment.
- **Keeping everything flowing:** Looking after our network of pipes, reservoirs and pumping stations.
- **Energy:** Energy required to clean, supply and take water away from customer's homes and businesses.
- **Taxes and licences:** VAT and licences required to deliver our services.

Further detail on the above costs, together with a split of how much each one contributes to customer bills can be found within our ARFS yorkshirewater.com/about-us/reports

Every five years, Ofwat determines the prices that can be charged by companies. As part of this process Ofwat provides companies with cost allowances and incentives so that customers only pay for the efficient cost of running our operations and meeting environmental targets and regulatory standards.

The table below compares our actual costs incurred in the year to March 2026 versus those allowed by Ofwat:

Allowed costs vs actual £m (2022/2023 prices)	Water Resources	Water Network	Waste Network	Bioresources	Total
Allowed costs	68	564	997	141	1,770
Actual costs	73	643	810	102	1,628
Variance	**5**	**79**	**(187)**	**(39)**	**(142)**
Timing variance	7	85	(182)	(38)	128
Efficiency variance	(1)	(7)	(5)	(1)	(14)

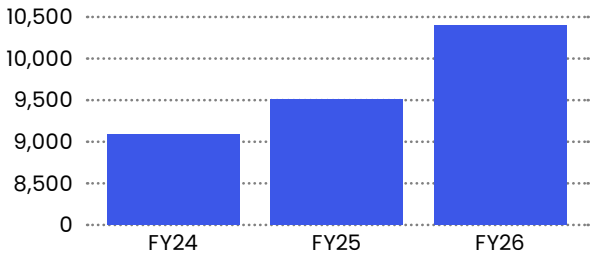
£128m of the £142m cost variance (90%) is due to timing variances between our planned delivery and that assumed within our final determination.

Further detail on cost performance can be found within Table 4C.

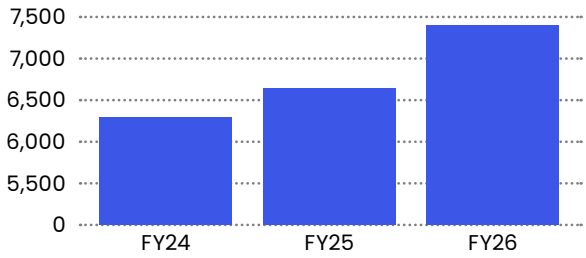
Capital performance

The charts below summarise capital performance over the last three years.

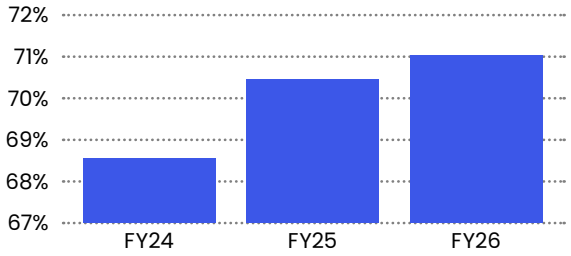
RCV



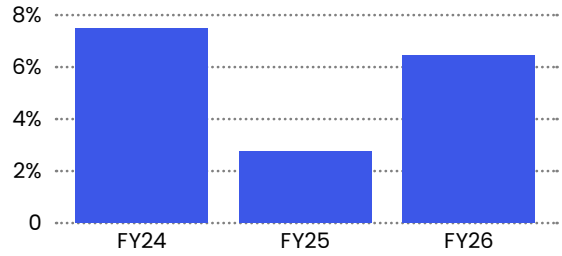
Net Debt



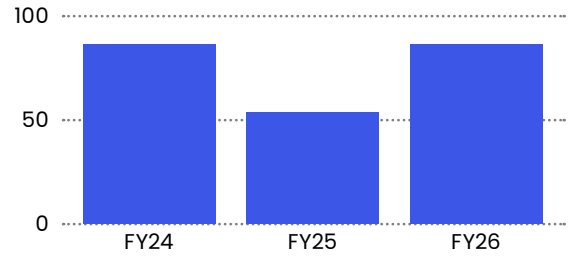
Regulatory gearing



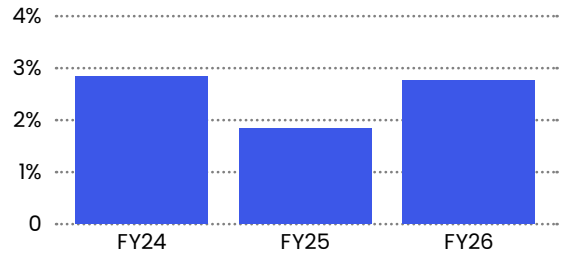
RORE (actual equity)



Dividends declared



Dividend yield



- **RCV** grows annually with inflation. There is additional growth in FY26 as a result of the significant increase in investment included within our PR24 plan.
- **Net debt** increases broadly in line with RCV, as additional debt is required to fund the increase in investment.
- **Regulatory gearing** increased in FY26 as a result of the additional investment being predominantly debt funded. Following the planned repayment of the intercompany loan in March 2027, gearing is expected to return below 70%.
- **RORE** performance has fluctuated with performance in FY24 elevated by inflation and FY25 impacted by an additional £180m investment in storm overflows. Performance (excluding gearing adjustments) in FY26 is broadly in line with the base return.
- **Dividends** paid over the last three years have solely been used to fund costs within the group, including debt service costs and repayment of loans held above Yorkshire Water. £44m of the dividends paid in the period (20%) were immediately paid back into Yorkshire Water as interest on intercompany loans.
- **Dividend yield** has averaged 2.5% over the last 3 years, below the 4.0% base dividend within our dividend policy. This reduction in yield reflects a number of factors, including our service and environmental performance which have not been at the level we aspire to deliver.

Equity and debt

There has been no equity investment in the year. An investment of approx. £600m is planned in FY27 through the repayment of the intercompany loan and accrued interest.

There have been no changes to capital this year, with the only material changes to reserves being due to retained profit.

A breakdown of the company's debt can be found within Table 1E and Table 4B.

Yorkshire Water has £302m of debt due to mature in the year ending 31 March 2027 with a further c£140m of 'pay-as-you-go' payments due on index-linked swaps, with the company currently holding sufficient cash to meet both liabilities.

Yorkshire Water's liquidity policy is to maintain at least 15 months of forecast future cash requirements, with 24 months being held at March 2026.

Credit ratings

Yorkshire Water has three credit ratings that are monitored for licence purposes. The credit ratings at the year-end were as follows and there has been no further change in rating or outlook in the period to reporting date:

- Moody's Class A rating: Baa2 (stable).
- S&P Class A rating: BBB+ (stable).
- Fitch Class A rating: BBB+ (stable).

All three ratings remained unchanged throughout the year and remain above the threshold for licence breach or distribution lock-up.

Going concern & regulatory ringfence

Our going concern statement and long term viability statement are published within our Annual Report and Financial Statement (ARFS) here.

The regulatory ring-fencing framework provides an important protection for companies and their customers. Our regulatory ring-fencing certificate is included within Section 5 of this APR.

Further useful information

Links to the following information are provided below:

- **Financial performance summary**

  ARFS Chief Financial Officer's report

- **Directors report**

  ARFS Directors' remuneration report

  ARFS Director's report – other disclosures

- **Annual Ring-fencing certificate**

  Statement on sufficiency of financial resources and facilities

- **Going concern statement**

  ARFS going concern

- **Long term viability statement**

  APR

- **Dividend policy and disclosure**

  APR

- **Credit ratings**

  APR

- **Audit opinion**

  APR Independent auditor's reports

- **Glossary**

  Glossary of regulatory terms on website

6. Board, leadership, transparency and governance

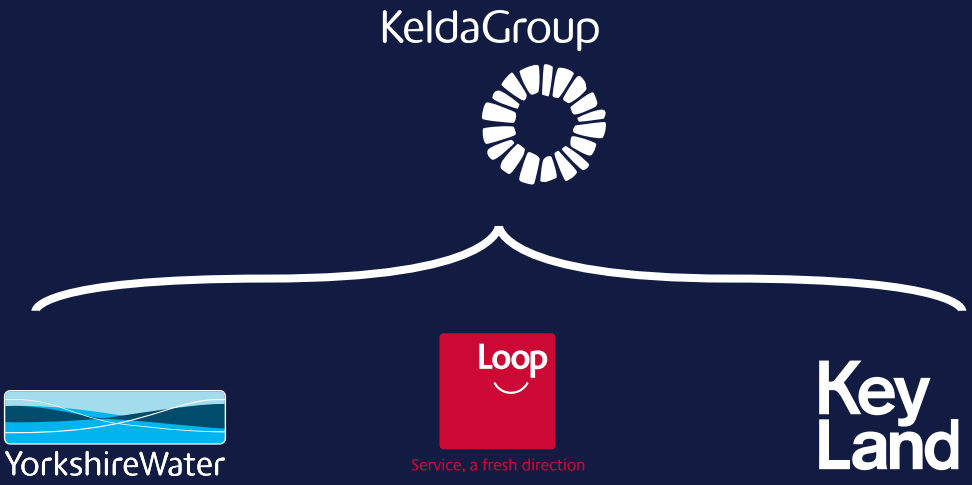
Our Group structure	401
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Our Group structure

Yorkshire Water sits within the Kelda group, which is privately owned. The Kelda group is made up of several businesses and Kelda Holdings Limited (the top holding company) is owned by a group of investment companies.

The diagram below shows a high-level structure of the group and the companies.

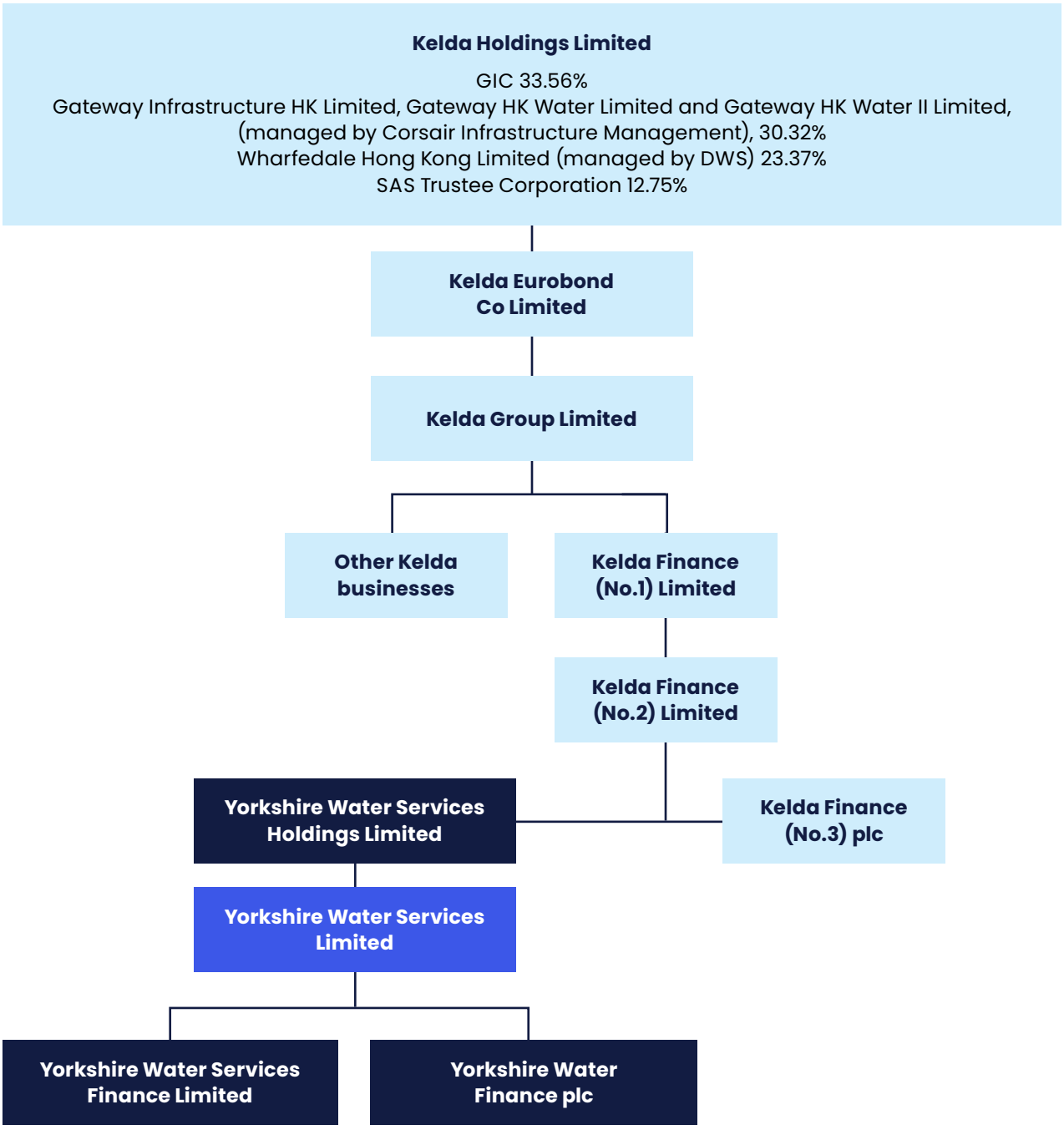


Yorkshire Water Services Ltd. provides water and sewerage services to customers in Yorkshire and is regulated by Ofwat.

Loop Customer Management Ltd. provides customer related services such as billing, customer services and debt management to Yorkshire Water.

Keyland Developments Ltd is a property trading and development business to which Yorkshire Water sells non-operational land when it is no longer required.

The diagram below shows the Kelda group corporate structure:



Yorkshire Water is the only company in this group that is regulated by Ofwat. It holds the licence to provide water and sewerage services to our customers and the governance for Yorkshire Water is described within this report.

Details of the group's shareholders and capital structure, along with further information on the companies shown here are published on the group's website, found at: keldagroup.com

Our Board of Directors

The primary focus for the Board is to lead the development and delivery of the company's purpose, strategy and values needed to meet the service and performance expectations of our customers and stakeholders.

An executive director is a member of the Board who also has management responsibilities within the company.

A non-executive director is a member of the Board who contributes their wider skills and experience to Board decision-making.

The non-executive directors do not engage in the day-to-day management of the organisation, but are involved in policy making, setting the company's strategy, values and standards, making sure that the necessary financial and people resources are in place, and reviewing management performance. We are required to have a number of independent non-executive directors on our Board, which means that they are free of any links with us or our shareholders. Our investor non-executive directors represent our larger shareholders.





Vanda Murray OBE DBA
Independent Non-Executive Chair

Appointed: Vanda joined the Board as an independent non-executive director in July 2021, becoming the Chair of the Board in September 2021. Vanda will step down from the Board on 30 September 2026.

Skills and experience: Vanda is a Fellow of the Chartered Institute of Marketing and has extensive experience of corporate leadership in both executive and non-executive roles. From 2001 to 2004 she was Chief Executive of Blick plc, a FTSE quoted company, where she doubled the value of the business. She was also Managing Director of Ultraframe plc between 2004 and 2006. She was more recently a non-executive director at Manchester Airports Group and the Senior Independent Director at Bunzl plc. Vanda won the Sunday Times Award for 'Non-Executive Director of the Year' in 2018 and was nominated for the shortlist in 2025. In 2002, she was appointed an OBE for Services to Industry and to Exports.

Other roles: Vanda is Non-Executive Chair of Yorkshire-based Marshalls plc, Senior Independent Director of Howden's plc, a Trustee Director of the English National Opera, and a Board member for Maggie's Manchester, the cancer care drop-in centre. Vanda is also the Chair of Kelda Holdings Limited.

Committee Membership:

N R SHE PR PV



Furqan Alamgir,
Independent Non-Executive Director

Appointed: Furqan joined the Board as an independent non-executive director in October 2024.

Skills and experience: Furqan is the founder and CEO of Connexin, a leading technology company based in Hull, specialising in smart city solutions and Internet of Things connectivity. Connexin was recently named as one of the Top 100 Fastest Growing Tech Companies at the Northern Tech Awards. Connexin was founded in 2006, whilst Furqan studied medicine at Imperial College.

Other roles: Beyond his role at Connexin, Furqan actively contributes to the tech and business communities, sharing his expertise and insights as a thought leader and public speaker.

Committee Membership:

A N PV



Simon Beer,
Non-Executive Director

Appointed: Simon joined the Board as a non-executive director in November 2024, having previously been an observer of the Board. Simon left the Board on 30 June 2026.

Skills and experience: Simon is currently a partner at StepStone Infrastructure and Real Assets, where he leads the Asset Management function. Prior to joining StepStone, Simon worked at Ontario Teachers' Pension Plan in their Infrastructure and Natural Resources team, where he focused on asset management and value creation across their global portfolio.

Simon has also been a partner at KPMG, focused on operational movement in the Infrastructure and Natural Resources sectors, and before that worked for BP in their upstream major projects division.

Other roles: Simon is a non-executive director of Kelda Holdings Limited. He is also a director of Northern Gas Networks Limited.

Committee Membership:

N

A Audit and Risk Committee
PV Public Value Committee
N Nomination Committee
SHE Safety, Health and Environment Committee
R Remuneration Committee
Chair
PR Performance Review Committee



Wendy Barnes
Independent Non-Executive Director

Appointed: Wendy joined the Board as an independent non-executive director in November 2022. Wendy stepped down from the Board on 30 June 2026.

Skills and experience: Wendy has a significant breadth of knowledge from the utilities sector, as well as in regulation, cyber security, customer service and change management. She is a non-executive director of Scottish Power and has previously held non-executive roles at OCS Group, Ofwat and in several government departments, including the Met Office. Wendy was formerly the Interim Director General at the Department of Energy and Climate Change, and she has held executive roles within the water sector with United Utilities.

Other roles: Wendy is a non-executive director of Scottish Power Limited and undertakes a variety of consultancy roles.

Committee Membership:

A N R PV



Isabelle Caumette
Non-Executive Director

Appointed: Isabelle joined the Board as a non-executive director in November 2023. During the year, Scott Auty has acted as the alternate for Isabelle. Isabelle left the Board on 17 June 2026.

Skills and experience: Isabelle is a London-based Senior Principal in the European Infrastructure Private Equity division of DWS, and is responsible for leading asset management for a number of funds and leading the transaction team on key infrastructure investment transactions. She is a voting member of the Investment Committee for the four European infrastructure funds managed by DWS. Prior to joining DWS's infrastructure business in 2011, Isabelle worked as a consultant at the Boston Consulting Group.

Other roles: Isabelle is also a non-executive director of Kelda Holdings Limited, and a non-executive director of Streem, a rail cars and tank containers leasing company.

Committee Membership:

N R SHE



Andrew Dench
Non-Executive Director

Appointed: Andrew joined the Board as a non-executive director in September 2017.

Skills and experience: Andrew is a Managing Director and a member of the Global Leadership team, as well as the Infrastructure Investment Committee, Infrastructure team, based in London. He is responsible for the ongoing management of GIC's global infrastructure portfolio. Prior to joining GIC, Andrew was Deputy CEO and CFO of Veolia Water, UK, Ireland & Northern Europe, CFO of Electricity Northwest, and Head of Corporate Finance & Change at London Stock Exchange Group. Whilst at Veolia, he was a non-executive director of Affinity Water (formerly Veolia Water). Andrew started his career in the investment banking division of Morgan Stanley where he was focused on project finance, mergers & acquisitions, utilities, and the natural resources sector.

Other roles: Andrew is a non-executive director of Kelda Holdings Limited and several other boards, including Heathrow Airport Holdings Limited and Calisen.

Committee Membership:

A R N



Martin Gee
CFO

Appointed: Martin joined the Board in May 2025, becoming CFO on 1 June 2025.

Skills and experience: Martin joined the company from Lanes Group, where he was the Chief Operating Officer responsible for the Sapphire Utility Solutions business. Martin joined Lanes Group in 2021, having previously spent 19 years with United Utilities PLC in various financial and commercial roles, serving as the Commercial Director from 2015 to 2021. Martin bring significant financial and operational experience of the water sector to the Board.

Martin is a Fellow of the Chartered Institute of Accountants of England and Wales.

Other roles: Martin was appointed as CFO for Kelda Holdings Limited on 1 June 2025.

Committee Membership: None



Nicola Medalova
Independent
Non-Executive Director

Appointed: Nicola joined the Board as an independent non-executive director in September 2025. Nicola stepped down from the Board on 30 June 2026.

Skills and experience: Nicola is a director at National Grid, having worked with them since 2007 in various roles. Most recently she was in New England as the Chief Operating Officer, covering parts of the USA and Canada. She is an engineer by background and a Chartered Environmental Health Officer. Nicola brings significant experience of engineering, utilities, and environmental protection to the Board. She was previously a Board member of the Royal Environmental Health Institute of Scotland and worked as an Environmental Protection Officer in Scotland from January 1998 to March 2007.

Other roles: Nicola is a director at National Grid.

Committee Membership:
N R PR SHE



Andrew Merrick
Independent
Non-Executive Director

Appointed: Andrew joined the Board as an independent non-executive director in June 2019.

Skills and experience: Andrew brings considerable financial experience and expertise to the Board, as well as strong connections with the Yorkshire region. Prior to joining the Board, Andrew was the CFO of Irwin Mitchell solicitors, having previously worked as Group Finance Director for Dart Group plc and as Director of Finance for Bradford & Bingley plc. Andrew has also been a board member of 'Incommunities', a Bradford-based social housing provider, where he chaired the Audit Committee.

Other roles: Andrew is the Senior Independent Director and Vice Chair of Market Harborough Building Society, and a Director of The Beckfoot Estate Company Limited.

Committee Membership:
A N SHE PV



Ray O'Toole
Non-Executive Director

Appointed: Ray rejoined the Board as a non-executive director in September 2025, having previously been an independent non-executive director for Yorkshire Water from June 2014 to July 2023. Ray left the Board on 17 June 2026.

Skills and experience: Ray has spent the majority of his career in the transport sector, including as Group Chief Operating Officer and UK Chief Executive for National Express plc for ten years until 2010, with operations in Spain, the USA, Canada, and the UK. He started his non-executive career whilst at National Express, as a member of the Board of the British Transport Police Authority. From 2011, Ray served as a non-executive director and member of the Safety Committee of the Office of Rail and Road, until he was appointed as Chief Executive of Essential Fleet Services Limited from July 2015 to February 2017. Ray has a background in mechanical engineering in addition to bringing his skills in safety and strategy.

Other roles: Ray is the Chair of Stagecoach Group plc.

Committee Membership:

R N PV SHE



Nicola Shaw CBE
Chief Executive Officer

Appointed: Nicola joined the Board as CEO in May 2022.

Skills and experience: Nicola brings extensive experience in regulated infrastructure businesses to the Board, and has an excellent track record in driving efficient delivery whilst also improving customer service and colleague engagement. Most recently Nicola was the UK Executive Director for National Grid and was previously the Chief Executive of High Speed 1 and a director of First Group. Nicola was the author of the Shaw Report published in 2016 which made several recommendations for the future of British Transport. Nicola received a Commander of the British Empire (CBE) for services to transport in the Queen's New Year Honours in 2016.

Other roles: Nicola is the CEO for Kelda Holdings Limited and a non-executive director of International Airlines Group.

Committee Membership:

SHE PV



Andrew Wyllie CBE
Senior Independent Director

Appointed: Andrew joined the Board as an independent non-executive director in September 2017 and became the Senior Independent Director in November 2022. Andrew will leave the Board at the end of his nine year tenure on 31 August 2026.

Skills and experience: Andrew was Chief Executive of Costain Group PLC for 14 years up until May 2019. He was also a non-executive director of Scottish Water from April 2009 to April 2017. Andrew has an MBA from the London Business School, he is a Chartered Engineer, a fellow of the Royal Academy of Engineering and was President of the Institution of Civil Engineers in 2019. Prior to joining Costain Group PLC, Andrew worked for Taylor Woodrow where he was the Managing Director of the construction business and a member of the Group Executive Committee. Andrew was awarded a CBE for services to engineering and construction in the 2015 New Year Honours list.

Other roles: Andrew is a Non-Executive Director of Persimmon PLC and Arup Group Limited, a Board member of the US-UK Advisory Board of the British American Project and the Chair of the Remuneration Committee of the Institution of Civil Engineers.

Committee Membership:

A N R PR SHE

Other directors during the year

During the year the following directors were members of the Board for the periods shown. More details on their skills, experience and other roles can be found in the Annual Report for the year ended 31 March 2025.

Dame Julia Unwin – Independent Non-Executive Director to 31 December 2025

Paul Inman – CFO to 31 May 2025

Russ Houlden – Non-Executive Director to 27 June 2025

In addition to the directors above, **Kamal Abi-Salloum** was appointed as an alternate director for Andrew Dench on 3 July 2025 and attended one Board meeting on his behalf during the year. Kamal joined GIC as a Portfolio Director in September 2024. Prior to that, he worked in various Vice President roles for BP for 12 years across the USA, Europe, Middle East and North Africa. He was previously with The Boston Consulting Group as a core member of their Global Infrastructure and Energy practice.

As noted, **Scott Auty** acted as the alternate director for Isabelle Caumette throughout the year. Scott was a non-executive director of the business from 2017 to 2023 and is a Partner in DWS's infrastructure investment business, Europe, with responsibility for the origination and execution of infrastructure investment opportunities. Prior to joining DWS in 2005, Scott started his career at N M Rothschild & Sons' investment banking division where he was a specialist in the utilities and natural resources sectors.



Board length of service

Director	Appointment	Tenure as at 31 March 2026
Independent Non-Executive Chair		
Vanda Murray	July 2021	4 years 9 months
Executive Directors		
Nicola Shaw	May 2022	3 years 11 months
Martin Gee	June 2025	10 months
Independent Non-Executive Directors		
Furqan Alamgir	October 2024	1 year 6 months
Wendy Barnes	November 2022	3 years 5 months
Nicola Medalova	September 2025	6 months
Andrew Merrick	June 2019	6 years 9 months
Andrew Wyllie	September 2017	8 years 6 months
Investor Non-Executive Directors		
Simon Beer	November 2024	1 year 5 months
Isabelle Caumette	November 2023	2 years 5 months
Andrew Dench	September 2017	8 years 6 months
Ray O'Toole	September 2025	6 months

Appointment and replacement of directors

The Articles of Association allow the Board to appoint a new director at any time; however, the appointment is also subject to approval by investors who hold 60.6% of the share capital of the ultimate parent company, Kelda Holdings Limited. This is consistent with the practice of a listed company where the shareholders would approve an appointment at the next Annual General Meeting (AGM). As a private limited company, we do not hold an AGM and therefore directors are not subject to annual re-election by the shareholders.

The Articles of Association state that the company may remove a director by ordinary resolution with special notice before the expiration of their period of office. There have been no directors removed from office during the year.

Independence

The Board reviews the independence of the independent non-executive directors each year; considering their tenure, relationships and circumstances as well as considering the behaviour of each director at Board meetings and whether they contribute to unbiased and independent debate. All the independent non-executive directors and the non-executive Chair were independent upon appointment and the Board believes that all remained wholly independent in the year under review in relation to the criteria set out in Provision 10 of the UK Corporate Governance Code.

Commitments of the Non-Executive Chair

Vanda is the non-executive Chair of Marshalls plc, a non-executive director of Howden's plc, a Trustee Director of the English National Opera and a Board member of Maggie's Manchester. Vanda manages her commitments carefully and ensures that she is always available to Yorkshire Water whenever required. The Board is content that Vanda has sufficient time available to offer the focus and dedication to Yorkshire Water that her role requires.

Meeting the Board leadership and transparency objectives

The Ofwat Board Leadership, Governance and Transparency Principles

In 2019, Ofwat published their Board Leadership, Governance and Transparency Principles which set the standard for Boards across the water sector. We have complied with these Principles since their publication and compliance is now a requirement of our Instrument of Appointment. We have set out how we have complied with each of the four key objectives contained within the Principles during the year and on an ongoing basis.



Principle 1:

The regulated company Board establishes the company's purpose, strategy, and values, and is satisfied that these and its culture reflect the needs of all those it serves.

Setting our purpose, strategy and values

Our purpose is clearly defined in our Articles of Association, which state that:

"The purpose of the company is to conduct its business and operations for the benefit of members as a whole, while delivering long-term value for its customers, the Yorkshire region and the communities it serves, and seeking positive outcomes for the environment and society."

Our strategy, which aligns to our purpose, was launched in 2023 and is kept under review each year to ensure it continues to be the right strategy for the business. The Board contributed significantly to the original strategy development process and gave approval to the final version prior to its launch, as well as reviewing and approving some minor revisions as part of the review process in 2025. The strategy aligns directly to the needs of those we serve through the vision of 'a thriving Yorkshire, right for customers and right for the environment'. The strategy includes four behaviours that we expect of all our colleagues, and which represent our values:



More information on our strategy can be found in our Strategic report.

Embedding our purpose, strategy and values

We have a Yorkshire Water Code of Ethics, approved by the Board, which provides support to colleagues and partners on embedding the values and ensuring that they are always doing the right thing, including where to go for help and advice if they are faced with an ethical decision as part of their work. There is mandatory online learning for all of our colleagues to ensure that they understand the Code of Ethics and how it applies to them.

We also operate a Speaking Up Policy which encourages colleagues and partners to speak up confidentially if they see behaviour that is outside of our expected values and culture. The policy enables people to do this entirely anonymously should they wish. All speak ups are thoroughly investigated and are reported back to the Board through the Audit and Risk Committee.



The Board receives updates on the culture of the business, and the extent to which the purpose, strategy and values are embedded in the business through a variety of ways:

- The Board agreed the target culture of the organisation in 2024, following extensive work across the organisation to describe both the current and target cultures and to identify the behaviours required to move from one to the other.
- The Internal Audit team consider culture in all of their audits and report back on any findings or observations in this area to the Audit and Risk Committee.
- A colleague engagement survey, Yorkshire Voice, takes place twice a year and the results from this are fed back to the Board, including examples of the comments and themes arising from the survey. In March 2026 83% of our colleagues responded to the survey, which is our highest ever participation rate, and there were over 33,000 comments received from the survey. This gives the Board a very clear picture of the extent to which the purpose, strategy and values of the business have been embedded and of the culture of the organisation.
- The Board engages with colleagues regularly throughout each year. There is an ongoing programme of engagement which includes opportunities for both individual and collective engagement. This includes Board members individually attending colleague listening groups across the organisation and feeding back what they have heard to the rest of the Board. These listening groups are open to colleagues from across the organisation and can cover any topics that the colleagues wish to cover, but also include a focus on the embedding of the desired behaviours and culture across the business. The Board also achieves a general awareness of culture and colleague experience through meetings with various colleagues as part of site visits, office visits or informal lunches. These have included Trade Union representatives, operational colleagues, and senior leaders during the year. These interactions enable the Board to keep well informed of the culture in the business and the extent to which the purpose, strategy and values are embedded in the business.
- The Board also engages with regulators, third party assurers and suppliers through various Committee meetings throughout the year and always encourages any feedback on the culture of Yorkshire Water to be shared openly.

More information on Board engagement is later in this section and in our Section 172(1) statement.

Principle 2:

The regulated company has an effective Board with full responsibility for all aspects of the regulated company's business for the long-term.

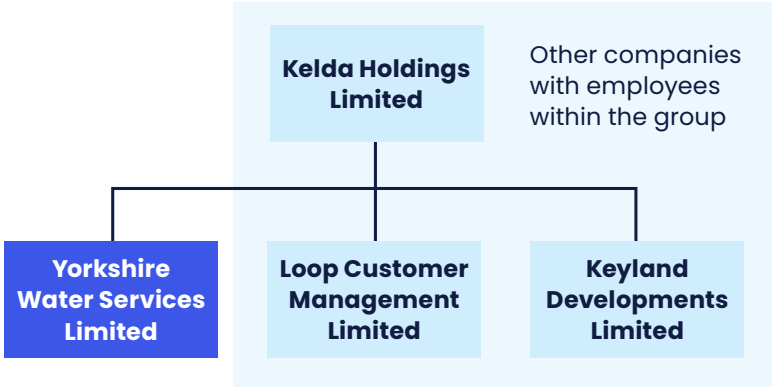
The interaction of the Yorkshire Water Board with the Kelda Holdings Board

Yorkshire Water is part of a group of companies and has an ultimate parent company, Kelda Holdings Limited which is owned by our shareholders. Whilst it is part of a larger group, Yorkshire Water is by far the largest entity within the group and operates very much independently from the rest of the group.

The Yorkshire Water Board members are very aware of their duties to Yorkshire Water and all discussions in Yorkshire Water Board meetings focus on Yorkshire Water and what is for the good of Yorkshire Water alone. The focus on Yorkshire Water is achieved in a number of ways:

- Each of our shareholders is represented on the Yorkshire Water Board, which vastly reduces the need for decisions to be referred to the ultimate parent company. All of the Yorkshire Water directors have legal and fiduciary duties to promote the success of the company for both current and future members, which is something our non-executive investor directors are acutely aware of so decisions are always made from the perspective of Yorkshire Water rather than the wider group. In addition, we have five independent non-executive directors on the Yorkshire Water Board who have no connection with the ultimate parent company and therefore can ensure that decisions are made solely in the best interests of Yorkshire Water.
- From a practical perspective, the Yorkshire Water Board has full responsibility for all aspects of the business. The matters reserved for the Board of Kelda Holdings Limited only require limited decisions to be referred to Kelda Holdings and in practice this is simply done for verification. Kelda Holdings Limited has never over-turned a decision made by the Yorkshire Water Board and it is highly unlikely that this would ever happen given the presence of the non-executive investor directors on the Yorkshire Water Board.
- The Kelda Holdings Board met only briefly on three occasions during the year. The meetings are typically only very short and rarely focus on Yorkshire Water-related matters as these have already been discussed at the Yorkshire Water Board.

Most of the decisions made by the Kelda Holdings Board relate to matters specific to Kelda Holdings Limited itself or other companies within the group, outside of Yorkshire Water. These are particularly those with employees, as shown in the simplified group structure below:



During the year, there were 11 decisions made by the Kelda Holdings Board, only three of which were directly related to Yorkshire Water. These are highlighted in **bold** below:

- Approval of the tax strategy for the group companies outside of Yorkshire Water;
- **The appointment of Nicola Medalova and reappointments of Andrew Wyllie and Andrew Merrick as independent non-executive directors of Yorkshire Water;**
- Approval of the Annual Report and Financial Statements for Kelda Holdings Limited;
- The reappointment of Deloitte as the external auditor for the group companies outside of Yorkshire Water;
- Approval of the 2027 budget for the group companies outside of Yorkshire Water;
- Approval of the proposed energy strategy for the group;
- Approval of the remuneration to be paid to Nicola Shaw, Paul Inman and Martin Gee for their work as Chief Executive and Chief Financial Officer of Kelda Holdings; and
- Approval for the interest due on the Convertible Loan Notes issued by Kelda Holdings Limited to be paid partially in additional notes.

Why does the Board of Kelda Holdings verify some decisions that impact on Yorkshire Water?

We refer some matters to the Board of Kelda Holdings for verification as we believe this reflects best practice in relation to certain decisions. These are things such as the appointment of independent non-executive directors and changes to executive remuneration. These decisions are always recommended by the Board of Yorkshire Water first, so nothing is referred to Kelda Holdings Limited that is not already approved by Yorkshire Water; this helps to ensure that referral to Kelda Holdings Limited does not give our shareholders undue influence. The verification by Kelda Holdings Limited provides a further layer of scrutiny from the four directors who are on the Kelda Holdings Board but not on the Board of Yorkshire Water, which helps to ensure that Yorkshire Water is not able to appoint unsuitable directors, for example. In a listed company this control comes from such decisions having to be put to shareholders in an Annual General Meeting.

Decisions in relation to dividends

As a privately owned company providing a public service, it is essential that we have clear and transparent controls in place in relation to any dividends that we pay. All dividends paid by Yorkshire Water are solely decided by the Board of Yorkshire Water. The Board of Kelda Holdings Limited is only able to approve dividends being paid by Kelda Holdings Limited and makes no decisions in relation to dividends being paid by Yorkshire Water. The dividend policy for Yorkshire Water is set every five years as part of our Price Review and approved by Ofwat. The dividend policy is reviewed annually to ensure it remains appropriate. Further information on our dividends for 2026 has been included under Principle 3 and in our Other disclosures section.



Our Board Committees

We have a number of Board Committees, each of which has provided its own report on the role of the Committee and how it has operated during the year. Each Committee Chair reports back to the Board after each meeting to ensure that the whole Board is aware of the matters considered by the Committees and, where appropriate, Committee papers and minutes are made available to all Board members for information.

We have gone beyond the governance requirements of having an Audit, Remuneration and Nomination Committee to also have Public Value, Safety, Health and Environment, and Performance Review Committees to enable Board members to spend additional time in these areas, focusing on specific matters in detail and providing assurance in these areas to the Board.

The Committees do not make decisions, other than in relation to executive remuneration where it would not be appropriate for the executive directors to be involved in the decision, but instead the Committees make recommendations to the Board for decision.

We continue to keep the Terms of Reference of each Committee under review to seek to optimise its effectiveness.

Handling conflicts of interest

Each of our directors is subject to the obligations in relation to conflicts of interest that are set out in company law. Our Board members are all experienced directors and receive regular reminders of their statutory obligations. Our Board has non-executive investor directors, as well as executive and independent non-executive directors, and we place great importance on ensuring we maintain the right balance in the boardroom, so that the effectiveness of the Board is not undermined by conflicted interests. We have a standing agenda item at each meeting for conflicts of interest. If any of our directors believe that they are conflicted in any way, then this is declared and appropriate action taken, such as excluding them from decisions where they may be conflicted. Our Senior Independent Director, Andrew Wyllie, is also a Board member at Persimmon PLC and Arup Group Limited. Persimmon PLC is a customer of our developer services business, and Arup Group Limited is a supplier to Yorkshire Water. Andrew has excused himself from any relevant discussions and decisions so as to avoid any potential conflict. No other potential conflict situations have arisen during the year under review.

Ensuring long-term focus

Our long-term strategy is updated every five years and looks 25 years ahead. It takes into consideration the long-term forecasts for Yorkshire in many areas such as population growth, water consumption and climate change. The latest update was in 2024 and the Board had significant input to the draft and final versions of our Long-Term Delivery Strategy, our Water Resources Management Plan and our Drainage and Wastewater Management Plan which were all submitted to Ofwat as part of the Price Review process. The Board also continues to monitor financial resilience over the longer-term through a 30-year financial model for the group as a whole.

Each year the Board also receives horizon scans which set out external matters to be aware of over the longer-term. The Board also considers the long-term viability of the business and makes an annual statement on this, considering various scenarios across the current and next AMP. Further information on long-term viability can be found in our Strategic report.

Principle 3:

The Board's leadership and approach to transparency and governance engenders trust in the regulated company and ensures accountability for their actions.

Our approach to transparency and governance

We recognise our position as a regional monopoly and we know that this makes it essential that our customers can trust us, as our household customers do not have the option to move to another supplier if we do not meet their expectations. We seek to be transparent and ethical in all that we do, and we have heard the criticism during the year around the executive remuneration from Kelda Holdings Limited not being fully disclosed in the Yorkshire Water Remuneration Report. We have committed to being fully transparent in our remuneration disclosures in the future, going beyond the statutory requirements to include pay from all other group companies in this Yorkshire Water Annual Report.

We have a Code of Ethics, which sets out the ethical standards we expect from all those that work with us. The Code provides a framework to help when someone faces a difficult ethical decision, and was developed with the help of our Board prior to launch in 2021. We have seen examples of the effectiveness of this Code since it was launched through our 'speaking up' process where colleagues have come forward to raise concerns as a result of reading the Code of Ethics.

We take governance very seriously and seek to demonstrate best practice wherever possible, constantly reviewing where we might improve and making changes as required to our structures, policies and processes.

Statement on dividend policy

We have a dividend policy, in compliance with Condition P31 of the Yorkshire Water Instrument of Appointment, which requires that distributions will only be made after an appropriate financial resilience analysis has been undertaken, that dividends will be adjusted to reflect and recognise company performance and benefit sharing from service and efficiency performance.

The policy ensures that delivery for customers and the environment is not just considered but factored into any amounts that are to be paid as dividends. Whenever a dividend is considered by the Board, a paper is prepared for the Board's consideration, which sets out the purpose of the dividend and how it complies with the dividend policy and Condition P31 accordingly.

Our dividend policy has been reviewed during the year and the Board has considered that there have been no events during the year, or additional guidance provided by Ofwat, that warrant a change to the dividend policy.

When approving dividends to be paid in a financial year, the Board assesses both company performance to date within the year, together with performance expected across the full financial year in question and that expected for the whole of the AMP. As such, dividend payments are considered within the longer-term context of the business and not just on the basis of the previous 12 months. There is explicit consideration of the ability of the business to be able to deliver into the future.

During the financial year, Yorkshire Water paid dividends totalling £85.1m (2025 £52.5m). All dividends paid during the year were compliant with the current Board approved dividend policy and Condition P31, which was modified in May 2023 with the clause number subsequently being updated in August 2025.

Yorkshire Water paid two interim dividends of £42.6m and £21.3m in May 2025 and November 2025 respectively, together with a final dividend of £21.2m in March 2026. As noted above, when assessing each of the dividends paid during the financial year the Board has assessed a combination of company performance to the date of the dividend, performance anticipated in the financial year in question, and that which is expected for the whole of the AMP. No dividends have been proposed post year end in relation to the year ended 31 March 2026.

The company's approach to recommending the dividend included the following steps:

- Determining an appropriate base dividend level reflecting the company's actual capital structure;
- Applying an 'in-the-round' adjustment to reflect the wider considerations required by our dividend policy and Condition P31; and
- Ensuring that the company remains financially resilient and that there are sufficient profits available for distribution in the foreseeable future.

In determining the appropriate base dividend level, the Board considers a range of relevant factors, including the company's actual capital structure (and the level of equity supporting the regulated business), the need to retain cash to finance current and future investment requirements, and relevant regulatory context and expectations.

A base dividend yield of 4.0% is informed by Ofwat's guidance that a base dividend yield of 4.0% is reasonable for a company whose in-the-round performance aligns with their determination and has little real Regulatory Capital Value growth. This base yield is used as a starting point for the Board's assessment and does not, in itself, determine the level of dividend ultimately paid.

The Board has reviewed the base yield assumption during the year and it has been concluded that there have been no events during the year, or additional guidance provided by Ofwat, that warrant a change to the base dividend yield assumption of 4.0%. Any adjustments to reflect company performance, Regulatory Capital Value growth and wider considerations are incorporated through the 'in-the-round' assessment described below. The 4.0% base dividend yield would equate to a dividend for the year of £120.9m.

The final dividend is determined by the Board through an 'in-the round' assessment of the factors set out in the dividend policy and Condition P31, and is therefore not driven by the base yield alone.

In applying this assessment, the Board considers a range of factors including, but not limited to:

- The ability of Yorkshire Water to finance its current and future activities, taking into account upcoming debt maturities;
- The financial resilience of Yorkshire Water, and the categorisation of the company in the Ofwat report on 'Monitoring Financial Resilience';
- Yorkshire Water's performance against the PR24 Final Determination, including in relation to specific performance commitments;
- Delivery of service to customers;
- The level of real RCV growth;
- The environmental performance of the business; and
- The risk of regulatory fines and penalties.

On balance, the Board determined that a yield reduction of 1.2% was appropriate (a dividend reduction of £35.8m), resulting in an overall dividend yield for the year of 2.85% (2025: 1.9%). This compares to a Return on Regulated Equity (on an actual equity basis) of 6.2% for the year.

The key determining factors behind the reduction in dividend were:

- **Environmental performance**. Significant steps have been taken in the year, including the ongoing investment of £180m in improving storm overflows. However, the Board recognises that the business did not achieve the level of performance required, including the retention of a two-star Environmental Performance Assessment rating and a number of serious pollution events. The Board recognises that wider environmental performance is not yet at the levels required and a reduction in dividend payment was appropriate to support the company's planned improvements.
- **The risk of regulatory fines and penalties**. Along with all other water and wastewater companies, Yorkshire Water has been investigated by Ofwat in relation to sewage treatment works. Ofwat reached a final decision in relation to this investigation in March 2025 with Yorkshire water agreeing to invest an additional £40m over the 2025-2030 period to improve the quality of rivers in its region. This £40m investment will be entirely funded by the company and its shareholders across AMP8; therefore no specific adjustment to the dividend this year was considered necessary in relation to this additional £40m investment. The outcome of a similar investigation by the Environment Agency, which is still ongoing is not yet known.

Performance against the PR24 determination
Yorkshire Water delivered a reasonable level of return for the year, representing 6.2% on actual equity; however this return was partly supported by the high levels of inflation experienced in the period, whilst Outcome Delivery Incentive (customer) performance has been below expectations. Consistent with Ofwat guidance, the Board considered that it was appropriate not to fully reflect that inflation benefit in the dividend paid and to retain some of this year's return in the company to support its planned improvements to customer performance.

The return for the year on an actual equity basis (excluding all financing performance) is 3.4%, so no in year inflation related financing performance is being used to finance the dividend paid of 2.8%

On this basis, the total proposed deduction to the dividend yield of 1.2% in year, is considered to reflect a large level of prudence in relation to the impact of inflation.

Financial resilience
The financial resilience position of Yorkshire Water has improved over the last few years, supported by the £500m of intercompany loan repayments from Kelda Eurobond Limited; however Yorkshire Water remains an "Elevated Concern" within Ofwat's latest 'Monitoring Financial Resilience' report. The company is targeting further improvement, supported by a further final intercompany loan repayment of approximately £600m, including interest, due in March 2027; however until this is received, the retention of part of this year's return to continue supporting financial resilience was considered appropriate.

Real Regulatory Capital Value (RCV) growth
Yorkshire Water had 6.0% real RCV growth in 2026 with total real RCV growth across the five years of AMP8 expected to total 26% which equates to an average of 5.2% per annum. Given the level of real RCV growth in FY26 and across the whole of AMP8, the retention of part of this year's return to support financing the RCV growth was considered appropriate.

The dividends paid in year bring the cumulative dividend yield for the current AMP to 2.8%, remaining below the cumulative return on actual equity of 6.2%.

The dividends paid in the current year have solely been used to fund costs within the group, including debt service costs and repayment of loans held above Yorkshire Water, with no dividends paid to the shareholders of Kelda Holdings Limited (2025: £Nil), Yorkshire Water's ultimate parent company, as they continue to support the financial resilience of the company and the improvement plan.

Yorkshire Water had sufficient distributable reserves to fund the dividends paid in the year. As at 31 March 2026, following payment of all dividends, the distributable reserves stand at £669.2m, with gearing at 71.0%. Additional investment from shareholders due in March 2027 of approximately £600m will reduce gearing by around five percentage points and further strengthen financial resilience.

Variable pay

The measures used in calculating variable pay for executive and senior colleagues are set out in the ARFS. The measures are split into two key areas:

- Delivering for customers, the environment and colleagues; and
- Delivering financial efficiency.

These measures have been chosen to ensure that the objectives of our senior team align to those of our key stakeholders. We have set this out in more detail in our Directors' remuneration report and try to do so in as clear and transparent a way as possible to help stakeholders understand our calculations of variable pay.

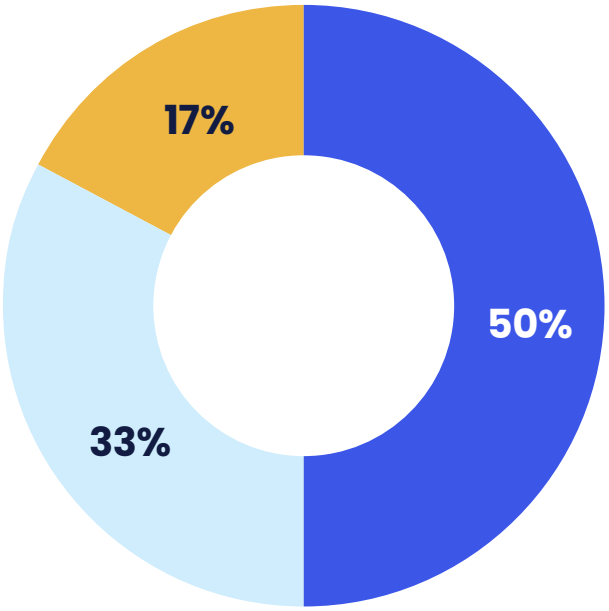
Assurance of information

We seek to assure information through independent means wherever we can, and we detail in this report where information has been independently verified and the three-line assurance process that we have in place to ensure the information we provide is trustworthy.



Principle 4:

Boards and their committees are competent, well run, and have sufficient independent membership, ensuring they can make high quality decisions that address diverse customer and stakeholder needs.



Our Board composition

As at 31 March 2026, the Board composition was as follows:

- Independent Non-Executive Directors
- Non-Executive Investor Directors
- Executive Directors

How the Board operates

The Board had six scheduled meetings in the year, with two informal meetings; which were to discuss the response to the Independent Water Commission consultation on regulatory reform, and matters relating to executive remuneration.

Attendance at the meetings is shown in the table later in this report. Our scheduled meetings are preceded the evening before by an informal meeting over dinner, allowing more time to debate issues in depth. The Board has invited a number of key stakeholders to dinner throughout the year to enable information to be shared and discussed in more depth.

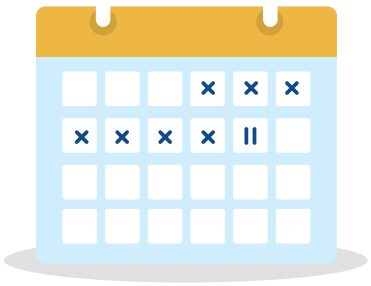
The Board agenda is set for each meeting by the Chair, with input from the executive directors and the Company Secretary. In addition, any of the other directors can request a matter to be added to the agenda at any time. Monthly reports on operational matters, health, safety and environmental matters and financial performance are circulated to the Board members regardless of whether a Board meeting is scheduled.

The Board seeks to regularly meet both formally and informally with senior management from across the business to gain further insight into the day-to-day operations and the key risks and opportunities facing each part of the business. Members of the Executive team and other key senior managers are regularly invited to attend Board meetings to provide updates and give the non-executive Board members direct access to the senior management team.

There is a schedule of Matters Reserved for the Board which sets out the specific matters that must be referred to the Board for approval. These include matters relating to company structure, dividend policy, material regulatory submissions and external press releases, along with significant operational and strategic matters.

The Board considers the role of the Company Secretary to be key in ensuring that the Board has the right governance in place and that Board processes follow best practice. The Company Secretary meets with each of the directors individually as necessary to discuss governance-related matters. The directors are also able to obtain independent professional advice at the expense of the company whenever necessary.

Board activities during the year



The following gives some examples of the activities of the Board in the year under review.

May 2025

In May the Board met with Emma Hardy, the Water Minister, to hear her views on the water sector and on Yorkshire Water specifically. This provided a really useful opportunity for the Board to hear directly from the Government and to provide information in return on the investments being made across the region. The Board meeting focused on the most recent results of the Yorkshire Voice colleague engagement survey and the actions being taken as a result of the feedback received. The Board received deep dives on pollution incidents, smart meter demand and water resources, given the ongoing dry weather being experienced.

July 2025

The Board received a deep dive into cyber matters, with information on the new Cyber Governance Code of Practice, evolving cyber threats and the technology strategy for the business. The Board also received a deep dive on Flow to Full Treatment in the wastewater side of the business, including the plans in place for improvements in this area. The Board reviewed the customer digital strategy, and discussed the platforms required to make interactions easier for customers who were digitally abled. The Board approved the programme of work for the Yorkshire Storm Alliance, which is the primary vehicle for the delivery of improvements to storm overflow discharges, set up in 2024. The Board met with Ruth Kelly and David Henderson, Chair and CEO of Water UK, over dinner, to discuss issues facing the sector. The Audit and Risk Committee heard directly from both Deloitte and AtkinsRéalis on their assurance work in relation to the Annual Report and Financial Statements and the Annual Performance Report, which were both published in the month.

September 2025

In September the Safety, Health and Environment Committee met at E.ON near Sheffield to hear about opportunities for environmental benefits through partnership working, as well as learning about safety practice on the site. The Committee also heard directly from the Regional Director from the Environment Agency on Yorkshire Water performance and our interactions with his team. The Board met with our senior leaders informally over dinner, to hear first-hand from representatives from across the business, and to listen to any concerns or feedback that they wished to share with the Board. The Board had a detailed discussion around operating in a low-trust environment and how the business could better communicate the progress being made and the benefits being seen from investment. An update was provided to the Board on the ongoing drought and the Temporary Use Ban that was in place, setting out the steps being taken to maximise water resources and reduce leakage. The Board approved the response to the Ofwat wastewater network investigation undertakings, which set out in detail how Yorkshire Water would improve performance and better protect the environment. The Board reviewed the asset standardisation strategy, which was welcomed as an important step to achieve efficiencies, better quality, carbon reduction and innovation. The Board also received a deep dive into developer services performance, and the plans in place to ensure significant improvement in this area.

November 2025

The Board received a detailed update on water resources and the work being undertaken to protect water resources in the event of dry-weather similar to that experienced in 2025. The Board listened to some customer calls and spoke to the colleagues taking customer calls in our Contact Management Centre. The Board also welcomed Jo Causon, CEO of the Institute for Customer Service, to the meeting, who provided an overview of trends in customer satisfaction and gave specific feedback on the areas on which Yorkshire Water should focus. The latest results from the recent Yorkshire Voice colleague engagement survey were also shared with the Board, along with the proposed actions as a result. An update on equality, diversity and inclusion was also provided to the Board and the progress being made in relation to diversity targets. The Yorkshire Water elements of the Kelda Group Model were approved by the Board, which is a 30-year financial model to ensure the financial resilience of the business over the long-term.

January 2026

In January, the Board met with representatives from our Trade Unions to hear their views on all matters impacting our colleagues. The Board also met informally with the Executive team to provide an opportunity for Board and Executive members to share thoughts and ideas, and to discuss any matters of concern. The Board welcomed an independent external advisor to the meeting to discuss the ongoing rebuilding of customer trust and confidence. The Board also approved the proposed approach for compliance with the newly published Consumer Involvement Rule from Ofwat, with regular feedback from consumer surveys and qualitative research being brought to the Board, as well as a regular deep dive into customer insights. The Safety, Health and Environment Committee welcomed one of our capital partners to the meeting, to hear first-hand the experience of working with Yorkshire Water from a health and safety perspective.

March 2026

In March, the Board welcomed Mark Lloyd, CEO of The Rivers Trust to dinner, to discuss how Yorkshire Water can continue to work with The Rivers Trust for the benefit of the environment. The Board received a deep dive on artificial intelligence and the ways in which this was being used in parts of the organisation, as well as priorities for investigation into future potential uses. They also heard from BAE Systems on cyber risk, which included the latest developments worldwide and the steps being taken by Yorkshire Water from a cyber security perspective. The Board received feedback from the first colleague listening groups which had been attended by Board members, specifically to hear firsthand the thoughts of colleagues to ensure that these were fed into Board decision-making.

The Board performance review

We undertake an annual Board performance review to consider the effectiveness of our Board. In 2026 this has been an internally facilitated review, using the same software from BoardClic that was used in the external facilitation in 2025. The same software has been used to enable trends and progress to be clearly tracked from one year to another.

The Board performance review last year highlighted some areas for additional focus. The table below sets out these areas and the progress made during the year:

Area for additional focus	Progress in 2026
The Board highlighted that they wanted the opportunity to undertake deeper dives into operational capacity and capability.	A Performance Review Committee was set-up during the year to provide additional time for the Board to focus on specific operational measures and to receive deep dives on the work underway to drive improvement. There have been three meetings held during the year, and the Board has received deep dives in such areas as leakage, customer experience, sewer flooding, mains replacements, and pollution incidents.
The Board requested greater visibility of succession planning for the Executive team.	The Nomination Committee has received regular updates during the year on the development of the Executive team and on succession planning for the team.
The Board wanted Board materials to be more succinct.	Work has been ongoing throughout the year to seek to ensure Board papers are as succinct as possible, whilst still containing the information and detail necessary to enable the Board to make informed decisions. Feedback from the Board has recognised the improvements made in the year, but this will continue to be an area kept under review.

The performance review in 2026 has consisted of the same online questionnaire being completed by all Board members as in 2025, and the results and trends being analysed and compared to benchmark data, and then shared in a report, which was discussed at the Board meeting in May 2026.

The review concluded that the Board and its committees were operating effectively with a number of areas of significant strength noted, including the constructive and dynamic operating style of the Board, the way in which all opinions are explored prior to decisions being made and Board members feeling that they can discuss concerns openly with the Chair.

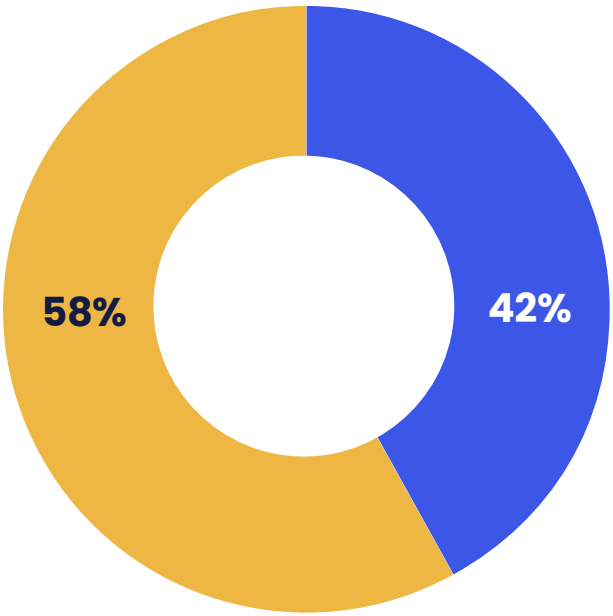
The review highlighted some specific areas for focus in 2027:

- The Board still want to see more information on succession planning for key roles within the business;
- The Board wants to understand more on the potential impact of Artificial Intelligence on the company strategy; and
- The Board wants further visibility of the plans to deliver strategic goals and operational objectives, although it was noted that the Performance Review Committee had helped in this area during the year.

An action plan has been developed and agreed by the Board and the progress made will be reported in our Annual Report next year.

In addition to the annual Board performance review, the Chair meets with each Board member individually on at least an annual basis to discuss their own performance and to identify any areas for development or potential training needs. The Senior Independent Director also gathers feedback separately on the performance of the Chair and discusses this with her at least annually.

Further information on how the Board engages with stakeholders, including colleagues, customers and communities, can be found in our ARFS.



Board composition

As at 31 March 2026, the Board composition was as follows:

- Female
- Male

We want our Board to reflect the diversity of the communities that we serve. We have a Board Appointments Policy which ensures a consistent and fair approach to recruitment is always undertaken. The fundamental objective of recruitment remains to ensure that the best candidate for the role is appointed, but we actively work with recruitment consultants to ensure we review a diverse range of candidates and that all are given an equal opportunity for the role.

Training and development

The Board receives regular updates on governance-related matters and more formal training where appropriate. Potential training needs are discussed as part of individual performance evaluations, plus each director is given the opportunity to flag any additional training requirements as part of the annual Board performance review. New directors joining the company are given a broad and comprehensive induction to the business consisting of site visits, meetings with key personnel and detailed information relating to the business, as well as any training specifically required in relation to the duties of directors and their role on the Board.

Non-executive director meetings

The independent non-executive directors and non-executive investor directors meet with the Chair at regular intervals to discuss Board-related matters without the executive directors present.

The UK Corporate Governance Code

Yorkshire Water is a private limited company but has chosen to report its compliance with the UK Corporate Governance Code on an annual basis, to provide greater transparency.

The Board considers that it has complied with all the principles of the UK Corporate Governance Code 2024 which are applicable to private companies throughout the year ended 31 March 2026, except for the following provisions:

- **Provision 11** – this principle requires that at least half the Board, excluding the Chair, should be independent non-executive directors. Whilst our independent non-executive directors make up the largest group on the Board, they do not represent half the Board when the Chair is excluded, due to the presence of non-executive investor directors on the Board. We believe that our investor directors allow us to have a greater breadth of skills and experience on the Board, and ensure that our investors are kept fully informed of what is happening in the business.
- **Provision 18** – this provision relates to the annual re-election of directors. As a private limited company, we do not hold an Annual General Meeting and instead our independent non-executive directors are re-elected every two or three years when their appointment term ends.
- **Provision 24** – this provision requires the Audit Committee to consist entirely of independent non-executive directors. Our Audit and Risk Committee has a majority of independent non-executive directors but also has a non-executive investor director, who we believe provides useful challenge and insight to the Committee.
- **Provision 29** – this provision only applies for financial years beginning on or after 1 January 2026, and therefore we have complied with Provision 29 of the 2018 UK Corporate Governance Code instead in the year under review. We have commented on the new Provision 29 further in our ARFS.
- **Provision 32** – this provision requires the Remuneration Committee to consist entirely of independent non-executive directors. Our Remuneration Committee has a majority of independent non-executive directors but also has three non-executive investor directors, which means we receive useful insight from investors when making remuneration decisions.

The UK Corporate Governance Code is available on the website of the Financial Reporting Council at: frc.org.uk

Attendance at Board and committee meetings

Director	Board No./max	Audit and Risk Committee No./max	Safety, Health and Environment Committee No./max	Nomination Committee No./Max	Remuneration Committee No./Max	Performance Review Committee No./Max	Public Value Committee No./Max
Vanda Murray	6/6	-	4/4	4/4	6/6	4/4	4/4
Furqan Alamgir	6/6	7/7	-	4/4	-	-	4/4
Scott Auty*	6/6	-	3/4	4/4	5/6	-	-
Wendy Barnes	6/6	7/7	-	4/4	6/6	-	4/4
Simon Beer	4/6	-	-	2/4	-	-	-
Andrew Dench**	6/6	5/7	-	4/4	5/6	-	-
Martin Gee	6/6	-		-	-	-	
Russ Houlden	1/1	-	-	1/1	1/2	-	-
Paul Inman	1/1	-	-	-	-	-	-
Nicola Medalova	4/4	-	2/3	1/2	2/3	3/3	
Andrew Merrick	6/6	7/7	4/4	4/4	-	3/4	3/4
Ray O'Toole	4/4	-	2/2	2/2	3/3	-	3/3
Nicola Shaw	6/6	-	4/4	-	-	-	4/4
Julia Unwin	4/4	-	1/3	4/4	4/4	-	3/3
Andrew Wyllie	6/6	7/7	4/4	4/4	6/6	4/4	-

*Scott Auty attended meetings in the year as the alternate for Isabelle Caumette, who was unable to attend for personal reasons.

**Kamal Abi-Salloum was appointed on 3 July 2025 as the alternate for Andrew Dench and attended one Board meeting, two Audit and Risk Committee meetings, one Nomination Committee meeting, and two Remuneration Committee meetings in his place. The figures above show the combined attendance for Andrew and Kamal.

Business model and KPIs

The details of our business model and our KPIs are included in the Strategic report.

Reappointment of the external auditor

Deloitte LLP has advised of their willingness to continue in office and have confirmed their continued independence. Deloitte LLP was appointed as our external auditor in 2018. Following consideration of the relationship with the external auditor, the Audit and Risk Committee has recommended to the Board that Deloitte LLP is re-appointed, and a resolution for their reappointment will be considered by the Board later this month. They have provided an independent audit opinion on these accounts which can be found in the Financial Statements.

Our audit partner, Chris Robertson, is in his fourth year as the partner on our audit and continues to be entirely independent from Yorkshire Water.

In accordance with the requirement for Public Interest Entities to put their audits out to tender every ten years, in February and March 2026 the Audit and Risk Committee oversaw a competitive audit tender process for the external audit for the year ended 31 March 2028. The tender took place at this time to ensure that the appropriate independence could be ensured from the start of the 2027 financial year, as this would represent the comparative results at the time of the 2028 audit.

The tender process aligned with the requirements of the 'Audit Committees and the External Audit: Minimum Standard' publication from the FRC, and resulted in a recommendation to the Board that the external audit be moved to KPMG LLP, which was approved in March 2026.

Powers of the directors

The business of the company is managed by the directors, who may exercise all the powers of the company, subject to the provisions of the Articles of Association and relevant statutes.

All directors have a statutory duty to avoid conflicts of interest. Our Articles of Association permit those directors who are not conflicted to authorise conflict situations, as is standard practice. Conflicts of interest are a standing agenda item at each Board meeting and any potential conflicts must be disclosed and may then, if appropriate, be authorised by the non-conflicted directors. Any such authorisations may be subject to appropriate conditions. The directors do not consider that any actual conflicts of interest have arisen during the year between the roles of the directors as directors of the company and any other roles which they may hold.

Our Chair, executive directors and non-executive investor directors remain mindful that they are also directors of Kelda Holdings Limited and that this operates as a separate legal entity.

Directors' statement

The directors confirm that they consider the Annual Report and Financial Statements (ARFS), taken as a whole, to be fair, balanced, and understandable and provides the information necessary for shareholders and other stakeholders to assess the company's performance, business model and strategy. When arriving at this position, the Board was assisted by a number of processes including the following:

- The ARFS is drafted by senior management with overall co-ordination by senior members of the Finance team and Company Secretariat to ensure consistency across the relevant sections;
- An internal verification process is undertaken to ensure factual accuracy;
- Comprehensive reviews of drafts of the ARFS are undertaken by the executive directors and senior management;
- An advanced draft is reviewed by the Board;
- The final draft is reviewed by the Audit and Risk Committee prior to consideration by the Board. The Committee advised the Board that the ARFS, taken as a whole, is fair, balanced, and understandable for shareholders and other stakeholders to assess the company's performance, business model and strategy.

Each director in office at the date of this report confirms that, to the best of their knowledge the Financial Statements give a true and fair view of the assets, liabilities, financial position, and loss of the company; and

- The Strategic report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

The directors have voluntarily complied with the Disclosure and Transparency Rules, to the extent that these can be reasonably applied to the company.

Disclosure of information to auditors

Each director in office at the date of this report confirms that:

- So far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- Each director has taken all the steps they ought to have taken as a director in order to make themselves aware of any relevant audit information, and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the ARFS in accordance with applicable law and regulations.

Company law requires the directors to prepare Financial Statements for each financial year. Under that law, the directors have elected to prepare the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law, the directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these Financial Statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the Financial Statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Relations with shareholders

As a private limited company, all our shareholders have representatives appointed as non-executive directors to our Board. This means that we have regular interaction with representatives from each of our shareholders and can present detailed information to them to enhance their understanding of our business and the communities which we serve. This also means that we can understand in detail the views of our shareholders which has been extremely useful in building a strong relationship and understanding since the appointment of our first non-executive investor directors in September 2017.

Amendments to the company's Articles of Association

Any amendments to the company's Articles of Association may be made by passing a special resolution of the shareholders.

Our risk management framework

Our risk management framework, which sets out our approach to identifying and managing our risks, is detailed in our Managing risks and uncertainties section of the Strategic report.

Risk management responsibilities

The Board

The Board has overall responsibility for setting the risk appetite for the business and for ensuring that the overall risk profile is aligned with this. It is also responsible for ensuring that the business maintains sound internal control and risk management systems, as well as reviewing the effectiveness of those systems.

To do this, the Board has regular meetings with senior management and, via the Audit and Risk Committee, receives regular reports from the internal auditors and the external auditors on the effectiveness of internal controls and risk management. Acknowledging the improvements recommended by these reports, none of which are significant, the Board is satisfied that the systems are embedded within the day-to-day activities of the business and cover financial, operational and compliance controls, and that the business continues to be compliant with the provisions of the 2018 UK Corporate Governance Code relating to internal controls. The Board recognises the requirements of the 2024 UK Corporate Governance Code in relation to making a statement on material controls and intends to comply with this from 2027 as set out in the Code.

The Executive

The Executive is responsible for reviewing the risks that have been recorded, to ensure completeness and accuracy, as well as assessing the suitability of the mitigations in place and any proposed timescales for further controls to be implemented.

Audit and Risk Committee

The responsibilities of the Audit and Risk Committee in relation to risk management are set out in the Audit and Risk Committee report.

Financial risk management

We produce an annual budget which is reviewed by senior management and ultimately approved by the Board. We also have our five-yearly Business Plan which aligns to the Final Determination issued by Ofwat as part of each Price Review, and we have a longer-term 30-year financial model for the group which we regularly monitor performance against.

We also prepare monthly performance reports against budget, which are monitored by each business area and reported at Executive and Board meetings. Further information about the financial risk management policies in place and, in particular, the way in which financial risks such as inflation risk and interest rate risk are managed, is in note 17 to the Financial Statements.

Greenhouse gas emissions

Information on our greenhouse gas emissions for the year to 31 March 2026 is contained in our Strategic report in the Right for the environment section.

Nomination Committee report

The role of the Nomination Committee is to keep the structure, size and composition of the Board under review, and to ensure that the balance of skills, knowledge and experience of the Board members is right for the current and future needs of the business.

The Committee is also responsible for overseeing the recruitment process for new directors and for making recommendations regarding Board appointments.

Board structure

Our Board structure is different from that of a listed company in that we have four non-executive investor directors who sit on our Board, alongside our independent non-executive directors and our executive directors. We have had investor directors on the Board since September 2017 and we find this immensely beneficial as it enables us to understand the views of our shareholders, as well as ensuring they hear first-hand all of the information that is presented to the Board in order to provide support and challenge as appropriate.

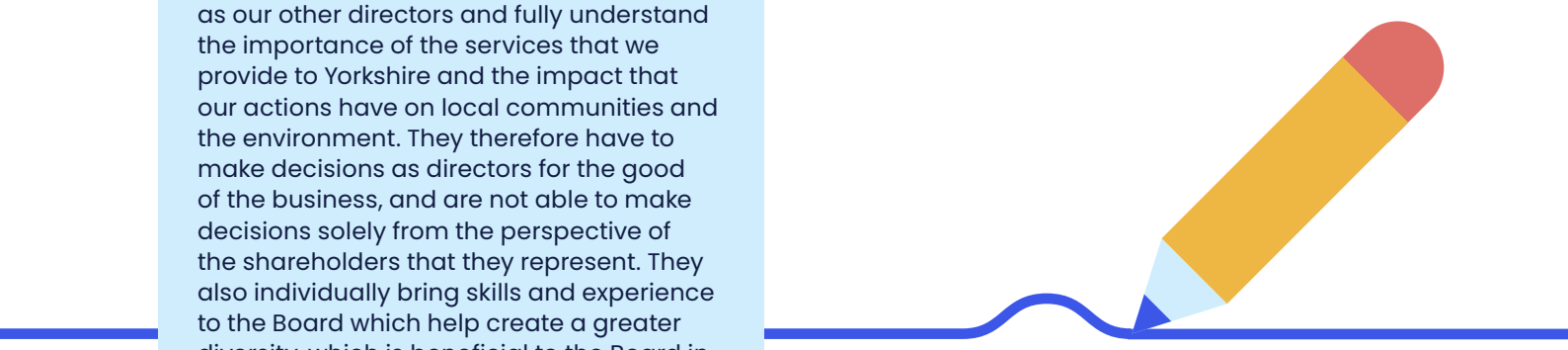
Whilst they are not deemed independent in accordance with the UK Corporate Governance Code, the investor directors still have the same legal and fiduciary duties as our other directors and fully understand the importance of the services that we provide to Yorkshire and the impact that our actions have on local communities and the environment. They therefore have to make decisions as directors for the good of the business, and are not able to make decisions solely from the perspective of the shareholders that they represent. They also individually bring skills and experience to the Board which help create a greater diversity, which is beneficial to the Board in its decision making.

Board recruitment

During the year we welcomed Nicola Medalova to the Board, as an independent non-executive director. Nicola brings with her considerable engineering expertise, which was an area highlighted through our Board skills matrix as one where expertise was slightly lower.

We worked with Teneo, as independent consultants, who undertook due diligence on behalf of the company as part of the appointment process. Teneo have also provided communications advice to the Board during the year but otherwise operate entirely independently from our business.

We also have welcomed Ray O'Toole back to our Board, this time as an investor director in place of Russ Houlden. Ray was previously an independent non-executive director with Yorkshire Water for nine years, and therefore brings considerable sector experience back to the Board, as well as significant operational and safety expertise from his career in the transport sector.

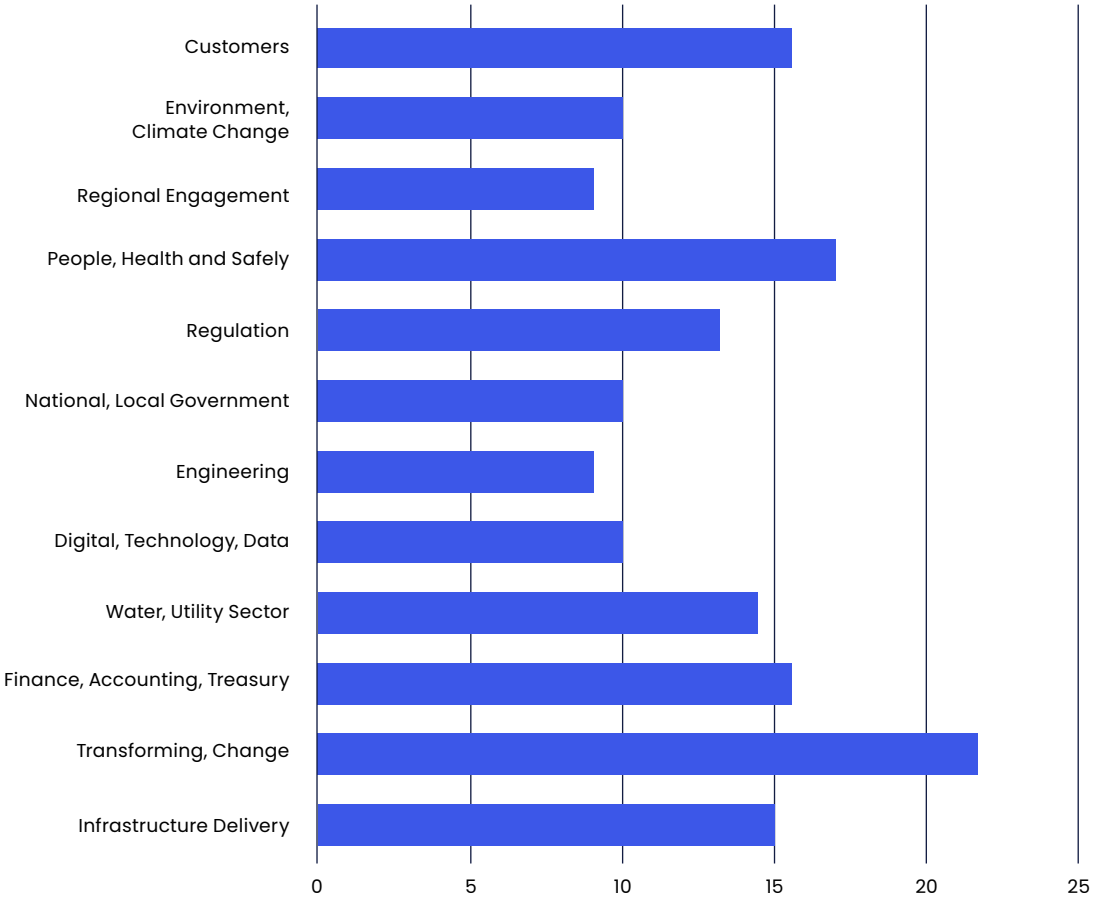


Our skills and experience matrix

As mentioned above, we maintain a Board skills matrix, which the Nomination Committee uses to monitor the balance of skills and experience on the Board and to identify any areas where new skills or experience may be required.

In the matrix, directors evaluate themselves, noting where they have specific skills or experience, where they have some skills or experience but these have not been core to a previous role, as well as those areas where they have no or only limited skills or experience.

The current matrix is shown below:



The matrix shows that there are no specific areas without relevant skills or experience on the Board, but that our lowest areas are engineering and regional engagement. The Committee is continuing to keep this under review, as well as considering how the requirements might change over time.

Developing talent

In addition to reviewing the composition of the Board, the Nomination Committee plays a key role in developing talent in the organisation, to identify and promote those who are potential future Board members, either of Yorkshire Water or elsewhere. This includes ensuring that there are equal opportunities for development for people of all genders and ethnicities.

The Committee has a Board Appointments Policy which sets out the key principle for appointments to be made on merit, with consideration always being given to the need for diversity of all types. Yorkshire Water is committed to only using external executive search firms who have signed up to the voluntary Code of Conduct addressing gender diversity and best practice.

Attendance at Committee meetings

The Nomination Committee is a sub-committee of the Board and meets as often as required each year. During the year ended 31 March 2026, the Committee met four times. The membership and attendance of the Committee is set out earlier in the Governance report. Meetings are also attended by the Chief Executive, where relevant, and the Company Secretary.

Committee responsibilities

- To review the structure, size and composition of the Board on a regular basis and to make recommendations to the Board regarding any changes;
- To ensure plans are in place for orderly succession to Board and senior management positions, and oversee the development of a diverse pipeline for succession;
- To keep under review the leadership needs of the organisation, both executive and non-executive, to ensure the continued ability of the organisation to meet its obligations in relation to investors, the public service it provides and the community in which it operates;
- To oversee the process for the recruitment or reappointment of any Board roles; and
- To review annually the time required from each of the directors to perform their roles effectively.

The Terms of Reference of the Committee are in line with the recommendations in the UK Corporate Governance Code and from the Chartered Governance Institute.

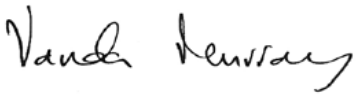
Copies of the Terms of Reference for all our committees are available from the Company Secretary or on our website at yorkshirewater.com

Committee performance review

During the year, an internally facilitated performance review was undertaken of the Board and all of its Committees. The feedback on the Nomination Committee showed it to be operating effectively.

Thanks to our non-executive directors

Our non-executive directors contribute significant time and effort in their roles and have done so again this year, at a time of immense scrutiny of the sector. I would like to thank them for their ongoing commitment to Yorkshire Water.



Vanda Murray OBE DBA
Chair, Nomination Committee
6 July 2026

Section 172 (1) statement

Most of our colleagues are also customers and they live surrounded by other customers, the communities we serve, the environment in which we operate, and the local suppliers that we support.

When Yorkshire Water has an impact on the stakeholders in Yorkshire, this is felt by many across our organisation. This means that it is essential that our Board does not just have 'regard' to our key stakeholders, as required by section 172 of the Companies Act 2006, but is always aware of how the company impacts upon those stakeholders, both now and into the future.

Trust in the sector continues to be low and it is more important than ever for the Board to build trust amongst our stakeholders, through open, honest and constructive relationships so we can understand what matters most to them.

Several examples of the interactions of the Board with stakeholders during the year are shown in the section on our Board of directors. The following pages set out some more detail on stakeholder interactions and there are some specific examples of how the views of our stakeholders have influenced decisions by the Board during the year.

Stakeholder – customers

Customers are at the heart of our corporate strategy for 'a thriving Yorkshire, right for customers and right for the environment'. We want to continually improve our customer experience and to do that we have to understand what our customers expect from us.

How have we engaged?

We have a Customer Insight team at Yorkshire Water who run surveys and focus groups throughout the year to understand the sentiment of our customers and the issues that are important to them. Some of our Board members attend the focus groups as observers so that they can hear first-hand from customers.

The Board also hears updates on customer-related matters at every Board meeting, from our Director of Customer, Distribution and Collection, and receives customer satisfaction metrics every month regardless of whether there is a Board meeting or not.

During the year the Board welcomed Jo Causon, CEO of the Institute of Customer Service, to a Board meeting to hear directly about trends in customer service, best practice across different sectors, and ways in which Yorkshire Water could improve the experience of its customers.

The Board also visited our Customer Management Centre during the year, listening to some customer calls, and spending time talking to colleagues who speak directly to customers every day.

Our CEO, Nicola Shaw, also spent time working as part of our contact centre team during the drought, taking calls from customers, as did a number of other members of our Executive team, which enabled them to hear first-hand some of the queries and concerns that customers were raising at that time.

What has our engagement told us?

We know that the main priorities for our customers are:

- Having a continuous supply of safe drinking water;
- Keeping bills affordable for all; and
- Preventing sewage from entering homes and businesses.

How has this impacted on Board decision-making?

During the year the Board approved the restructure of the operational part of the business to bring all of our customer-facing colleagues into one team, so that the oversight of delivery for customers and insight into customer experience is all in one place. This is to enable us to better understand how we can improve customer experience and to focus on the things that really matter to our customers.

The Board also requested that a Performance Review Committee be set up in the year to enable them to receive deep dives into key performance metrics, including the Customer Experience Measure (C-MeX). Through this Committee and through Board discussions, they received regular updates on the steps being taken to try to improve our customer experience during the year.

During the year, Ofwat published a new Consumer Involvement Rule and the Board has reviewed the requirements of this and approved the approach that it will take. This includes updates being provided at each Board meeting on feedback from consumer surveys and qualitative research, receiving a deep dive on consumer engagement at least annually, and meeting with independent consumer experts on an ad-hoc basis.

Stakeholder – environment

The environment is key to all that we do at Yorkshire Water. We are reliant on it for our water resources, now and in the future, and we treat and return wastewater to it and must do that responsibly. The environment impacts on the quality of our raw water and we own a significant amount of land that provides an outdoor environment for the communities we serve to enjoy.

How have we engaged?

As a business, we engage with multiple organisations that work to protect and enhance the environment, such as the National Trust, the Yorkshire Wildlife Trust and The Rivers Trust. This engagement is reported to the Public Value Committee and Board through updates on specific partnerships, environmental initiatives and through business cases for investment.

In March 2026 the Board met with Mark Lloyd, the CEO of The Rivers Trust, to hear directly from him on how Yorkshire Water might better engage with The Rivers Trust to work in partnership for the good of the environment.

We also seek to work closely with our environmental regulator, the Environment Agency, at both a regional and national level. Our Safety, Health and Environment Committee has met with the Regional Director during the year to hear directly how we might improve in our approach to the environment, and our Chair and CEO both meet regularly with their counterparts from the Environment Agency to understand their expectations and the areas where we can improve.

What has our engagement told us?

We know that the most important environmental matters relate to:

- Reducing our storm overflow discharges;
- Working with partners to protect the environment from the effects of climate change; and
- Protecting our water resources, including through reducing leakage.

How has this impacted on Board decision-making?

As noted above, the Board requested that a Performance Review Committee be set-up in the year to provide more opportunity for deep dives into key performance metrics, which includes those directly relevant to the environment. The Board has heard detailed updates on leakage, sewer flooding, wastewater permit compliance, mains replacements, and pollution incidents, and has approved the plans to improve performance in these areas.

The Board has also received detailed information in the year on the work underway to protect water resources and to increase drought resilience, and has approved the plans in this area.

The Board also approved a restructure on the operational side of the business during the year, which created a new asset management function. This new function focuses specifically on asset planning and ensuring that our assets are working in the right way to protect the environment and deliver great service to customers, both in the short-term and into the future. The Board now hears regular updates from the asset management function at each meeting.

Stakeholder – colleagues

Our colleagues are core to us being able to deliver a great service and understanding their thoughts and feelings is key to us improving our business performance, as well as the Board ensuring that the desired culture is embedded across the business.

How have we engaged?

Board members engage directly with colleagues in a number of ways. The decision was taken during the year for Board members to periodically attend colleague listening groups, which are held several times a year across the business. Two Board members attended these in February 2026, feeding back what they had heard at the Board meeting in March.

The Board also engages with colleagues on site visits, which are done both collectively and individually. This year the Board visited our Customer Management Centre and engaged directly with colleagues who receive customer calls.

We run a Yorkshire Voice survey twice a year which seeks to understand how our colleagues are feeling, and the feedback from this is shared with the business, with the Executive team and Board receiving detailed information on the views expressed through the survey.

The Board had informal dinners with the senior leaders from the business and with the Executive team during the year, to provide an opportunity for open discussion and feedback to the Board.

The Board has also met with Trade Union representatives during the year to hear the views of Trade Union members directly from their convenors, and received an update on equality, diversity and inclusion within Yorkshire Water to understand the ongoing work in this area and the progress against our diversity targets.

The Board receives updates on health and safety performance every month, regardless of whether a Board meeting is held. These are discussed at each Board meeting and there are deep dives into incidents, risks and any specific areas of concern at the Safety, Health and Environment Committee.

During the year the business appointed a registered mental health nurse, who attended the Safety, Health and Environment Committee, to speak directly to Board members regarding the provision of mental health support across the business.

What has our engagement told us?

We know that colleagues are most concerned about:

- The external reputation of the business and the negative media received;
- Workload; and
- Recognition.

How has this impacted on Board decision-making?

The Board has engaged with multiple advisors in the year on media sentiment and has regularly discussed how to ensure performance improvements and the investments being made are effectively communicated to stakeholders. The Board has approved the approach to communications and areas for further consideration. Board members have also sought to directly engage with certain key stakeholders to ensure they have the opportunity to hear directly from the business.

The Board also approved the recruitment plan to bring over 1,200 new colleagues into the business during the year, to drive the delivery of our business plan across the AMP. The Board has received regular updates on the recruitment progress, and has sought assurance over the training provided to new colleagues, and the support being provided to all colleagues during a period of considerable change.

During the year the Board approved the relocation of much of the office-based business from Bradford to Leeds, to enable colleagues to be based in one building, to help create stronger connections across the business, build better ways of working, and better support delivery for customers. This is a significant change for the business having been based in Bradford for over 25 years, and the Board had to consider the impact on colleagues, customers, communities, and the environment, in its decision-making.

Stakeholder – communities

As an anchor institution within Yorkshire, we believe Yorkshire Water can play a significant role in helping and supporting the communities that we serve.

How have we engaged?

As a business we engage with our customers regularly which also gives us insight into the communities that we serve.

During the year the Board and Public Value Committee has received feedback from local stakeholders which reflects the views and needs of our local communities.

We have schemes in place across the business which allow our colleagues to volunteer and support local community initiatives, whether that be through sharing expertise or by providing practical support to help improve community buildings or gardens.

We also work in communities, raising awareness of the financial support we can provide to customers, as well as engaging with children in schools to teach them both about water use and safety around water.

What has our engagement told us?

We know that the matters most important to the communities around us are:

- Clean drinking water;
- Keeping sewage in our pipes; and
- Access to our green spaces.

How has this impacted on Board decision-making?

The Board has received regular updates on operational performance that directly impacts upon the communities we serve.

The Board also approved the capital spend in the year which directly impacts upon local communities; for example an £18m upgrade at Dewsbury Wastewater Treatment Works which will help improve water quality in the River Calder, a £5m programme to replace 6km of water mains in Rotherham to help reduce leaks by replacing older pipes, and a project to drill new test boreholes at East Ness Water Treatment Works to increase water available for supply as part of our long-term water resource management plan.

Stakeholder – investors

As at 31 March 2026, Yorkshire Water had four investors, who owned shares in our ultimate holding company, Kelda Holdings Limited.

We announced in February 2026 that two of our investors had agreed to sell their shareholdings, and in June 2026 the transaction was completed, bringing a new investor into our business.

How have we engaged?

All of our investors have a representative on the Yorkshire Water Board. Our investors are therefore directly involved at a Board level, which means we are able to ensure they are all treated fairly and their views are represented in Board-level decisions.

What has our engagement told us?

The matters of key concern to our investors are:

- The investability of the sector;
- Improving our customer service and operational performance; and
- Demonstrating the highest standards of business conduct.

How has this impacted on Board decision-making?

As directors on the Board of Yorkshire Water, our investors are able to input to all Board discussions and decision-making. They do this with their legal duties as directors first and foremost in their minds, which ensures that they have regard to other stakeholders and not just the investors that they represent.

Stakeholder – suppliers

Our supply chain is an essential part of our business and we are keen to understand the thoughts and priorities of our suppliers, many of whom are local to Yorkshire.

How have we engaged?

We engage with our suppliers in multiple different ways, depending on the extent of the services provided by the supplier. We classify each supplier as gold, silver or bronze and have identified some as 'strategic suppliers', with different levels of engagement and contract management depending on the classification of the supplier.

The Board receives updates on supplier performance at regular intervals throughout the year and has met with key suppliers during the year through the Safety, Health and Environment Committee, where partners are specifically asked to provide feedback on their experience of working with Yorkshire Water.

What has our engagement told us?

The things that matter most to our suppliers include:

- Trust and transparency;
- The local economy in Yorkshire; and
- Behaving ethically and responsibly.

How has this impacted on Board decision-making?

The Board approves all of our supplier framework agreements and reviews the procurement decisions being made as part of these agreements, and the rationale behind the suppliers being proposed.

The Safety, Health and Environment Committee has heard directly from capital partners during the year and has fed the feedback from these meetings directly into discussions and actions raised at the Committee, to seek to further enhance our safety performance.

Stakeholder – regulators

The water sector is a highly regulated sector and our regulators are therefore amongst our key stakeholders. We seek to build good relationships with each regulator to better understand their expectations and how we can best align to these.

How have we engaged?

We have multiple interactions with our regulators at all different levels of our organisation.

Board members have had meetings with representatives from Ofwat, the Environment Agency and the Drinking Water Inspectorate during the year and have fed back to the Board what they have heard in each meeting.

The Board also receives updates at each Board meeting on the ongoing relationships with each regulator any feedback received. There is a standing agenda item at each Board meeting for the discussion of regulatory reform and stakeholder relationships, to ensure the Board is aware of the latest feedback and can feed this into decision making.

What has our engagement told us?

We know that our regulators are most focused on:

- Regulatory compliance which delivers for customers and the environment;
- Financial resilience; and
- Strong, demonstrable governance in relation to the oversight of the Board.

How has this impacted on Board decision-making?

During the year the Board was closely involved in the response from Yorkshire Water to the consultation on regulatory reform, and approved the submission that was made. The Board drew on its engagement with multiple stakeholders to ensure that the content of the submission was aligned to as many stakeholder interests as possible.



The Board also approved the submission to Ofwat in response to the Wastewater Network Investigation undertakings, reviewing the proposed response in detail to satisfy themselves that it both met the requirements from Ofwat and was the right approach for the environment.

The Board has continued to consider financial resilience during the year and has approved an updated version of the Kelda Group Model in the year, which is a 30-year financial model to ensure the financial resilience of the business over the longer-term. The Board has also set a Liquidity Policy which requires a minimum of 15 months of liquidity at any given time, and monitors performance in relation to this.

Stakeholder – politicians

There are over 55 Members of Parliament in the area served by Yorkshire Water, and four regional mayors. We know that they all want to champion the causes that are important to their constituents.

How have we engaged?

We engage regularly with local politicians, through email updates, meetings and visits, to help them understand the work that we are doing to improve our services.

Our CEO, Nicola, and our Chair, Vanda, have also met directly with local politicians during the year, and fed back the discussions at those meetings to the rest of the Board.

During the year the Board welcomed Emma Hardy, the Water Minister, to a meeting to hear her views on the sector and on Yorkshire Water directly.

We also maintain links to local councils, which is particularly important when severe weather incidents or significant operational incidents occur and we are then able to work together to mitigate the impact on customers and communities.

What has our engagement told us?

We know that our local politicians are interested in:

- Reducing the risk of flooding;
- Coordinating with other utilities when planning to dig up roads;
- Support for vulnerable customers; and
- Reducing storm overflow discharges.

How has this impacted on Board decision-making?

During the year, Yorkshire Water received criticism from politicians and other stakeholders for not historically disclosing details of executive remuneration that had been paid from the parent company of the group, Kelda Holdings Limited. The Board listened to this criticism and took the decision to go beyond the statutory requirements in the future, by including remuneration paid from other group companies in the Remuneration Report each year.

The Board has continued to monitor the investment in reducing storm overflow discharges in the year, with £1.5 billion to be invested over the five years to 2030. The Board receives regular updates on the progress of the Storm Overflow Alliance and approved the programme of work for the Alliance during the year.



The long-term

As well as considering our stakeholders, the Board has to also consider the long-term in its decision-making. Our ambition is for a thriving Yorkshire, and we consider the long-term implications for Yorkshire, for our customers and for the environment, in all our decision making. The Board has a 30-year financial model which is updated for all key decisions to show the long-term financial impact of any decision made. This has been updated and approved by the Board during the year.

In addition, the Board has considered the long-term regularly throughout the year in its monitoring of work on water resource management and the plans to improve drought resilience in the future.

The Board also considers future risks and opportunities through regular horizon scans, papers and presentations from subject matter experts on future considerations, as well as through the work undertaken by the Audit and Risk Committee on the long-term viability scenarios, which is covered further in our **Going concern and long-term viability** section within our ARFS.

A reputation for high standards of business conduct

The Board is very aware that trust in the water sector has decreased over recent years for a variety of reasons. As a company we are seeking to address this through greater transparency and clearer explanations of what we do as a business and how we are performing.

The Board accepted the criticism received during the year in relation to the lack of disclosure of executive remuneration paid by the parent company of the group, Kelda Holdings Limited, and has committed to be fully transparent on this in the future to help rebuild trust.

We seek to maintain high standards of business conduct in all that we do and we have a Code of Ethics, which we expect all colleagues and partners to follow. This sets out the ethical standards we expect from all those working on behalf of Yorkshire Water.

Our Board is given assurance on the information it receives through various means, including internal audit reports, external assurance reports or from the Board Committees, which have the capacity to scrutinise information more closely before it is discussed by the Board.

Statement of non-financial information

Yorkshire Water has complied with the requirements of s414CB of the Companies Act 2006 by including certain non-financial information within the Strategic report within our ARFS.

Our business model is shown in our Strategic report within our ARFS.

Information regarding the following matters, including a description of relevant policies, the due diligence process implemented in pursuance of the policies and outcomes of those policies, can be found in the following sections:

Environmental matters in our Right for the environment section within our ARFS;

- Employees in Our people section within our ARFS;
- Social matters in Our strategy section within our ARFS;
- Respect for human rights in Our people section within our ARFS; and
- Anti-corruption and anti-bribery matters in Our people section within our ARFS.
- Climate-related financial disclosures in our Climate-related financial disclosures (CFD) section within our ARFS.

Where principal risks have been identified in relation to any of the matters listed above, these can be found in the Managing risks and uncertainties section within our ARFS, including a description of the key factors which may cause adverse impacts in those areas of risk, and a description of how the principal risks are managed.

All of our Key performance indicators, including non-financial indicators, are reported within the Strategic report within our ARFS. Further detail on how these are presented can be found in the Key performance indicators (KPIs) section within our ARFS.

The Chief Financial Officer's report and Governance report within our ARFS, where appropriate, reference, and include additional explanations of, amounts included in the Financial Statements within our ARFS.

This report has been approved by the Board of Directors and is signed on behalf of the Board.



Nicola Shaw CBE
Chief Executive Officer
6 July 2026

Statement on executive pay and performance

Directors' Remuneration Report

- An annual statement from the Chair of the Remuneration Committee, providing an overview of the key developments and remuneration decisions made during the financial year.
- Our remuneration policy report, setting out the remuneration policy for 2027 that has been recommended by the Remuneration Committee and approved by our shareholders.
- The annual report on remuneration, showing how the remuneration policy for 2026 has been applied, and how we intend to apply the policy for 2027, along with a summary of the work of the Remuneration Committee in the year.

Yorkshire Water is a private limited company and our shareholders do not require us to hold an Annual General Meeting (AGM). This report is therefore not subject to approval at an AGM but is presented for information to our stakeholders, to ensure we are transparent in what we pay our directors, and in compliance with the relevant legislation.

Annual Statement from the Chair of the Remuneration Committee

On behalf of the Remuneration Committee, I am pleased to present the Directors' remuneration report for the year ended 31 March 2026.

Executive remuneration continues to be an area of intense focus across the sector, and we are very clear that our role as the Remuneration Committee is to ensure that we pay our executive directors fairly, with a remuneration policy that drives the right outcomes for our business, our customers and the environment.

In 2025 Yorkshire Water received criticism in the media for not including in our remuneration report the amounts paid to our executive directors by Kelda Holdings Limited, the parent company of our group. We recognise that we need to be completely transparent and therefore have agreed with the directors of Kelda Holdings Limited that we will go beyond the statutory requirements and disclose the fees paid by Kelda Holdings Limited to our directors, to ensure full disclosure. Information on these fees is now included in our annual report on remuneration.

How the Committee operates

Our Remuneration Committee is entirely independent from our executive directors, and has always operated in accordance with best practice, and in compliance with regulatory requirements and the UK Corporate Governance Code. The Committee consists of seven non-executive directors, who all bring considerable experience from other sectors and some from other Remuneration Committees, and have a clear understanding of how to apply remuneration policy to drive the right outcomes for businesses.

As well as overseeing the fixed pay of our executive directors, the Remuneration Committee measures the performance of the executive directors each year against the measures in our performance-related pay schemes; the annual Executive Bonus Plan (EBP) and the long-term Incentive Plan (LTIP). In our final review each year, before any performance-related payments are made, we consider an independent report on performance against those measures and then apply discretion to take account of any wider factors and the performance of the business in the round.

In June 2025 the performance-related executive pay prohibition rule was published by Ofwat. This requires a binary adjustment to the performance-related pay outcomes each year, which can remove all performance-related pay because of one area of poor performance. The Committee has decided to continue with its own remuneration policy to reflect the measures that it believes best drive the desired outcomes for Yorkshire, but then will apply the prohibition rule as part of the Committee considerations of performance in the round each year, to reach the final remuneration outcome.

Details of the membership of the Remuneration Committee and the meetings they attended during the year can be found in our Governance report.

Feedback from Ofwat

In November 2025, Ofwat published its annual performance-related executive pay assessment. This concluded that the prohibition rule had been correctly applied by Yorkshire Water in 2025. Ofwat also reviewed evidence during the year relating to the fees paid to the executive directors by Kelda Holdings Limited. They concluded that the payments did not fit the definition of performance-related pay provided in the Water Industry Act 1991 and therefore were not in the scope of the prohibition rule.

Policy changes and group company payments

The Committee will continues to keep the Yorkshire Water remuneration policy under review to ensure it reflects best practice in remuneration. There are no changes proposed to the policy for 2027.

The Remuneration Committee has also been informed by the Board of Kelda Holdings Limited that it is proposing to continue paying the fees to the executive directors that have been paid since 1 April 2023. The Committee has reviewed the fee agreements in place and satisfied itself that the fees do not represent performance-related pay, but are fixed fees for work undertaken on behalf of Kelda Holdings Limited and other group companies outside of Yorkshire Water. The Committee supports the decision of the Board of Kelda Holdings Limited that such fees should not be funded by customers and therefore should be paid from outside of Yorkshire Water.

Our performance for customers and the environment

As set out in our Strategic report, there is still work to do to turnaround the business to deliver the right outcomes for our customers and the environment. We have made significant investments during the year, and will continue to do so over the rest of the AMP, to deliver improved performance for Yorkshire. The Board has monitored performance very closely during the year and is pleased to see that whilst overall results in some areas have been very disappointing, the performance trajectory has improved over the year under review. For example, the number of serious pollutions has been disappointing at 13 incidents, but 10 of these were in the seven months to July with only three in the remaining five months of the calendar year, which shows that the steps we have taken to improve performance in this area are working.

The Committee takes poor performance very seriously, but also understands that improving performance in a company with the size and complexity of Yorkshire Water is not a quick and easy thing to do, therefore it is keen to ensure that the progress being made is appropriately reflected in the remuneration being paid. This is not only fair to those working hard for the business, but also allows us to attract and retain colleagues with the skills and experience required to work in a challenging environment.

All of these factors have been considered by the Committee in our remuneration decisions as we strive to appropriately reward and motivate our executives, whilst never rewarding under-performance.

Key decisions by the Committee in the year

The Committee met six times during the financial year and there have been a number of key decisions taken, which are outlined below:

Salary review for executive directors
The annual pay negotiations across the business resulted in an average pay rise of 4.2% being awarded across the business with effect from 1 April 2026. The Committee reviewed the pay of the executive directors in March 2026 and agreed to apply an increase of 3.5% to the base pay of both Nicola and Martin, with effect from 1 April 2026, which aligns to the award made to other senior colleagues and is in line with the CPIH inflation rate as at November 2025.

The award and measures for the EBP and LTIP
New awards under the EBP and LTIP were approved by the Committee with effect from 1 April 2026, in line with the remuneration policy. The measures to be applied to the EBP for 2027 were reviewed and approved by the Committee in March 2026. The measures for the LTIP to be awarded on 1 April 2026, with a three-year performance period through to 31 March 2029, were approved by the Committee in March 2026. More information on this can be found later in this report.

Performance-related pay vesting in 2026
Both executive directors participated in the annual EBP awarded on 1 April 2025, which was due to vest in 2026, and Nicola participated in the previous EIP scheme, for which one-third of the long-term elements awarded in the years ended 31 March 2023 and 31 March 2024 were due to vest.

In March 2026, Nicola and Martin both expressed a strong preference to the Committee that they wished to waive any performance-related pay that may become payable for performance in 2026, given that operational performance in some areas was still lower than target in the year. The Committee discussed this and agreed to honour this preference in its decisions around the vesting of performance-related pay.

In May 2026, the Committee reviewed the outcome of the performance metrics for both schemes, as well as the overall performance of the business in its decision-making process in relation to the vesting of the schemes.

The performance metrics for the EBP indicated vesting of 46.7%, which reflected performance in the year, with reward for financial efficiency and water quality, but no reward for the areas of customer service or environmental performance where improvement is still required.

The Committee considered in detail the performance against the specific metrics of the scheme, performance in the round, and the prohibition rule from Ofwat, and concluded that the formulaic outcome of the schemes reflected the actual performance in the year and there were no events that warranted further discretionary adjustment by the Committee. Further detail on this decision can be found later in this report.

The performance metrics for the long-term element of the EIP indicated vesting equivalent to 35.7% of the maximum for the awards made in the year ended 31 March 2023, and 49.5% of the maximum for the awards made in the year ended 31 March 2024, which reflected that most measures had improved or been maintained since the first year of the scheme concluded in 2023 and 2024 respectively.

These outcomes align with the design of the schemes, which reward areas where performance has been strong, but do not give performance-related pay for areas where performance has not met expectations. Neither of the EIP awards vesting in 2026 fall within the remit of the Ofwat prohibition rule, and therefore the Committee has reviewed the outcome simply with reference to performance in the round over the vesting period.

As a result of the waiver of performance-related pay by Nicola and Martin for performance in 2026, Nicola has potentially forgone £562,000 and Martin £265,000 in relation to the schemes that would have vested, however this is dependent on the outcome of the Environmental Performance Assessment which is expected to be announced by the Environment Agency in October 2026, and may potentially trigger the Ofwat prohibition rule. Further information can be found later in this report.

Feedback
As a private limited company, our Directors' remuneration report is not subject to a vote at an AGM. We are keen, however, to receive any feedback from stakeholders on our remuneration policy, which may be directed to me via our Company Secretary, who can be contacted at **compsec@yorkshirewater.co.uk**.

Wendy Barnes
Chair of the Remuneration Committee

Remuneration Policy Report

This part of our Directors' remuneration report sets out a summary of how the Directors' remuneration policy for Yorkshire Water will apply from 1 April 2026. There have been no policy changes during the year.

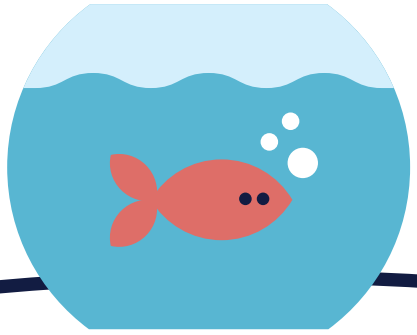
Policy overview

The current remuneration policy for directors comprises the elements set out in the table overleaf.

In setting the policy, the Committee considers a number of factors, including:

- Alignment of the remuneration policy with the strategic objectives of the business and our desire for 'a thriving Yorkshire, right for customers and right for the environment', to ensure reward reflects performance;
- An appropriate balance between fixed and performance-related pay to incentivise strong long-term performance, sustained shareholder value creation and behaviour aligned with the Yorkshire Water values, whilst not driving unnecessary risk-taking or irresponsible behaviour;
- Provision of a remuneration structure that is sufficiently competitive to attract, retain and motivate high calibre executive directors;
- The principles set out in the Ofwat Board Leadership, Transparency and Governance Principles, as well as those in the UK Corporate Governance Code; and
- Periodic external comparisons of market trends and practices elsewhere in the water industry and in companies of a similar size, complexity and geographic scope.

We want our remuneration structure to be simple and transparent and to clearly link pay to performance. Our policy ensures that performance-related components form a significant proportion of the overall remuneration package, with maximum total potential rewards earned only through the achievement of stretching performance targets, based on measures selected to promote the long-term success of the company and to meet our vision of a thriving Yorkshire.



Consideration of pay and employment conditions across the business

The Committee also considers the pay and employment conditions of colleagues across the business when setting the remuneration policy for the executive directors, to ensure that these are aligned where appropriate. We regularly monitor pay trends across all levels of the business and salary increases for the directors will normally be in line with, or lower than, those of the wider workforce in percentage terms.

The Committee also seeks views on remuneration from colleagues across the business through the Yorkshire Voice survey, which has been conducted twice during the year.

This feedback told us that our colleagues want our executive pay to be more transparent. We have listened to this and have included the pay from Kelda Holdings Limited in this remuneration report so that there is clarity around the amounts being received by our executive directors from across the group.

How the policy allows the company to comply with the Ofwat prohibition rule

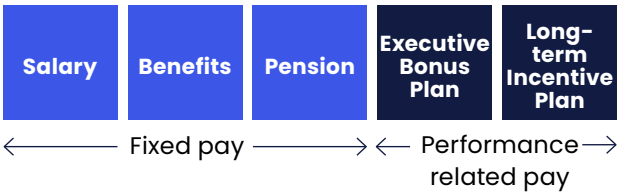
In accordance with the UK Corporate Governance Code, the Committee has a duty to ensure that the remuneration policy is right for Yorkshire Water; to support the strategy and promote the long-term sustainable success of the business. Under the remuneration policy there is a formulaic outcome from each of the variable pay schemes, and the Committee reviews these outcomes and exercises discretion as it sees fit to ensure variable pay is fully aligned to performance. As reported last year when the Ofwat prohibition rule was published, the Committee took the decision not to adjust its remuneration policy to accommodate the prohibition rule, but instead the prohibition rule is applied as a final step each year in reaching the final remuneration outcome. This ensures that the company always complies with the Ofwat prohibition rule, but does not impact upon the remuneration policy itself.

How the Committee may exercise discretion

The Committee may exercise discretion in order to ensure fairness and align executive remuneration with underlying individual and company performance. In exercising its discretion, the Committee may adjust, upwards or downwards, the outcome of any performance-related pay within the limits of the relevant plan rules. This includes, for example, taking into account significant health, safety or pollution incidents, serious criminal breaches, compliance issues, significant events that impact on customers, operational performance not covered elsewhere in the metrics, and financial resilience in the year under review.

Any use of discretion by the Committee during the financial year will be detailed in the Annual report on remuneration each year.

The remuneration of our executive directors is made up of five elements:



Executive directors' policy table

Component of remuneration and how it supports the Yorkshire Water strategy	How does this operate and what is the maximum that may be paid?	What performance measures are used and why?	Are there any provisions to recover sums paid?
Fixed pay			
Base salary			
Setting the base salary at the right level enables us to attract and retain the high calibre executives required to deliver the performance we want at Yorkshire Water.	Salaries are reviewed annually with changes typically effective from 1 April. The review considers the general annual salary increases for the workforce as well as any other key internal and external reference points, including the calibre and performance of the individual. There is no prescribed maximum annual base salary or salary increase. Details of the base salaries for each of the executive directors are shown in the Annual report on remuneration.	No specific performance measures are used to determine base salary, but individual and business performance are considered as part of the discussion when setting the base salary levels.	There are no provisions to recover any sums paid.
Benefits			
Paying the right level of benefits helps us to attract and retain the right individual for the role.	The provision of benefits is set based upon general market practice, considering the benefits available to other colleagues across the business. The benefits available to executive directors may include a combination of: • Private medical insurance for the executive, their spouse and dependent children; • Life assurance; • A choice of company car lease or a car allowance of up to £12,000 per annum for the CEO and £9,000 for the CFO; • Medical screening; and • Optional private fuel provision. Executive directors will be eligible for any other benefits which are introduced for the wider workforce on broadly similar terms. We also reimburse normal business-related expenses for our executive directors. The cost of benefits may vary from year to year and there is no maximum level set.	Benefits are not performance related.	There are no provisions to recover any sums paid.

Component of remuneration and how it supports the Yorkshire Water strategy	How does this operate and what is the maximum that may be paid?	What performance measures are used and why?	Are there any provisions to recover sums paid?
Fixed pay			
Retirement benefits			
Retirement benefits are paid as part of a market competitive package which, in turn, helps us to attract and retain high calibre individuals to deliver the strategic objectives of the business.	The maximum for executive directors is aligned to the contribution level for colleagues across the business: • a company contribution to the defined contribution stakeholder scheme of up to 12% of base salary; or • a cash allowance of up to 12% of base salary; or • a combination of a company contribution to the defined contribution stakeholder scheme and a cash allowance up to 12% of base salary in total.	Retirement benefits are not performance related.	There are no provisions to recover any sums paid.

Component of remuneration and how it supports the Yorkshire Water strategy	How does this operate and what is the maximum that may be paid?	What performance measures are used and why?	Are there any provisions to recover sums paid?
Performance-related pay			
Executive Bonus Plan (EBP)			
The EBP is designed to ensure focus on short-term priorities for the benefit of our customers, the environment, our investors and other stakeholders. The EBP incentivises performance against stretching targets.	Performance targets are set at the beginning of the year by the Committee with up to 110% of base salary vesting each year depending on the performance in that year against the targets set, as determined by the Committee. All payments are at the ultimate discretion of the Committee. The amount that vests for threshold performance is 20% of the maximum.	A balance of financial and non-financial measures is selected by the Committee at the start of each year. All targets are clear, stretching and measurable and relate to the main KPIs for the company. The measures agreed for 2026 and 2027 are set out in more detail later in this report. In addition to the performance measures set by the Committee, there is an underpin that the Committee must be satisfied that the financial and non-financial performance of the business over the performance period warrants the level of vesting.	Payments are subject to clawback for a three-year period after payment, in the event of material misstatement of performance, errors, inaccuracies or misleading information or assumptions being found to be the basis of the assessment of performance conditions, serious misconduct, or any of the conditions in the Ofwat prohibition rule which only become apparent after payment has been made, or any other reason at the discretion of the Remuneration Committee.

Component of remuneration and how it supports the Yorkshire Water strategy	How does this operate and what is the maximum that may be paid?	What performance measures are used and why?	Are there any provisions to recover sums paid?
Performance-related pay			
Long-Term Incentive Plan (LTIP)			
The LTIP is designed to ensure focus on long-term business goals and sustainability for the benefit of our customers, the environment, our investors and other stakeholders. The LTIP incentivises performance against stretching targets.	Performance targets are set at the beginning of the three-year performance period by the Committee with up to 110% of base salary vesting following the end of the third year, depending on the performance over the period against the targets set, as determined by the Committee. All payments are at the ultimate discretion of the Committee. The amount that vests for threshold performance is 20% of the maximum.	A balance of financial and non-financial measures is selected by the Committee at the start of each performance period. All targets are clear, stretching and measurable and relate to the main KPIs for the company. The measures agreed for the performance period starting on 1 April 2026 are set out in more detail later in this report. In addition to the performance measures set by the Committee, there is an underpin that the Committee must be satisfied that the financial and non-financial performance of the business over the performance period warrants the level of vesting.	Payments are subject to clawback for a three-year period after payment, in the event of material misstatement of performance, errors, inaccuracies or misleading information or assumptions being found to be the basis of the assessment of performance conditions, serious misconduct, or any of the conditions in the Ofwat prohibition rule which only become apparent after payment has been made, or any other reason at the discretion of the Remuneration Committee.

Non-executive directors' policy table

Component of remuneration and how it supports the Yorkshire Water strategy	How does this operate and what is the maximum that may be paid?	What performance measures are used and why?	Are there any provisions to recover sums paid?
Fees			
Fees are set to provide competitive pay to enable us to attract and retain the right calibre of individual and the right balance of skills on the Board. Only our independent non-executive directors receive any fees from the company.	Fees are reviewed annually. Any increase will be guided by changes in market rates, time commitments and responsibility levels as well as by increases for the broader colleague population. The Chair is paid an all-encompassing fee to take account of all Board responsibilities. The other independent non-executive directors receive a base fee with additional fees paid for additional responsibility, such as the chairing of a committee or performing the role of the Senior Independent Director. In exceptional circumstances, if there is a temporary yet material increase in the time commitments for independent non-executive directors, the company may pay extra fees to recognise the additional workload. We reimburse our independent non-executive directors for any normal business-related expenses.	Performance is addressed through regular one-to-one meetings between the Chair and each independent non-executive director. The performance of the Chair is reviewed at one-to-one meetings between the Chair and the Senior Independent Director.	There are no provisions to recover any sums paid.

How does the remuneration policy for executive directors differ from that of other colleagues?

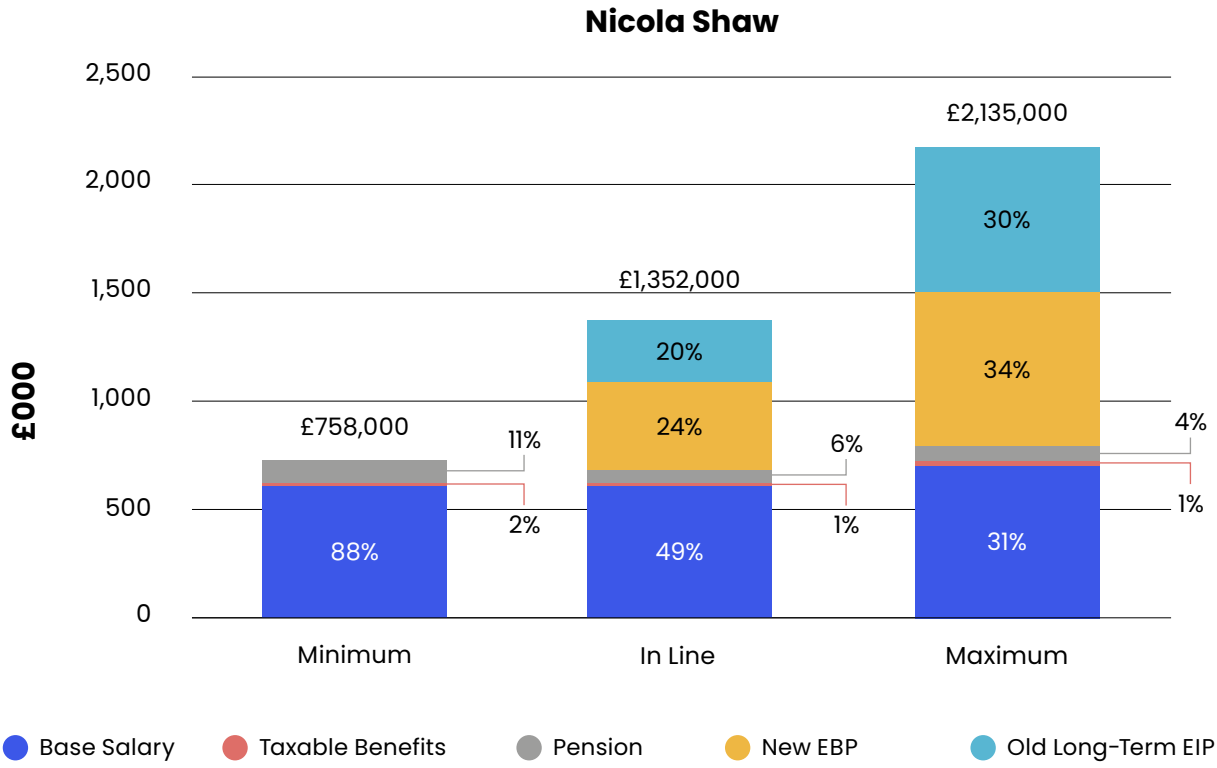
Overall, the remuneration policy set for the executive directors is more heavily weighted towards performance-related pay than for most other colleagues. As such, a greater proportion of their remuneration is dependent upon the performance of the business.

The key differences are noted in the table below:

Remuneration component	Difference
Base salary	Base salaries are reviewed in the same way for executive directors as for other senior colleagues, considering market rate information, internal reference points, individual performance, the scope of the role, the financial performance of the business and the average increases across the rest of the business. Most colleagues are covered by collective agreements which are negotiated based on our principles of affordability, fairness and transparency. The outcome of these negotiations is also taken into account when considering pay increases for more senior colleagues. We pay all colleagues, contract partners and service providers salaries at least equivalent to the voluntary Real Living Wage.
Benefits	An increasing level of benefits is offered to colleagues as their job level increases. Those offered to the executive directors are consistent with those offered to other senior colleagues, with a slightly higher car allowance offered to the CEO.
Retirement benefits	All colleagues are entitled to pension contributions from Yorkshire Water. The amount contributed increases as the colleague contribution increases. The policy for executive directors is consistent with that for new colleagues across the business with a maximum company contribution of 12% of base salary.
Short-Term and Long-Term Incentive Plans	Performance-related pay awards are made only to those individuals who are most able to directly influence delivery of the corporate strategy. Along with the executive directors, senior leaders are also invited to participate in the performance-related pay schemes. The performance measures and performance periods are the same for all participants in the scheme. The level of award increases with seniority. Colleagues just below senior leader level participate in an annual bonus scheme with payments of up to ten or 15 per cent of salary, increasing to 15 to 20 per cent of salary from 1 April 2026, dependent on role. All other colleagues participate in a bonus scheme which pays up to £1,000 per annum depending on company performance.

What might executive directors be paid in the coming year?

The charts below indicate how much the executive directors might receive under the remuneration policy from 1 April 2026 on a fixed, in-line with expectations, and maximum basis.



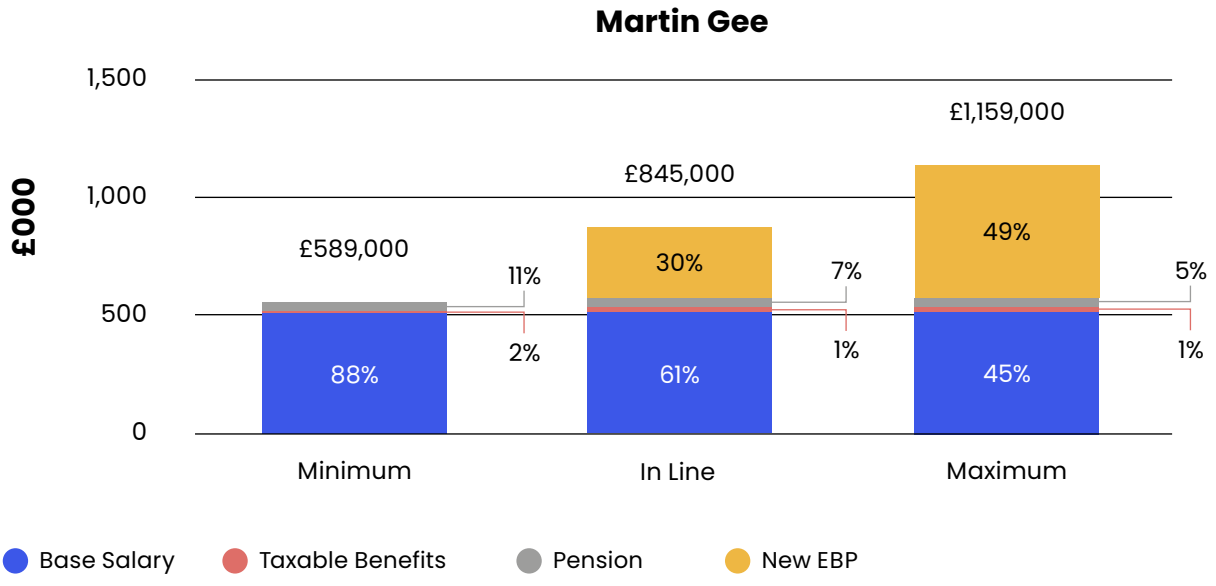


Chart assumptions

The different scenarios shown in the graphs are:

- **Minimum** – where performance is below threshold and executive directors receive fixed pay only with no vesting under the performance-related pay schemes. Fixed pay comprises base salary, benefits and retirement benefits;
- **In line with expectations** – where executive directors receive their fixed pay plus an Executive Bonus Plan (EBP) pay-out of 44.8% of the maximum opportunity, which is the average vesting of the short-term performance-related pay over the last five years. In addition, this includes an assumption of 41.2% pay out of the long-term elements of the old EIP and the LTIP due to vest in 2027, which is the average vesting of the long-term performance-related pay award over the last five years;
- **Maximum** – where performance meets or exceeds the maximum and the executive directors receive their fixed pay plus the maximum in-year vesting of the EBP and the maximum long-term elements of the EIP and LTIP that are due to vest in 2027.

It should be noted that the charts show what could be earned by the executive directors based on the 2027 remuneration policy and the numbers will therefore differ from those included in the table later in this report which details what was actually earned by the executive directors in the year to 31 March 2026.



Recruitment policy

The remuneration package for a new executive director is set in accordance with the remuneration policy in place at the time of appointment, considering the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

The table below sets out our policy on the recruitment of new permanent executive directors for each element of the remuneration package:

Remuneration component	Recruitment policy
Base salary	The salary would be provided at such a level as required to attract the most appropriate candidate. The aim would be to pay the appropriate market rate for the role when benchmarked against other water companies, other utilities and listed companies of a similar size, in line with the current policy for existing executive directors. Where it is appropriate to set a lower salary initially, a series of increases above the level awarded to the wider workforce may be given over the following few years until the desired position is achieved, subject to individual performance. This may apply to those promoted internally in the business as well as to those recruited from outside.
Benefits	The benefits package we will offer will be set in line with the policy for existing executive directors. In addition to the benefits currently available to existing executive directors, we may also offer an allowance to cover relocation, travel and/or incidental expenses as appropriate.
Retirement benefits	Maximum pension contribution will be set in line with the policy for executive directors at up to 12% of base salary.
Short-Term and Long-Term Incentive Plans	Short-Term and Long-Term Incentive Plan awards will be made in line with the policy for other executive directors. In the year of recruitment, an award may be made at a date outside of the usual annual awards, at the discretion of the Committee. Different performance measures may be set initially at the discretion of the Committee, depending on the point in the financial year at which the individual joins. The award made will be pro-rated to the period of employment, with both the in-year and deferred vesting amounts pro-rated accordingly.
Buy-outs	In addition to the above, we may also offer additional cash when we consider this to be in the best interests of the business. Any such payments would be based solely on remuneration relinquished when leaving the former employer and would reflect, as far as possible, the nature and time horizons attaching to that remuneration and the impact of any performance conditions. Our policy on 'buying-out' of existing incentives granted by the executive's previous employer will depend on the circumstances of recruitment and will be negotiated on a case-by-case basis. There will not be a presumption in favour of buy-out, but it will be considered if necessary to attract the right candidate.

In total, the maximum performance-related pay level in the year of appointment – excluding the value of any buy-out awards – will be 110% of base salary through the Executive Bonus Plan.

For an internal executive appointment, any performance-related pay element awarded in respect of the prior role would be allowed to pay out according to its terms, adjusted as appropriate to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment would be allowed to continue.

The appointment of Martin Gee

As reported last year, Martin Gee joined the Board as our new CFO on 6 May 2025, replacing Paul Inman, who retired from the Board on 31 May 2025. Details of the amounts to be paid to Martin and Paul during the year were disclosed in the remuneration policy report in 2025 and are included in the table in the annual report on remuneration this year.

Non-executive director recruitment
The fee structure for Independent Non-Executive Director appointments will be based on the Independent Non-Executive Director fee policy as set out in the policy table.

The appointment of Nicola Medalova

Nicola joined the Board as a new Independent Non-Executive Director on 1 September 2025. In line with our remuneration policy, the Board agreed to pay Nicola £64,913 per annum for her role.

Service contracts

Our policy is to set notice periods for executive directors at six months' notice from either party. The current service agreement dates are set out in the table below:

Director	Date of appointment	Date of current service agreement
Nicola Shaw	9 May 2022	6 April 2022
Martin Gee	6 May 2025	31 March 2025

Letters of appointment

Independent Non-Executive Directors are appointed by letters of appointment for a period of two years. Appointments may be renewed by mutual agreement for further periods of up to two years subject to a total period of nine years' service with the company. The letters of appointment allow for termination by either party without a requirement for notice.

The appointment of the Chair is for a period of three years and may be renewed by mutual agreement for further periods of up to three years, subject to a total period of nine years' service with the company. The notice period is set at three months for either party.

The dates of the current letters of appointment are noted in the table below:

Director	Date of appointment	Date of current letter of appointment
Vanda Murray	1 July 2021	1 July 2024
Furqan Alamgir	1 October 2024	-
Wendy Barnes	1 November 2022	1 November 2024
Nicola Medalova	1 September 2025	-
Andrew Merrick	1 June 2019	1 June 2025
Andrew Wyllie	1 September 2017	1 September 2025

The following Non-Executive Director appointments were made in accordance with the Shareholders' Agreement dated 30 June 2026. This permits investors to appoint representatives to the company in accordance with their holdings.

Non-executive director	Appointed
Simon Beer	26 November 2024
Isabelle Caumette	20 November 2023
Andrew Dench	13 September 2017
Ray O'Toole	23 September 2025
Kamal Abi-Salloum (as an alternate for Andrew Dench)	19 May 2025
Scott Auty (as an alternate for Isabelle Caumette)	20 January 2025

Payments to executive directors who leave the business

The table below sets out our policy on payments in relation to executive directors who leave Yorkshire Water.

The Committee is clear that contractual entitlements will be honoured, there will be a consistent approach to exit payments and no reward for poor performance. We will not pay anything if an executive director is dismissed for serious breach of contract, serious misconduct or under-performance or for acts that bring the executive director or Yorkshire Water into serious disrepute.

Remuneration component	Treatment on exit
Base salary	Salary will be paid for the contractual notice period. Where appropriate, we will seek to mitigate any payments due, however the Committee has discretion to make a lump sum payment on termination in lieu of notice.
Benefits and retirement benefits	Benefits and retirement benefits will normally continue to be provided over the notice period. Where appropriate, we will seek to mitigate any payments due, however, the Committee has discretion to make a lump sum payment on termination equal to the value of the benefits payable during the notice period.
Short-Term and Long-Term Incentive Plans	Normally awards will lapse on cessation of employment, unless the Committee determines that the executive is a good leaver. Good leaver principles have been agreed by the Committee and status is usually conferred for one of the following reasons: death, ill health, injury or disability, a change of control, redundancy or other circumstances at the discretion of the Committee. Good leavers will be treated in accordance with the rules of the specific scheme. Colleagues leaving on the grounds of retirement will be considered on a case-by-case basis.

In relation to a termination of employment, the Committee may make payments in relation to any statutory entitlement or payments to settle compromise claims as necessary. The Committee also retains the discretion to reimburse reasonable legal expenses incurred in relation to a termination of employment and to meet any transitional costs if deemed necessary. Payment may also be made in respect of accrued benefits, including untaken holiday entitlement.

Payments on a change of control, where a director's employment is adversely changed, will be as on termination. There will be no enhanced provisions on a change of control.

The retirement of Paul Inman

As reported last year, Paul Inman retired from the Board on 31 May 2025. The payments made to Paul up until his retirement are disclosed in the annual report on remuneration.

The Independent Non-Executive Directors' letters of appointment do not include any compensation for loss of office.

Policy on outside appointments
We believe that where executive directors hold directorships in other companies, Yorkshire Water can benefit from their experience. As a result, and subject to the Board's prior approval, executive directors may take on one substantial external non-executive directorship and retain the fees earned.



Annual report on remuneration

This part of the Directors' remuneration report sets out the amounts we have paid to directors for the year ended 31 March 2026 and describes how the policy will be implemented in 2027.

The financial information contained in this part of the report has been audited where indicated.

Single total figure table (audited)

	Current Directors				Previous Director			
	Nicola Shaw		Martin Gee		Paul Inman		Total	
	2026 £000	**2025** £000	**2026** £000	**2025** £000	**2026** £000	**2025** £000	**2026** £000	**2025** £000
Base salary	642	615	453	-	71	407	1,166	1,022
Taxable benefits	13	13	7	-	1	9	21	22
Retirement benefits	77	61	54	-	9	41	140	102
Total fixed remuneration	**732**	**689**	**514**	**-**	**81**	**457**	**1,327**	**1,146**
EIP – short term element	-	-	-	-	-	-	-	-
EIP – long-term element	-	-	-	-	73	6	73	6
Total variable remuneration	**-**	**-**	**-**	**-**	**73**	**6**	**73**	**6**
Buy-out payments	-	-	96	-	-	199	96	199
Total	**732**	**689**	**610**	**-**	**154**	**662**	**1,496**	**1,351**
Remuneration paid by Kelda Holdings Limited								
Fixed fees	**660**	**660**	**367**	**-**	**83**	**440**	**1,110**	**1,100**

Notes to the table

- Nicola, Martin and Paul received their retirement benefits in cash during the year instead of opting for a contribution to the Kelda Stakeholder+ Plan.
- Buy-out payments represent a payment of £95,671 paid to Martin in October 2025, and a payment of £199,000 paid to Paul Inman in September 2024 to compensate each of them for remuneration they forfeited upon their resignation from their previous roles in order to join Yorkshire Water.

Remuneration paid by Kelda Holdings Limited

The remuneration paid by Kelda Holdings Limited is a fixed fee paid by the holding company of the group, for services to other group companies in the year outside of Yorkshire Water. The fee was introduced on 1 April 2023 by the Board of Kelda Holdings to reflect the fact that both of the executive directors undertake work for other companies within the group. This is paid by Kelda Holdings to ensure that Yorkshire Water customers are not paying for this work.

The types of activities undertaken include working on the long-term financial resilience model for the group, providing information to, and holding meetings with, the group shareholders, meeting with other investors, debt-holders, and rating agencies on behalf of the group, overseeing the strategy for the non-regulated businesses in the group, reviewing the company accounts for the other companies in the group, and providing support and leadership to the other group companies, which include Loop Customer Management Limited, Keyland Developments Limited, and Kelda Transport Management Limited.

The fee paid each year is fixed by the Kelda Holdings Board and is not performance-related in any way. The Yorkshire Water Remuneration Committee has reviewed the agreements in place in relation to these fees and is satisfied that these are not performance-related, and therefore are not within scope of the Ofwat prohibition rule. This has further been confirmed by Ofwat in their detailed review of the fees in 2025.



EBP

The EBP is an annual bonus scheme with awards made with effect from 1 April each year. The EBP has metrics which are agreed by the Remuneration Committee each year to measure performance in key areas during the year.

EBP awards will not vest unless the Committee is satisfied that the underlying financial and non-financial performance has been satisfactory over the performance period, considering any relevant factors.

The Committee has authority to exercise its discretion to adjust the level of vesting to any extent considered appropriate. Any amounts that vest are paid in cash to participants in July of each year.

Vesting of the EBP in 2026

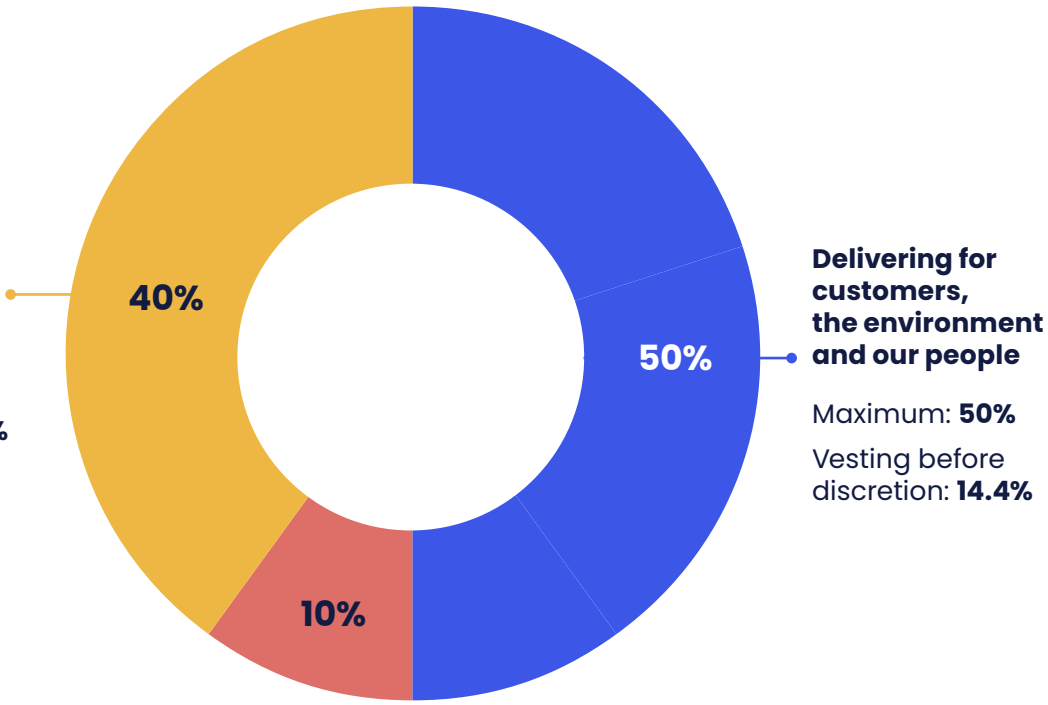
Awards of up to 110% of base salary were made to executive directors on 1 April 2025. The performance period ran to 31 March 2026.

The performance measures are focused on two key areas:

- delivering for customers, the environment, and our people, and
- managing our finances carefully,

with a third element relating to personal objectives aligned to our corporate strategy. For the executive directors the personal objectives are all linked to environmental measures.

The specific performance metrics are set out as follows, along with how the actual performance in the year compares.



Customer, environment and people measures

C-MeX
Measure: Reward from Ofwat (£ million)

Weighting	Threshold	Target	Maximum	Outcome
10%	0.8	1,0	1.2	(16.4)

C-MeX stands for the Customer Measure of Experience and was designed by Ofwat to incentivise excellent customer experience for residential customers. This was chosen as a performance metric as improving customer experience is a key focus for the business.

The methodology used by Ofwat to measure C-MeX changed at the start of the year and there was uncertainty around where targets should be set as the impact of the change was not fully known. It was therefore decided by the Committee to base the targets on the level of reward received from Ofwat in the year, as this would ensure it linked directly to the Ofwat benchmarking of performance to other companies both inside and outside the sector. To achieve the target level was considered extremely stretching as it would have required Yorkshire Water to be in a mid-sector position by the end of the year, whereas as the start of the year the company was positioned 10th out of 17 companies. In the past, targets have been set to move by just one or two positions each year, which in itself has proved challenging.

Time, Cost, Quality Index
Measure: Percentage

Weighting	Threshold	Target	Maximum	Outcome
10%	70%	75%	80%	72%

This is the measure we use to ensure our capital projects are delivering for customers as required, in terms of their time taken to deliver, the cost to deliver and the quality delivered. The target was set at 75% as this would have been a significant improvement from the prior year score of 69%, when the target had been set at 70%.

Water quality
Measure: Compliance Risk Index

Weighting	Threshold	Target	Maximum	Outcome
10%	4.09	3.72	3.35	3.15

The Compliance Risk Index is a measure designed by the Drinking Water Inspectorate to illustrate the risk arising from treated water compliance failures. It adds together failures in water supply zones, at treatment works and at service reservoirs, dividing these by the total population served, the volume of water supplied daily and the total service reservoir capacity of the company. The lower the score the better. The score in the prior year was 3.61, which was the lowest score achieved by the company in four years and was a significant improvement on the 2024 score of 9.27. The target score was selected to reflect the target included in our AMP8 business plan. Whilst this is slightly higher than our performance in the previous year, it was deemed suitably stretching to include a target that required almost a repeat of the previously strong performance.

Pollution incidents
Measure: Percentage reduction

Weighting	Threshold	Target	Maximum	Outcome
10%	16%	21%	26%	(72%)

Reducing our category 1, 2 and 3 pollution incidents is of paramount importance to us because of its impact on the environment and its significance to our customers. We are extremely focused on driving this number down, hence setting a percentage reduction from the prior year as a target. It was believed that reducing the number of pollutions by over one-fifth was a stretching target and would show significant improvement year-on-year.

Lost Time Injury Rate
Measure: Number per 100,000 hours

Weighting	Threshold	Target	Maximum	Outcome
10%	0.14	0.12	0.10	0.15

The lost time injury rate measures working time lost as a result of an injury at work. In 2025, we achieved a rate of 0.14, which included performance by Yorkshire Water and our operational and contract partners. The target was believed to be suitable stretching as it represented a rate that was less than half of the average rate across the sector and would have represented our second best ever performance.

Financial measures

EBITDA
Measure: £ million

Weighting	Threshold	Target	Maximum	Outcome
20%	876.6	891.6	906.6	882.2

EBITDA is earnings before interest, taxation, depreciation and amortisation and is the key profit indicator used by the company to track and assess financial performance. A stable and resilient financial performance is key to ensuring the ongoing resilience of the business. Careful management of the money we receive from customers is also essential to ensure we are delivering services in as cost effective a way as possible.

The EBITDA target reflects the budgeted EBITDA for the year, which would reflect delivery in line with our plan for AMP8 and is considered stretching in the current economic climate.

Operating cash flow
Measure: £ million

Weighting	Threshold	Target	Maximum	Outcome
20%	(342.9)	(327.9)	(312.9)	(218.4)

Cash flow is important to any business to ensure that the business can continue to run day-to-day. This has been chosen as a key performance metric to ensure colleagues are focused on ensuring cash is handled carefully across the business. The target was set in line with the budget for the financial year, which is considered stretching as it requires the business to be careful with expenditure whilst still delivering our ambitious improvement plans for Yorkshire.

Personal objectives
Each senior participant in the EBP this year has had personal objectives agreed their line manager which are focused on the delivery of strategic objectives. The personal objectives for both executive directors were agreed by the Board.

Given the significant focus on the environment and the need for improvements in this area, it was agreed by the Board that the personal objectives of the executive directors should be solely focused on environmental measures, to ensure that 30% of the total EBP related to the environment. In 2026 our environmental performance has not been where we want it to be and therefore there was no vesting of the personal objectives part of the EBP for the executive directors.

Application of discretion
The performance set out indicates a total vesting of 46.7% for the EBP.

This was discussed in detail by the Remuneration Committee to consider whether such vesting represented performance in the round. Factors taken into consideration as part of the discussion around overall performance included:

- **Performance across the other performance commitments not included in the EBP** – the Board receives regular updates on all performance commitments throughout the year. There has been both under and over performance on the measures which are not included within the EBP. The Committee does not consider that any under performance in these measures is sufficient to warrant a discretionary adjustment to the outcome of the EBP. Further information on performance in relation to all our performance commitments can be found in our Annual Performance Report which is on our website at yorkshirewater.com.
- **Financial resilience** – there has been much work on the financial resilience of the business over recent years and the Committee believes that Yorkshire Water is in a financially resilient position and will continue to be so, as set out in our Going concern and long-term viability statements. The business has had strong liquidity throughout the year and our 30-year financial modelling shows resilience into the future.

- **Reputational and compliance issues** – there have been 13 serious pollution incidents in the year under review, for which the Board has received regular updates throughout the year. Whilst this number is far higher than we would want, the Committee is encouraged that ten of the 13 incidents occurred in the first seven months of the calendar year, with only three incidents in the remaining five months of the calendar year. This shows that the work underway to prevent serious pollutions from occurring is working. As the EBP outcome already contained no reward for pollution performance, the Committee concluded that no further downward adjustment would be required.

  During the year the company was sentenced for polluting Pools Brook Country Park, and was fined £733,000 for this. This pollution occurred in 2018 and 2019 and was before either of the executive directors joined Yorkshire Water, therefore the Committee does not consider it necessary to make an adjustment to the EBP outcome as a result.

  Other overall performance considerations – during the year Ofwat confirmed that Yorkshire Water had returned to being a 'lagging company' for FY25. This is very disappointing, and reflects the ongoing challenges that the company faces to deliver consistent improvements. The Board continues to believe that Nicola and Martin are the right executives to lead the transformation of the business. There were no other performance considerations noted by the Committee which would require discretion to be applied to reduce the EBP outcome further for the year under review.

In addition, the Committee has considered whether any malus or clawback provisions could be enforced in relation to events that have taken place in previous years, but for which the full impact has only now become apparent. It has concluded that there were no provisions in place at the time of these incidents that would allow recovery of any performance-related pay elements to be enforced.

Waiver of performance-related pay
In March 2026 both Nicola and Martin expressed a strong preference to the Remuneration Committee to waive any performance-related pay that may vest for performance in 2026, due to operational performance in some areas still being outside of target. The Committee discussed this and agreed that it would honour this request and that any amounts that subsequently vested would therefore not be paid to Nicola and Martin.

Application of the Ofwat prohibition rule
Under the prohibition rule, the Committee is satisfied that the company has not breached the Consumer Matters Standard, the Financial Resilience Standard, or the Criminal Liability Standard. Whilst Yorkshire Water pleaded guilty and was sentenced during the year for polluting Pools Brook Country Park, these incidents occurred in 2018 and 2019 and were before either of the executive directors joined Yorkshire Water, therefore this conviction is exempt from the Ofwat prohibition rule.

In terms of the Environment Standard within the prohibition rule, the company has not had any category 1 pollution incidents in the 2025 calendar year, but the Environmental Performance Assessment rating for 2025 is not yet known and is not due to be announced until October 2026. The Committee has therefore been unable to confirm whether or not the Environment Standard may have been breached. If the Committee had not agreed to honour the request from the executive directors to waive any performance-related pay that would have fallen due, the Committee would have chosen to delay payment of the vested amount pending the outcome of the Environmental Performance Assessment.

Under the Ofwat prohibition rule, the Committee is required to take reasonable steps to ensure that an executive director does not receive performance-related pay from elsewhere. The Committee has received confirmation from all other group companies in the group, and from the group shareholders, that there have been no performance-related payments to the executive directors in the year. The Committee has also reviewed the fee agreements in place with Kelda Holdings and satisfied itself that these do not represent performance-related pay. This aligns with the Ofwat conclusion in 2025 when it reviewed the same agreements.

Measures for the EBP awarded in 2026

For the Executive Bonus Plan, the awards made on 1 April 2026 for the next financial year have the following measures:

Measure	Weighting	Threshold	Target	Maximum
Customer, Environment and People				
C-MeX	10%	62.2	69.1	76.0
Time, Cost, Quality Index	10%	73%	77%	81%
Pollution incidents – percentage reduction	10%	6%	3%	–
Water quality – Compliance Risk Index	10%	3.91	3.55	3.20
Lost Time Injury Rate – number per 100,000 hours	10%	0.14	0.12	0.10
Individual objectives	10%	–	–	–
Financial				
EBITDA - £ million	20%	967	982	987
Outcome Delivery Incentive – penalty £ million	20%	50.0	13.7	–
Individual objectives	**100%**			

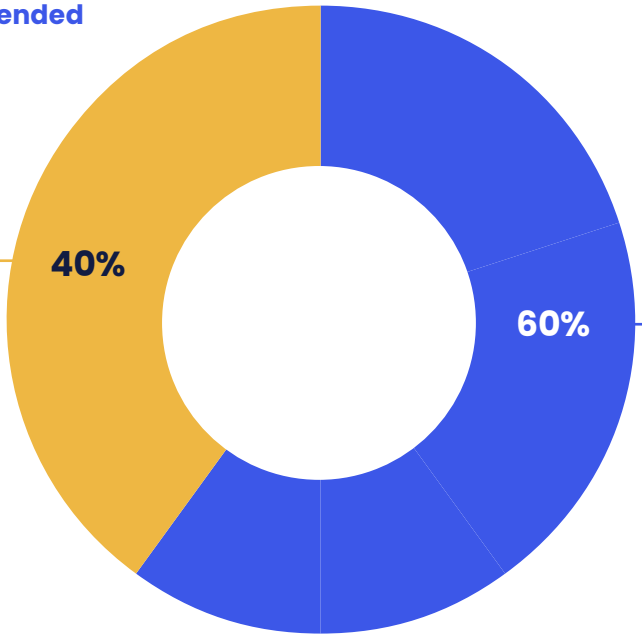
Vesting of the EIP in 2025

The EIP was a rolling five-year plan, with awards made with effect from 1 April each year. The scheme has now been replaced by the EBP and LTIP, but there are outstanding awards brought forward which are due to vest in 2026 and 2027.

Nicola Shaw joined the business in 2022 and therefore did not participate in any of the schemes awarded prior to this time. Her awards due to vest in 2026 therefore relate to the performance periods from 1 April 2022 to 31 March 2026, and from 1 April 2023 to 31 March 2026. The performance measures for both awards are focused on four key areas: customer, environment, people and financial.

The long-term element of the EIP was adjusted at the end of the first year of the performance period to reflect performance in the year, this performance then had to be maintained in order for the vested amount not to decrease further. The adjusted amount at the end of the first year was 47.6% of the maximum for the awards made in the year ended 31 March 2023 and 63.2% for the awards made in the year ended 31 March 2024. This is reflected in the vesting shown below:

Awards from the year ended 31 March 2023



Delivering financial performance

Maximum: **40%**

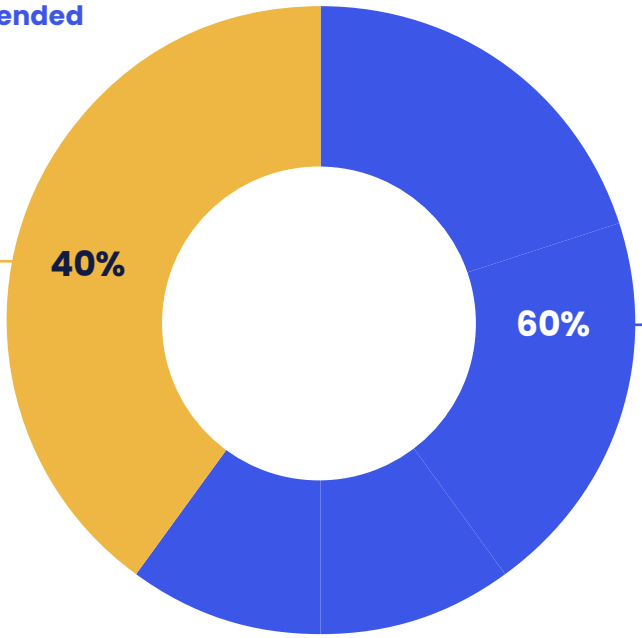
Vesting before discretion: **18.3%**

Delivering for customers, the environment and our people

Maximum: **60%**

Vesting before discretion: **17.4%**

Awards from the year ended 31 March 2024



Delivering financial performance

Maximum: **40%**

Vesting before discretion: **25.3%**

Delivering for customers, the environment and our people

Maximum: **60%**

Vesting before discretion: **24.2%**

Awards from the year ended 31 March 2023

Measure	Weighting	Threshold	Target – 2023 year end outcome	2026 outcome	% outcome
Customers, environment and people					
C-MeX position	5%	12th	11th	12th	1.0%
Water quality- Compliance Risk Index	6.7%	5.07	4.61	3.15	6.7%
Interruptions to supply – minutes	6.7%	10:20	9:27	11.58	0%
Internal sewer flooding – number of incidents	5%	665	630	610	5%
External sewer flooding – number of incidents	5%	5,913	5,375	5,108	5%
Pollution incidents	5%	123	117	260	0%
Leakage – three year average megalitres per day	6.7%	314	285	257	6.7%
Environmental Performance Assessment	5%	Three-star	Three-star	Expected to be less than three-star	0%
Operational carbon – tonnes of CO_2, adjusted for strategic decision to stop buying green energy in 2024	5%	91,681	90,323	87,836	5%
Colleague engagement – survey score	5%	6.2	6.3	7.8	5%
Lost time injury rate – number per 100,000 hours	5%	0.165	0.15	0.15	2.3%
Financial performance					
Adjusted return on regulated equity	40%	1.4%	6.4%	4.90%	34.4%
Total					**71.7%**
Amount brought forward as percentage of maximum award					**47.6%**
Actual vesting					**33.8%**

Awards from the year ended 31 March 2024

Measure	Weighting	Threshold	Target – 2023 year end outcome	2026 outcome	% outcome
Customers, environment and people					
C-MeX position	5%	10th	9th	12th	0.0%
Drinking water quality contacts – per 10,000 customers	6.7%	9.8	8.9	0.95	6.7%
Interruptions to supply – minutes	6.7%	11:40	10:35	11.58	0%
Internal sewer flooding – number of incidents	5%	728	662	610	5%
External sewer flooding – number of incidents	5%	6,460	5,873	5,108	5%
Storm overflow discharges – number of incidents	5%	85,537	77,761	51,560	5%
Leakage – three year average megalitres per day	6.7%	303	275.3	256.9	6.7%
Environmental Performance Assessment	5%	Two-star	Two-star	One-star	0%
Operational carbon – tonnes of CO_2	5%	309,304	281,185	265,465	5%
Colleague engagement – survey score	5%	7.1	7.2	7.8	5%
Lost time injury rate – number per 100,000 hours	5%	0.11	0.10	0.15	0.0%
Financial performance					
Adjusted return on regulated equity	40%	2.4%	4.45%	4.90%	40%
Total					**78.3%**
Amount brought forward as percentage of maximum award					**63.2%**
Actual vesting					**49.5%**

The long-term element of the EIP was designed to ensure that short-term performance was not achieved to the detriment of the longer-term. The Remuneration Committee has considered whether performance in the round in the periods to 31 March 2026 justifies the amount that has vested, and it was agreed that the scheme was appropriately rewarding the areas where good performance had been maintained, whilst not rewarding areas where performance had not met target. The Committee therefore concluded that no further adjustment to the outcome was needed.

Despite potentially being eligible to receive £233,000 from the EIP scheme this year for the awards made in the year to 31 March 2023 and 31 March 2024, Nicola has waived this amount as noted earlier in this report.

LTIP

Awards are made for the LTIP annually on 1 April and have a three-year performance period.

The awards made on 1 April 2025 have the following measures:

Measure	Weighting	Threshold	Target	Maximum
Customer, Environment and People				
C-MeX	10%	66.1	73.4	80.7
D-MeX	10%	76.7	85.2	93.7
Storm overflow discharges – average per overflow	13.3%	23.2	20.2	17.2
Leakage – three year rolling average megalitres per day	13.3%	266.9	232.1	197.3
Internal and external sewer flooding – number of incidents	13.3%	5,060	4,400	3,740
Financial				
Return on regulated equity	40%	3.1%	5.1%	7.1%

The performance against these measures will be reported in the remuneration report in 2029. The Committee is very mindful of the need to ensure that it sets targets that are stretching but achievable in order to drive the right focus and behaviour amongst the colleagues in the scheme.

Outstanding long-term awards as at 31 March 2026

The table below relates to the long-term elements of the EIP and LTIP schemes:

	Nicola Shaw				Martin Gee		Paul Inman	
Effective date of award	09.05.2022	01.04.2023	01.04.2024*	01.04.2025*	06.05.2025*	01.03.2023	01.04.2023	01.04.2024*
Awards outstanding at 1 April 2025 £'000	245	555	451	-	-	8**	209**	116**
Awards made in the year £'000	-	-	-	707	498	-	-	-
Vested during the year £'000	-	-	-	-	-	3	70	-
Lapsed during the year £'000	35	40	-	-	-	1	19	-
Waived during the year £'000	88	145	-	-	-	-	-	-
Awards outstanding at 31 March 2025 £'000	122	370	451	707	498	4	120	116
Face value of maximum total award £'000	122	370	451	707	498	4	120	116
Total % that would vest at threshold performance	20%	20%	20%	20%	20%	20%	20%	20%

*If the final outcome of the Environmental Performance Assessment, to be announced by the Environment Agency in October 2026, results in the Ofwat prohibition rule being applied, then:

- Amounts of £113,000 and £118,000 from the awards made on 01.04.2024 and 01.04.2025 respectively would be prohibited for Nicola Shaw, representing one-sixth of the original amounts awarded under both schemes;
- £58,000 of the award made to Martin Gee on 06.05.2025 would be prohibited, representing one-third of the award made under that scheme; and
- £149,000 of the amount awarded to Paul Inman would also be prohibited for the scheme awarded on 01.04.2024, representing one-third of that scheme.

**These awards have been pro-rated to the date of Paul leaving the business on 31 May 2025.

Payments for loss of office (audited)

No payments have been made for loss of office during the year under review.

Payments to past directors (audited)

Paul Inman was paid £60,767 during the year for his role as a strategic advisor to the group, following his retirement from the role of Chief Financial Officer. This was paid by Kelda Group Limited, rather than being funded by Yorkshire Water customers.

Independent non-executive directors

Single total figure table (audited)

The total annual fees paid to each independent non-executive director are shown in the table below.

Non-executive director	2026 £000	2025 £000
Vanda Murray	317	303
Furqan Alamgir[1]	69	31
Wendy Barnes	80	82
Nicola Medalova[2]	38	-
Andrew Merrick	80	75
Julia Unwin	60	75
Andrew Wyllie	104	85

[1] Furqan Alamgir joined the Board on 1 October 2024 and therefore his fee was pro-rated from that date.
[2] Nicola Medalova joined the Board on 1 September 2025 and therefore her fee was pro-rated from that date.

The investor directors do not receive any remuneration from Yorkshire Water.

Remuneration of the CEO

The table below sets out the remuneration for our CEO in each of the last ten years. If there was a change of CEO part way through the year, we have added together the total remuneration to show the total paid for the role of CEO in that year.

	Nicola Shaw				Liz Barber			Richard Flint		
	2026 £000	2025 £000	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
Total remuneration	732	689	1,028	767	1,419	1,316	1,469	1,328	932	1,328
Annual bonus paid against maximum opportunity[1]	-	-	42.2%	-	43.0%	84.0%	74.8%	64.6%	67.7%	73.5%
Long-term incentive vesting against maximum opportunity[2]	-	-	-	-	39.5%	45.3%	74.8%	50.0%	-	50%

[1] Our CEO, Nicola Shaw, waived her annual bonus for the year ended 31 March 2023. The amount that vested was 47.9% of the maximum, equivalent to £369,000, but this was not paid.

[2] Nicola Shaw joined the business in May 2022 and therefore did not participate in a long-term incentive scheme vesting in 2023 or 2024. She waived her entitlement to receive any long-term vesting in 2025, equivalent to £100,000, and to any long-term vesting in 2026, equivalent to £243,000.

Chief Executive pay ratio

The table below shows the pay ratio of our Chief Executive in the year indicated as required by the Companies (Miscellaneous Reporting) Regulations 2018.

	2026	2025	2024	2023	2022	2021	2020
Ratio of CEO's single total remuneration figure:							
To employee at the 25th percentile	20:1	20:1	31:1	25:1	34:1	46:1	53:1
To employee at the median	15:1	15:1	24:1	19:1	27:1	35:1	40:1
To employee at the 75th percentile	12:1	12:1	18:1	15:1	20:1	26:1	31:1

We have chosen Option A to prepare the calculations as this is considered to be the most statistically accurate methodology and aligns with the approach taken in the previous years. The ratios were calculated with reference to the total pay and benefits of the workforce presented in the table that follows and the single total remuneration of the CEO presented in the single total figure table. The following was considered as part of the calculation:

- Identifying all colleagues who received a base salary during the year ended 31 March 2026 and who were still employed on that date;
- Using the total pay and benefits received in respect of the year ended 31 March 2026, including bonuses earned for performance in the financial year and paid in July following the end of the financial year;
- Uplifting certain pay elements for colleagues who were employed on a part-time basis or who were not employed for the full financial year;
- Considering any changes in working hours during the reporting period and adjusting relevant pay elements accordingly; and
- Using the employer contribution to the defined benefit pension schemes in order to reduce administrative complexity.

Our CEO has a significant proportion of her remuneration linked to performance-related pay and therefore it is expected that the ratios will vary each year depending on the outcome of the EIP. Participation in the EIP is currently limited to approximately 63 colleagues, with none of the individuals identified as the 25th percentile, median or 75th percentile participating in the EIP.

The 2026 pay ratio data shows no change from the prior year, which reflects the CEO not receiving variable pay in either year, and receiving a pay rise in line with that of the rest of the workforce.

We have a whole range of policies and practices to ensure that colleagues are fairly rewarded, one of these being our annual salary review which is underpinned by market benchmarking to ensure we offer competitive and fair rates of pay across the organisation. We are also committed to paying our colleagues in accordance with the Real Living Wage.

Presented in the table below are the base salary and the total pay and benefits for those colleagues at the 25th percentile, the median and the 75th percentile:

	25th percentile	Median	75th percentile
Base salary	£29,897	£37,457	£48,643
Total pay and benefits	£36,504	£47,589	£60,856

The pay ratio calculation shows that, in total remuneration terms, the CEO earns 15 times (2025: 15 times) that of the median employee. These calculations have been independently verified by Ernst and Young.

Change in remuneration

The table below sets out the change in the remuneration of the CEO from the prior year in comparison to the average percentage change in respect of all colleagues at Yorkshire Water:

% change in element between 2025 and 2026				
	Total compensation	Salary	Taxable benefits[1]	Annual bonus
CEO	6.2% increase	4.5% increase	No change	No change
All colleagues	7.4% increase	7.3% increase	104.4% increase	10.1% increase

[1] Taxable benefits include healthcare, car allowance and fuel provision for colleagues who receive such benefits.

The increases for the CEO reflect the 4.5% pay-rise awarded with effect from 1 April 2025 and the increase in retirement benefits from 10% to 12% of salary from the same date, which aligned to increases given to colleagues across the business.

Relative spend on pay

The table below sets out the relative spend on pay for Yorkshire Water as a whole in comparison to distributions to shareholders:

	Year ended 31 March 2026 £m	Year ended 31 March 2025 £m	Percentage change
Total remuneration cost for all colleagues[1]	273.7	219	25%
Total distributions made[2]	85.1	52.5	62.1%

[1] The total remuneration cost for all colleagues is taken from note 4 to the Financial statements and includes wages and salaries, social security costs and other pension costs.

[2] Total distributions made consists of £85.1m (2025: £52.5m) of distributions made to the parent company to make interest and loan payments. As noted in the Other disclosures section, none of these dividends were distributed to the shareholders of Kelda Holdings Limited (2025: Nil), Yorkshire Water's ultimate parent company.

Details of the distributions made can be found in our ARFS.

Implementation of policy for 2027

The table below sets out how we will implement the remuneration policy for the 2027 financial year:

	Implementation in 2027
Base salary	The Committee reviewed base salaries in March 2026 and agreed an increase of 3.5% for Nicola and Martin, which is lower than the average increase paid across the business, but aligns with the increase given to other senior colleagues with effect from 1 April 2026. The base salaries for 2027 are therefore as follows: • Nicola Shaw: £665,000 • Martin Gee: £517,500
Benefits	Benefits remain unchanged from 2026.
Retirement benefits	Retirement benefits remain unchanged from 2026.
EBP and LTIP	Performance-related pay awards made with effect from 1 April 2026 for Nicola and Martin are equivalent to a maximum of 110% of base salary for both executive directors for EBP and 110% of base salary for the LTIP, with the LTIP subject to a three-year performance period.

Independent Non-Executive Directors

The Board undertook its annual review of fees for the Independent Non-Executive Directors in March 2026, taking into account the average increase for the wider workforce of 4.2%. It decided that an increase of 3.5% should be applied to the base fees for Independent Non-Executive Directors and for the Chair, to align with that awarded to senior colleagues in the business and to more closely align with the median rate for the market. These changes are effective from 1 April 2026.

The fees to be paid in 2027 are set out below:

	£000
Chair fee	328
Base Independent Non-Executive Director fee	67
Additional fee for Committee Chair[1]	15
Additional fee for Senior Independent Director	12

[1] The additional fee for the role of Committee Chair is not paid to the Chair for her role as Nomination Committee Chair. The fee paid to Vanda as Chair already encompasses her additional role as Committee Chair.

Remuneration Committee

The membership and attendance at Committee meetings during the year is shown in the table in Leadership within the Governance report. Meetings are also attended by the CEO, the Director of People, the Head of Reward and the Company Secretary. No colleagues are present when their own reward is discussed. The Remuneration Committee is a sub-committee of the Board and has had six meetings during the year. The specific key matters considered by the Committee at each of the meetings are shown in the table below:

Meeting	Matters considered
May 2025	• A detailed discussion around performance-related pay outcomes in 2025, including consideration of potential areas for Committee discretion. • Approval of the proposed measures for the LTIP awards for 2025. • A discussion of the potential impact of the Ofwat prohibition rule as drafted for consultation.
June 2025	• A detailed discussion and approval of performance-related pay outcomes for schemes vesting in July 2025. • Review of the Directors' remuneration report for 2025.
July 2025	• An independent view of executive remuneration across the sector from FIT, independent remuneration consultants. • Approval of the Directors' remuneration report for 2025.
November 2025	• A discussion around executive remuneration at Yorkshire Water and consideration of the ongoing adequacy of the remuneration policy, with advice from FIT as independent remuneration consultants. • An update on variable pay performance.
January 2026	• Feedback to the Committee from a meeting of Remuneration Committee Chairs from across the sector with Ofwat. • Approval of the proposed measures for the EBP and LTIP awards for 2026.
March 2026	• An update on performance-related pay performance and agreement to honour the waiver request from the executive directors for 2026. • A discussion around the Ofwat prohibition rule and a review of the agreements in place for the executive directors in relation to fees paid by Kelda Holdings, to evidence that these did not represent performance-related pay. • Approval of the annual pay award for the Executive team. • A review of the first draft of the Directors' remuneration report for 2026.

During the year under review, the Committee received remuneration advice from Willis Towers Watson and FIT. Willis Towers Watson received fees of £33,650 for their updates on the remuneration market, and benchmarking data in relation to executive director and senior management roles. Willis Towers Watson did not provide any other services to the business during the year. FIT received fees of £25,418 for their advice on executive remuneration. They also did not provide any other services to the business during the year.

Both Willis Towers Watson and FIT are signatories to the Remuneration Consultants Group Code of Conduct and the Committee has reviewed the way in which they both operate and their relationships with the business and is satisfied that the advice it receives is independent and objective. During the year, an internally facilitated performance review was undertaken of the Board and all of its committees. The feedback on the Remuneration Committee showed it to be continuing to operate effectively.

The Committee is responsible for:

- Setting the remuneration policy for all executive directors and senior executives, considering relevant legal and statutory requirements, the Ofwat Board Leadership, Transparency and Governance Principles, and the UK Corporate Governance Code, having regard to pay and employment conditions across the business;
- Ensuring the remuneration policy attracts, retains and motivates executive management of the quality required to run the company successfully, without paying more than necessary and while having regard to the views of investors and other stakeholders and driving delivery for customers and the environment;
- Considering the clarity, simplicity, risk mitigation, predictability, proportionality and alignment to purpose, values, strategy and culture of the remuneration policy and practices;
- Designing remuneration policies and practices that support the business strategy and promote long-term sustainable success, aligned to performance, behaviours and the achievement of the company purpose, values and strategy;
- Using discretion where appropriate to over-ride formulaic outcomes;
- Overseeing any remuneration paid to leavers from amongst the executive directors and senior executives; and
- Appointing remuneration consultants to provide reports, surveys or information deemed necessary to assist with the setting of an appropriate remuneration policy.

Copies of the Terms of Reference are available from the Company Secretary or are on our website at yorkshirewater.com

Consideration of shareholders' views

The presence of four directors representing investors on the Board of Yorkshire Water enables a direct flow of communication and sharing of views by investors to the Board. Three of the four investor directors also sit on the Remuneration Committee.

Approved by and signed by the order of the Board



Kathy Smith
Company Secretary
6 July 2026

Long-term viability statement

We publish our long-term viability statement in our Annual Reports and Financial Statements (ARFS) on page 135, alongside this Annual Performance Report. It explains how we identify and manage risk over the long term.

You can view our ARFS on our website:
yorkshirewater.com/reports



7. Transactions with associates and the non-appointed business



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Loans by or to the appointee

The following points detail Yorkshire Water's transactions with associated companies and its non-appointed business.

Loans between Yorkshire Water and its subsidiaries

The following wholly owned subsidiary companies have on-lent to Yorkshire Water sums raised from the issue of corporate debt. They are both registered in England and Wales and have their registered office at Western House, Halifax Road, Bradford BD6 2SZ:

1. Yorkshire Water Finance plc (YWF)

YWF is a public limited company (registered number 11444372).

As part of a re-organisation that took place in the 2018/2019 financial year, YWF was substituted as the issuer on approximately £3 billion of listed bonds and private notes that had been originally issued by Cayman Island incorporated companies (being Yorkshire Water Services Odsal Finance Limited and Yorkshire Water Services Bradford Finance Limited respectively - both of which have now been liquidated).

It is intended that YWF will conduct all future public bond financings that will be on-lent to (and guaranteed by) Yorkshire Water. Finance raised will fund, amongst other things, Yorkshire Water's extensive regulated capital programme and ongoing operating expenditure.

2. Yorkshire Water Services Finance Limited (YWSF)

YWSF is a private company incorporated with limited liability (registered number 04636719).

YWSF is the issuer of legacy bonds that have been on-lent to (and guaranteed by) Yorkshire Water. However, YWSF has not issued any bonds since 2007/2008 and will not issue any bonds in the future, as all new bonds will be issued by YWF.

Loans between Yorkshire Water and its parent companies

Loans between Yorkshire Water and its parent companies are as follows:

1. Loan 1 from Yorkshire Water to Kelda Eurobond Co Limited. A long-term loan was made by Yorkshire Water during 2008/2009 to reflect the market value of certain inflation linked swaps that were novated to Yorkshire Water at that point in time. During the year ended 31 March 2015 a legal entity reduction exercise removed a number of surplus companies within the Kelda Group that included the removal of Kelda Holdco Limited. As a result, the counterparty for this loan was moved from Kelda Holdco Limited to Kelda Eurobond Co Limited on the same terms as the original loan.

   As at 31 March 2025 the balance outstanding on this loan was £195.1m (2024: £195.1m). Interest on this loan is payable at market rates.

2. Loan 2 from Yorkshire Water to Kelda Eurobond Co Limited. A long-term loan was made by Yorkshire Water to Kelda Holdco Limited during 2009/2010 to enable the refinancing of acquisition debt held by Kelda Holdco Limited at that time. During the year ended 31 March 2015 a legal entity reduction exercise removed a number of surplus companies within the Kelda Group that included the removal of Kelda Holdco Limited. As a result, the counterparty for this loan was moved from Kelda Holdco Limited to Kelda Eurobond Co Limited on the same terms as the original loan.

   As at 31 March 2025 the balance outstanding on this loan was £242.1m (2024: £342.1m).

A repayment profile is in place for the repayment of the loans to Kelda Eurobond Co Limited. In October 2022 it was agreed with Ofwat that these loans would be repaid by April 2027 defined on the following basis: at least £300.0m by the end of June 2023; at least £200.0m by the end of March 2025; the balance of the loans by the end of March 2027. In June 2023 £400.0m was received reducing the outstanding total loan balances to £537.2m. In May 2024, a further £100.0m was received reducing the outstanding total loan balances to £437.2m.

Dividends paid to any associated company

For information on our Dividends paid to any associated company please **click here**.



Guarantees or other forms of security by the appointee

Certain bank accounts held by Yorkshire Water and its subsidiaries, YWF and YWSF, form a pooling arrangement, whereby the balances on accounts are offset with each other. This facility is subject to provision of cross guarantees between Yorkshire Water, YWF and YWSF whereby each company guarantees the current account liabilities of applicable bank accounts held by the other. This pooling arrangement has a net overdraft limit of £5.0m.

As disclosed above, Yorkshire Water has also guaranteed bonds and private notes issued by its subsidiaries.

	Nominal £m	Coupon %	Maturity Date Year	Book liability at 31 March 2026 £m
Fixed Rate				
Yorkshire Water Services Finance Limited	7.400	5.500	2027	7.272
Yorkshire Water Services Finance Limited	200.000	5.500	2037	196.769
Yorkshire Water Finance Plc	300.000	1.750	2026	299.822
Yorkshire Water Finance Plc	135.500	6.454	2027	135.454
Yorkshire Water Finance Plc	60.000	2.030	2028	59.927
Yorkshire Water Finance Plc	250.000	3.625	2029	232.534
Yorkshire Water Finance Plc	90.000	3.540	2029	85.851
Yorkshire Water Finance Plc	300.000	5.250	2030	296.421
Yorkshire Water Finance Plc	255.000	6.601	2031	254.857
Yorkshire Water Finance Plc	50.000	2.140	2031	49.892
Yorkshire Water Finance Plc	350.000	1.750	2032	346.543
Yorkshire Water Finance Plc	90.000	4.965	2033	83.007
Yorkshire Water Finance Plc	375.000	6.000	2033	371.129
Yorkshire Water Finance Plc	50.000	2.210	2033	49.870
Yorkshire Water Finance Plc	500.000	6.375	2034	495.273
Yorkshire Water Finance Plc	375.000	5.500	2035	363.908
Yorkshire Water Finance Plc	40.000	2.300	2036	39.878
Yorkshire Water Finance Plc	50.000	2.300	2036	49.847
Yorkshire Water Finance Plc	300.000	6.375	2039	320.213
Yorkshire Water Finance Plc	725.000	2.750	2041	631.602
Total fixed rate				**4,671.544**

	Nominal £m	Coupon %	Maturity Date Year	Book liability at 31 March 2025 £m
Fixed Rate				
Yorkshire Water Services Finance Limited	65.000	1.823	2050	128.737
Yorkshire Water Services Finance Limited	125.000	1.462	2051	254.293
Yorkshire Water Services Finance Limited	85.000	1.758	2054	168.587
Yorkshire Water Services Finance Limited	125.000	1.460	2056	254.248
Yorkshire Water Services Finance Limited	100.000	1.709	2058	198.009
Yorkshire Water Finance Plc	127.800	3.307	2033	240.286
Yorkshire Water Finance Plc	260.000	2.718	2039	504.339
Yorkshire Water Finance Plc	100.000	4.276	2039	104.000
Yorkshire Water Finance Plc	50.000	2.160	2041	85.216
Yorkshire Water Finance Plc	50.000	1.803	2042	84.730
Total inflation linked				**2,022.445**



Transfer of any corporation tax group losses by or to the appointee

Corporation tax group relief received by regulated business £m	Associate surrendering the group relief	Turnover of the associate £m	A statement of the means by which the payment for the group relief has been established	Value of group relief £m
0.000	Kelda Eurobond Co Limited	nil	Prevailing corporation tax rate	0.000
0.000	Kelda Finance (No 2) Limited	nil	Prevailing corporation tax rate	0.000
0.000	Kelda Group Limited	10.348	Prevailing corporation tax rate	0.000
0.000	Loop Customer Management Limited	33.125	Prevailing corporation tax rate	0.000
0.000	Keyland Developments Limited	6.327	Prevailing corporation tax rate	0.000
0.000	Kelda Transport Management Limited	2.678	Prevailing corporation tax rate	0.000
0.000				**0.000**

Supply of any service by or to the appointee

A significant proportion of the activities identified within retail (household) are performed by Loop, a UK based company. All the costs associated with these contracts are charged to Yorkshire Water via an annual contract fee. Yorkshire Water & Loop are wholly owned subsidiaries of Kelda Group Limited.

Yorkshire Water receives supply of services from associates within the Kelda Group. These charges are for corporate functions including teams such as Finance, Internal Audit and transport management.

The below table shows the services received by the regulated company in accordance with the threshold of 0.5% appointed turnover or greater than £100k.

Services received by regulated business	Associate Company (providing service)	Turnover of the associate £m	Terms of supply	Value of service received by regulated business £m
Corporate charges	Kelda Group Limited	10.348	Cost allocation	9.362
Customer services (HH)	Loop Customer Management Limited	33.125	Cost allocation	33.022
Property services	Keyland	6.327	Cost allocation	0.000
Transport Management	KTML	2.678	Management charge	2.678

Yorkshire Water also charges Kelda Group associates for any support service function activity, this includes functions such as IT, facilities, and other various common services within the Group. The cost and revenues associated with this is allocated to non-appointed and follows RAG 5 guidelines.

The table below shows these recharges.

Services provided by regulated business	Associate Company	Turnover of the associate £m	Terms of supply	Value of service provided by regulated business £m
	Kelda Group Limited	10.348	Cost allocation	0.577
	Loop Customer Management Limited	33.125	Cost allocation	0.992



Omission by the appointee or any associated company to exercise a right as a result of which the value of the net assets of the appointee is decreased

We have nothing to report against this for 2025/2026.

Waiver of any consideration, remuneration or other payment by the appointee

We have nothing to report against this for 2025/2026.

Transfer of any asset or liability by or to the appointee

We have nothing to report against this for 2025/2026.

Thank you for reading

JW001 07.2026

Yorkshire Water Services Limited,
Western House, Halifax Road, Bradford, BD6 2SZ.
Registered in England and Wales No.02366682

yorkshirewater.com

YorkshireWater