

DRIVING LASTING CHANGE

SUSTAINABLE BOND ALLOCATION
AND IMPACT REPORT
2025



SEVERN

TRENT

WONDERFUL ON TAP

Introduction	3	Carbon and Climate Change	17-19
About us	4-6	Enhancing Nature	20-23
Market Review	7	Environment	24
ESG Recognition	8	Green Recovery	25-26
Our EU Taxonomy Disclosure	9-10	Water Resources for the Future	27
EPA	11	Affordability and Accessibility	28-29
Our Sustainable Bond Portfolio	12		
Allocation of Proceeds	13-14		
Impact Summary	15		
Our Key Ambitions to Date	16		

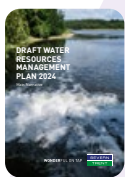
ABOUT THIS REPORT

We're proud to share our 2025 Allocation Report, which details how we've allocated proceeds raised under our Sustainable Finance Framework to projects that deliver meaningful environmental and social benefits. This report provides transparency on the use of funds, the types of initiatives supported, and the positive outcomes achieved across our region.

In a year marked by continued investment in resilience, innovation, and sustainability, this report highlights how our financing strategy supports our long-term purpose: to take care of one of life's essentials. From nature-based solutions and water quality improvements to community support and climate resilience, each allocation reflects our commitment to creating value for customers, communities, and the environment.

Our reporting suite

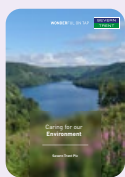
Environment



Water Resources Management Plan 2024



Final Drought Plan 2022-27



Caring for our Environment



Get River Positive 2024



Green Recovery Report 2024/2025



Sustainability Report 2024

Social



Severn Trent Community Fund 2024



Gender And Ethnicity Pay Gap Report 2023

Governance



Severn Trent plc Annual Report and Accounts 2024

SHAPING A SUSTAINABLE FUTURE TOGETHER: OUR FIFTH SUSTAINABLE BONDS REPORT

We're proud to share our fifth Sustainable Bonds Report—an important milestone in our journey to create a better, greener future. This report highlights how we've used the proceeds from our sustainable bonds to fund projects that make a real difference, and it reflects our unwavering commitment to transparency, accountability, and impact.

At Severn Trent, sustainability isn't just a priority - it's the foundation of everything we do. It drives our resilience, strengthens trust with our stakeholders, and fuels our ambition to deliver lasting environmental and societal benefits. Every decision we make is guided by our purpose: taking care of one of life's essentials and driven by our strategy to be performance driven, sustainability led, ensuring that our actions consistently deliver both operational excellence and meaningful impact.

Sustainable finance plays a vital role in this mission. By aligning our financial strategy with global sustainability standards - such as ICMA's Green and Social Bond Principles - we're ensuring that our investments deliver value not just for today, but for the future. We're proud to maintain strong financial performance while accelerating progress toward our environmental goals.

We have achieved the highest possible EPA rating of 4* for the past five years, and we are confident that we will secure this rating again for 2024, making it six consecutive years and every year of AMP7. This achievement is unprecedented across the sector, as no other company has ever attained more than three consecutive years at 4* status.

Looking ahead, we're investing over £2.5 billion to improve the health of our region's rivers over the next five years. From enhancing flood resilience and reducing storm overflow spills to delivering world-class wastewater treatment, we're taking bold steps to protect and restore our natural environment.

Our PR24 plans build on this momentum with a transformative vision: to reach net-zero operational emissions by 2030. We're expanding renewable energy, growing our electric vehicle fleet, and embracing nature-based solutions to boost biodiversity across our sites. These initiatives reflect our belief that sustainability and innovation go hand in hand.

Yet we know the road ahead is challenging. Climate change, rising environmental expectations, and the need for greater water resilience demand urgent and sustained action. We're rising to meet these challenges with courage, collaboration, and a deep sense of responsibility.

Our commitment is clear: to deliver inclusive, equitable, and affordable improvements that benefit everyone we serve. Together with our stakeholders, we're building a future that's not only sustainable but inspiring.



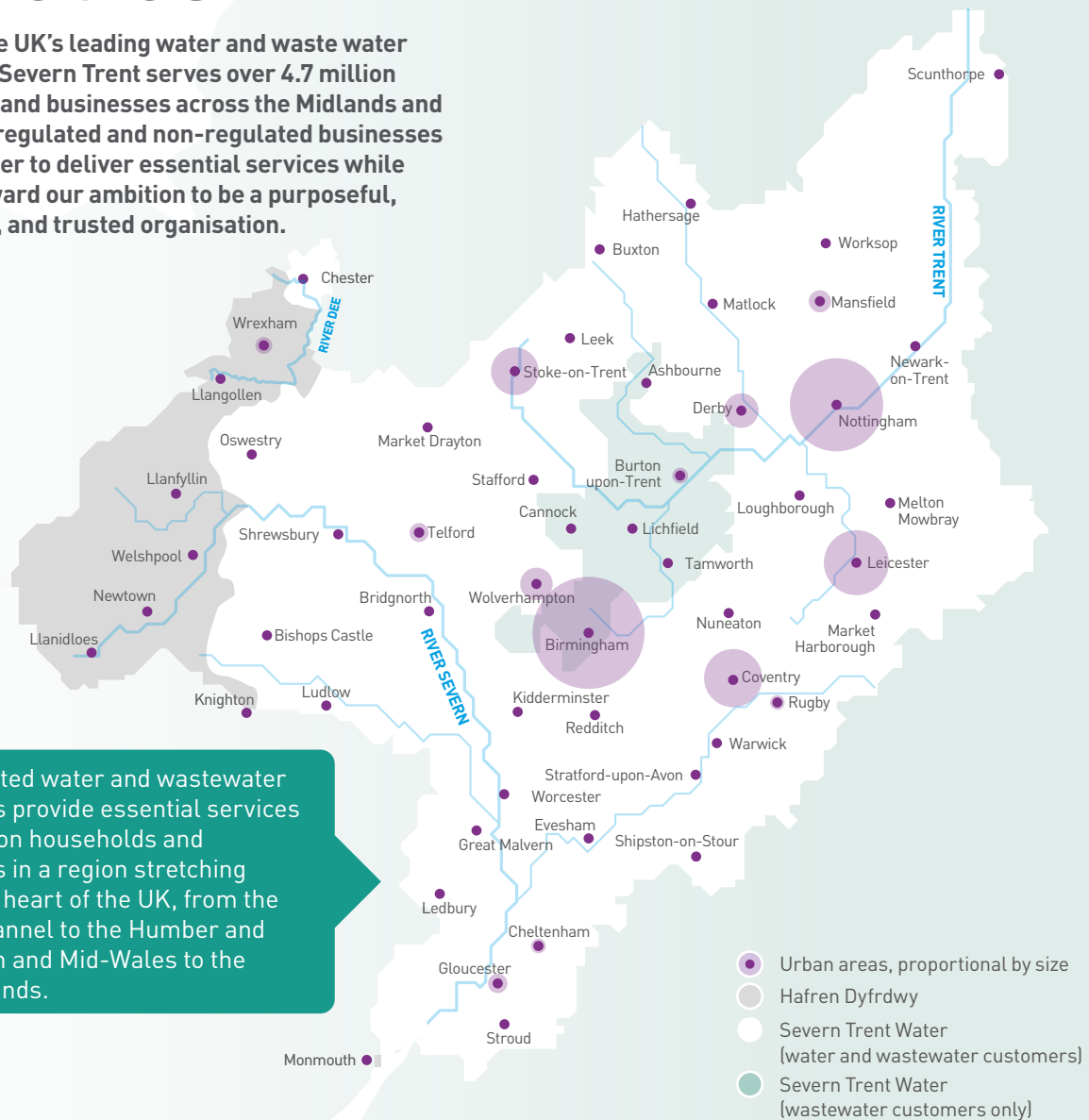
Sustainable finance is central to our strategy at Severn Trent—driven by performance, led by sustainability, and focused on delivering long-term value for our communities and the environment.



Helen Miles
Chief Financial Officer
Severn Trent Plc

ABOUT US

As one of the UK's leading water and waste water companies, Severn Trent serves over 4.7 million households and businesses across the Midlands and Wales. Our regulated and non-regulated businesses work together to deliver essential services while driving forward our ambition to be a purposeful, sustainable, and trusted organisation.



Who we are

Severn Trent Water and Hafren Dyfrdwy are two of the 11 regulated water and wastewater businesses in England and Wales. Our non-regulated businesses operate across England, Wales and Scotland.

What we do

We provide over nine million people across our region with fresh, clean drinking water every day – that is about two billion litres.

And when they have finished with it, we take it away again and clean and treat it before returning it safely to the environment.

Households and businesses served

4.7 million

Litres of drinking water supplied each day

2 billion

Litres of wastewater treated each day

3.35 billion

Total Group employees
(Average during 2024/25)

9,539

Our strategy to be ‘performance driven, sustainability led’ acknowledges our relentless drive to deliver the performance that our stakeholders expect, in a sustainable way.

We serve a diverse range of customers with different cultures, interests and experiences. Our region includes some of the most affluent areas of the country as well as some of the most deprived. There are several large urban areas in our region, yet we also serve predominantly rural counties and communities. It is a region which is characterised by, and benefits from, its diversity.

OUR PURPOSE

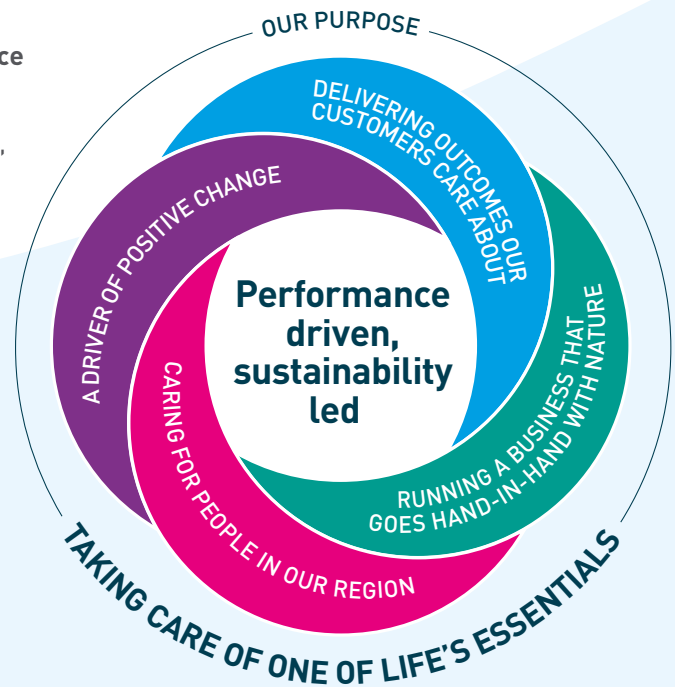
Taking care of one of life’s essentials

DRIVEN BY OUR STRATEGY

Performance driven, sustainability led

[Click here to visit our sustainability web pages](#)

OUR CORPORATE STRATEGY



OUTCOMES

- Investing for the long term
- Resilient to a changing future
- Putting the customer first
- Right first time every time

NATURE

- Actively improving the places we touch
- Creating opportunities to enjoy nature
- Valuing our most precious natural resources
- Managing our impact on nature and climate change

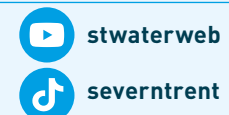
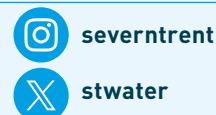
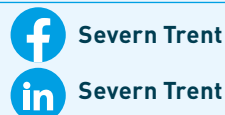
PEOPLE

- Helping our own people thrive
- Supporting our suppliers
- Creating opportunities in our communities
- A force for good for our customers

CHANGE

- A role model for others
- Collaborating widely to support innovation
- Creating a market that works for everyone

SOCIAL CHANNELS



UNDERPINNED BY OUR VALUES



Having Courage

We always do the right thing and have courage to challenge the norm and speak up if things aren't quite right. We are prepared to step out of our comfort zones and act with both today and the future in mind.



Showing Care

We keep our promises to customers and show care by treating everyone fairly and equally. We try to enhance the environment around us and spend every pound wisely.



Taking Pride

We make a difference for our customers every day, owning problems and working with others until they are solved. We take pride in what we do and champion our work in the communities we work and live in.



Embracing Curiosity

We search out safe, better and faster ways of doing things through innovation and are always curious and willing to learn.

HOW WE ARE STRUCTURED

Our regulated water and wastewater businesses are Severn Trent Water and Hafren Dyfrdwy. The primary activities we focus on are:

Providing clean water



We provide over nine million people across our region with fresh, clean drinking water every day.

Treating wastewater



Over 3.35 billion litres of wastewater are treated every day, cleaned and returned to the environment.

Generating renewable energy



Severn Trent generates its own energy through a variety of sources including the anaerobic digestion of sewage sludge, food waste, crops, solar, wind and hydro.

NON-REGULATED BUSINESS

Business Services operates a UK-based portfolio that complements the Group's core competencies and is well positioned to capitalise on market opportunities in these areas:

Operating Services



Operating Services provides a variety of operational water and wastewater services to private businesses across the UK.

Green Power



Severn Trent Green Power generates renewable energy from anaerobic digestion, hydropower, wind turbines and solar technology.

Property Development



Our Property Development business manages the sale of surplus land.



WATER SECTOR

There are 17 regional businesses supplying water services in England and Wales, serving over 60 million household and non-household customers. Of these, 11 also provide wastewater services, including Severn Trent Water and Hafren Dyfrdwy. Our long-term strategic planning embraces the challenges and unpredictability of the future.

By analysing change drivers and their impacts, we can understand potential outcomes and respond effectively to manage risks and seize opportunities. Looking ahead, we recognise a number of change drivers that are particularly relevant for our Group:

CLIMATE CHANGE

In response to climate change, we are innovating and improving to mitigate the impacts of water availability, water quality, abstraction, and more extreme weather events like flooding and drought. By managing our water resources more sustainably, we can enhance the performance, resilience, and flexibility of our network, especially during times of stress. We are committed to lowering greenhouse gas emissions and achieving net zero operational emissions by 2030, and net zero across all scopes by 2050.

ENVIRONMENTAL CHANGES

We recognise the criticality of the natural environment and are dedicated to protecting it for future generations. That is why we are committing to our biggest ever investment in sustainable practices and reversing deterioration of the natural environment. We are working across our supply chain and with key stakeholders to adopt more environmentally-friendly practices to reduce our impact on the environment – especially our rivers and waterways – and to minimise waste and embrace circular economy principles.

DEMOGRAPHIC AND SOCIAL STRUCTURE

A growing and more aged population, more people living alone, and urbanisation are increasing pressure on both housing and water. To ensure our water resilience, we are investing in new water supplies, adding more storage and treatment capacity, reducing leakage and promoting water consciousness among our customers.

AFFORDABILITY CHALLENGES

We recognise and understand that our customers are feeling the effect of economic uncertainty and cost of living pressures. Our sector-leading affordability support will help c.700,000 customers who need help paying their bill each year by 2030. This is the equivalent of one in six customers. We are also working with our communities to make a positive social difference through our Societal Strategy.

MATURING TECHNOLOGIES

Our commitment to innovation means we are constantly on the lookout for cutting-edge technologies that can positively impact our customers. Technological advances continue to present exciting new opportunities to deploy smart devices, automation, machine learning and artificial intelligence to improve the delivery of our services for customers and how we monitor and operate our assets efficiently and safely. We are excited to invest in new technologies and will continue to explore their application within our business.

SECTOR REFORM

The Independent Water Commission Report, published in July 2025, marks a transformative moment for the UK water sector, with significant implications for Severn Trent over the next five years. The report, led by Sir Jon Cunliffe and the Independent Water Commission, outlines 88 recommendations aimed at overhauling regulation, governance, and investment in water infrastructure. One of the most immediate impacts is the planned replacement of Ofwat with a new integrated regulator, which will consolidate responsibilities from the Drinking Water Inspectorate, Environment Agency, and Natural England.

Working with our regulators and stakeholders

We are subject to regulation of our price and performance by economic, quality and environmental regulators, as outlined.

Regulation and representation



The Consumer Council for Water ('CCW') speaks on behalf of water consumers in England and Wales.



The Drinking Water Inspectorate ('DWI') independently checks that water supplies in England and Wales are safe and that drinking water quality is acceptable to consumers.



The Environment Agency ('EA') regulates and allows us to collect water from reservoirs, rivers, and aquifers and return it to the environment after it has been used by our customers and treated by us.



Natural England advises the Government on the natural environment in England and helps to protect nature and the landscape, especially for plant and animal life in both fresh water and the sea.



Natural Resources Wales ('NRW') is the environmental regulator in Wales. It oversees how the country's natural resources are maintained, improved and used, both now and in the future.



Ofwat is the economic regulator for the water and wastewater industry in England and Wales. Ofwat principally exercises its duty to protect the interests of customers through periodic reviews of charges (price reviews) every five years.

We also work with a range of other regulators, including:

- Health and Safety Executive to ensure that the health and safety of our employees, customers, visitors and supply chain is preserved;
- Ofgem, the economic regulator of gas and electricity markets, whose remit extends to renewable energy generation; and

Policy

The Department for Environment, Food & Rural Affairs ('Defra') in England, and the Welsh Government, provide strategic and policy direction for the industry and our regulators.



OUR RESPONSIBLE BUSINESS AWARDS AND ACCREDITATIONS

We take our responsibility to be 'sustainability led' seriously. Whilst recognition by awarding bodies of our ESG credentials plays an important role in validating our activity and benchmarking our performance, we are driven by our own aspirations, and those of our stakeholders, to prioritise our future activity.

Transparency is a key component in building trust. Our ESG data book provides an in-depth insight into our disclosures and includes our relevant Global Reporting Initiative ('GRI'), Sustainability Accounting Standards Board ('SASB'), UN Sustainable Development Goals ('SDGs') and Principal Adverse Impacts ('PAIs') data points. [CLICK](#) here to download the ESG Databook.



Rating of **A- & B**

CDP

In 2024, we received a CDP Climate Change rating of A- and a Water Security rating of B.



SUSTAINALYTICS

Rating of **24**

Sustainalytics

We have been recognised as a top-rated company, receiving an ESG rating of 24 and assessed as medium risk.



Rating of **52/100**

S&P CSA

In 2024, we achieved a rating of 52/100. This places us above the industry score average for multi and water utilities companies.



Rating of **B+**

ISS ESG

We received a B+ 'Prime' status rating in 2024 placing us in the top water and waste utility companies assessed.



Rating of **A**

MSCI

In 2024, we achieved an A rating (AAA: CCC).



Sustainable Fitch

Rating of **2/5**

Sustainable Fitch

In 2024, we received a 2 (out of 5) ESG rating and were recognised as a leading company in the water and wastewater industry.



FTSE4Good

Rating of **3.9**

FTSE4Good

We remain part of the FTSE4Good Index and achieved a 3.9 score (5 as a best score) demonstrating our strong ESG performance.



Ranking of **14th**

Corporate Knights

We ranked as one of the top 50 most sustainable businesses in Europe, in the Corporate Knights Europe 50 Index 2025.



FTSE Women Leaders

Ranking of **3rd**

FTSE Women Leaders

In 2024/25, we were placed in the top 10 of FTSE100 for representation of women on the Board.



Ranking of **9th**

Social Mobility Employer Index

We ranked 9th, out of 150 companies in the social mobility index. The highest of any utility company in 2024.



EQUILEAP
DATA FOR EQUALITY

Ranking of **99th**

Equileap

In FY 2024/25, we were ranked in the top 100 (out of 3,500) companies for women equality in the workplace.



Fair Tax
Awarded

Fair Tax Mark

We are committed to paying the right amount of tax at the right time and were pleased to be awarded the Fair Tax Mark for the sixth consecutive year.

OUR EU TAXONOMY DISCLOSURE

Our strategy to be ‘performance driven, sustainability led’, means we seek to focus investment on driving social and environmental value whilst being transparent about the impact we have.

In this disclosure we report against the EU Taxonomy voluntarily. This system uses two key themes:

- **Eligibility:** Having business activities listed on the taxonomy with the potential to contribute to one of six sustainable objectives; and
- **Alignment:** Meeting complex criteria to substantially contribute to these objectives, whilst protecting other objectives from harm.

Reporting against this system gives us insight into areas for improvement, ensuring our resilience. We use this insight to drive impactful action whilst continuing to protect the environment against significant harm. The definition of ‘significant harm’ used in our analysis is set by the EU Taxonomy under the Do No Significant Harm (‘DNSH’) principle and utilises the equivalent

UK legislation such as that issued by the EA. We take this action planning very seriously and have embedded objectives across our organisation as a result.

OUR UPDATE FOR 2024/25

We continue to report eligibility against five of the six environmental objectives. This year, we made progress in the following areas:

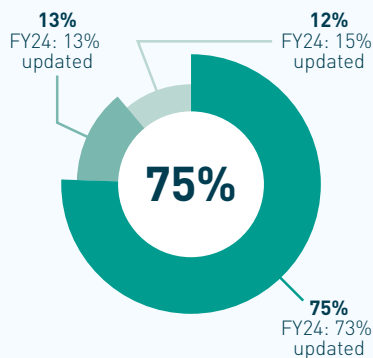
- We improved our alignment to the ‘Sustainable use and protection of water and marine resources’ objective by 48 percentage points in capex, aligning the activity Urban Wastewater Treatment (‘UWWT’)
- We streamlined our eligibility reporting, eliminating overlap across EU Taxonomy activities. This has reduced from a list of 34 activities to 20
- Included within this are four newly aligned activities
- We automated our financial processes, integrating EU Taxonomy mappings into our existing financial system, enabling a more accurate gap analysis.

Our alignment

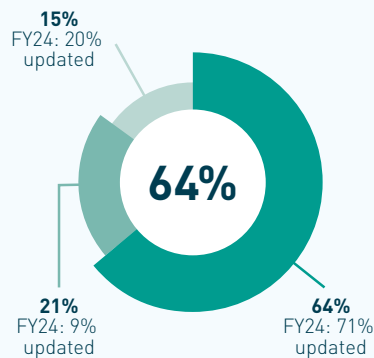
We currently report alignment to two objectives: ‘Climate change mitigation’ (‘CCM’) and ‘Sustainable use and protection of water and marine resources’ (‘WTR’). We have eligible activities across three other objectives (Climate change adaptation, Transition to a circular economy and Protection and restoration of biodiversity and ecosystems) and continue to identify opportunities to expand this. As our alignment significantly overlaps between the CCM and WTR objectives, we have reported these separately below.

Climate change mitigation objective – ● Eligible and aligned | ● Eligible and not aligned | ● Not eligible

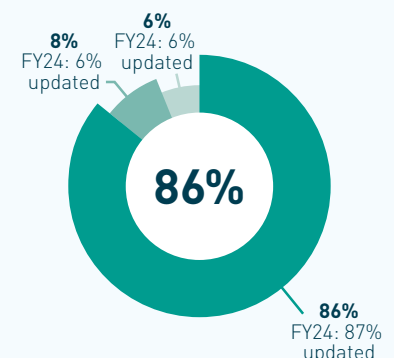
Turnover



Operating expenditure

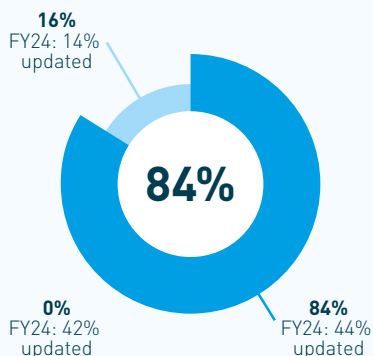


Capital expenditure

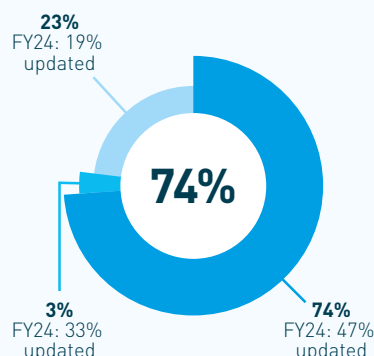


Sustainable use and protection of water and marine resources objective – ● Eligible and aligned | ● Eligible and not aligned | ● Not eligible

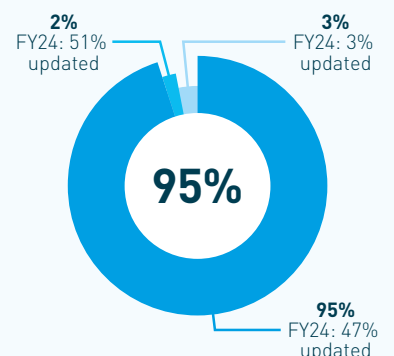
Turnover



Operating expenditure



Capital expenditure



OUR GAP ANALYSIS

Using our gap analysis, we have increased alignment by over 20 percentage points in each of the three financial KPIs since our first EU Taxonomy disclosure.

Our processes are now stronger and our organisation is highly engaged and collaborative. Using the insights from our analysis, we drive action and identify opportunities to improve, setting challenging objectives for the future.

Our focus areas for future periods include:

- Embedding climate change adaptation risk planning across the wider Group. Expanding on our progress to date, building resilience in all areas of our organisation will enable us to report alignment for the activities of both Severn Trent Green Power Limited and Severn Trent Services Operations UK Limited in the next 12 months.
- Embedding conservation and biodiversity processes that align with the EU Taxonomy criteria. This year, we held a workshop with subject matter experts in biodiversity, conservation and forestry activities, to better understand gaps in alignment to the 'Climate change mitigation' objective and agree a targeted action plan:

Activity	Next steps	Investment
Conservation	<ul style="list-style-type: none"> Adapt management plans to incorporate criteria Finalise physical climate risk assessment processes 	£8 million
Forest management	<ul style="list-style-type: none"> Implement a process to calculate and analyse the climate benefit of forest management activities 	£nil

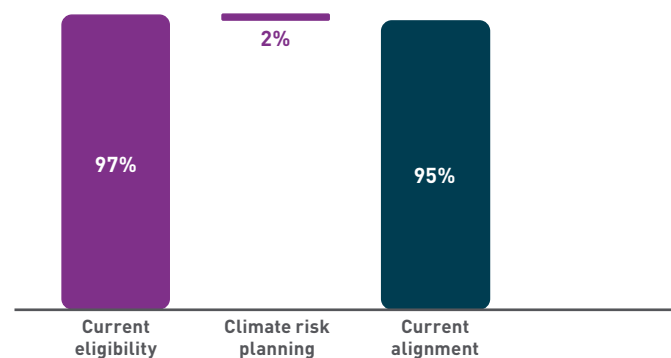
- Reducing energy consumption in our wastewater activities by 20% to meet the substantial contribution criteria for wastewater renewals in the CCM objective. Since our first alignment review in 2023, our Energy Team has incorporated the EU Taxonomy criteria into our existing ambitions to target energy consumption reductions across the Group, striving for alignment in the activity 'Renewal of wastewater collection and treatment'. We have dedicated Energy Champions across the business who identify energy-saving opportunities and implement 'quick wins' to drive energy efficiency through small-scale projects. Where this activity has driven energy consumption down by 20%, we will be able to report the investment as aligned. However, as a water and wastewater business, our

energy consumption is strongly linked to the climate, particularly the level of rainfall. Therefore, identifying investment that has driven an energy reduction not impacted by a change in weather has its challenges. Our profile is likely to change each year as a result. We report 86% of our energy use from renewable sources, against our ambition of 100% by 2030, and continue to identify ways to minimise energy consumption.

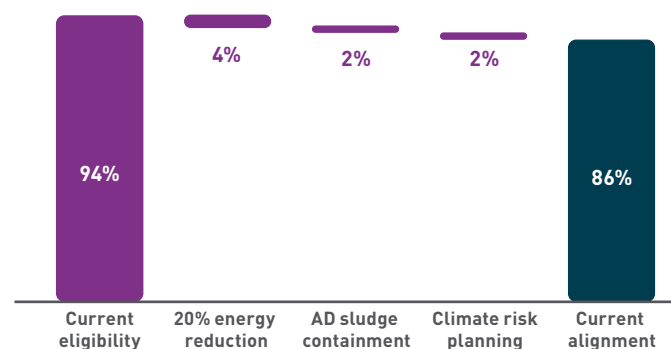
GAP ANALYSIS 2024/25

Set out below are the key gaps between eligibility and alignment for capex in the CCM and WTR objectives.

Gap analysis: Climate change mitigation capex



Gap analysis: Sustainable use and protection of water capex



OUR CONTRIBUTION

This year we contributed to the UK Government's consultation on the value of a standalone UK Taxonomy, where we outlined our support for legislating the existing EU Taxonomy structure, supported by guidance specific to UK law. This offers a simplified approach to those already caught by mandatory reporting in the EU and allows us to maintain the processes we already established.



ENVIRONMENTAL PERFORMANCE ASSESSMENT (EPA)

Severn Trent is proud to celebrate five consecutive years of achieving the Environment Agency's highest possible rating—4-star EPA status. This consistent recognition highlights our unwavering commitment to environmental excellence, pollution prevention, and sustainable water management.

We are confident that we will secure the 4-star rating again for 2024, marking six consecutive years and a clean sweep across AMP7—an achievement that remains unmatched in the sector. No other company has achieved more than three consecutive years at this level, underscoring Severn Trent's leadership in protecting and enhancing the natural environment.

Environmental Performance Assessment ('EPA')

Calendar Year EPA rating	2019 4*	2020 4*	2021 4*	2022 4*	2023 4*	2024 4* ¹
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¹ Confident of achieving 4* status, awaiting sign-off by the EA.

2024 EPA performance	2024 EPA green target	2024 performance	2024 status
Serious pollution incidents	1 or below	1 ¹	Green
Pollutions incidents	191	274	Amber
Discharge permit compliance	99.0%	99.5%	Green
Self-reported pollutions	80%	90%	Green
Water Industry National Environment Programme ('WINEP') delivery	100%	100%	Green
Supply Demand Balance Index	100	100	Green
Satisfactory sludge use and disposal	98.2%	100%	Green

¹ The EA classified this incident as Category 2 under the Common Incident Classification Scheme, based on elevated ammonia levels along the length of a drainage ditch. However, we have seen no evidence of any consequential harm caused by the elevated ammonia.

The EA has confirmed the methodology for EPA is changing from 2026 and we are therefore expecting it will become significantly harder to achieve a 4* rating. We are shadow reporting the proposed new measures to position us strongly for the future EPA regime.

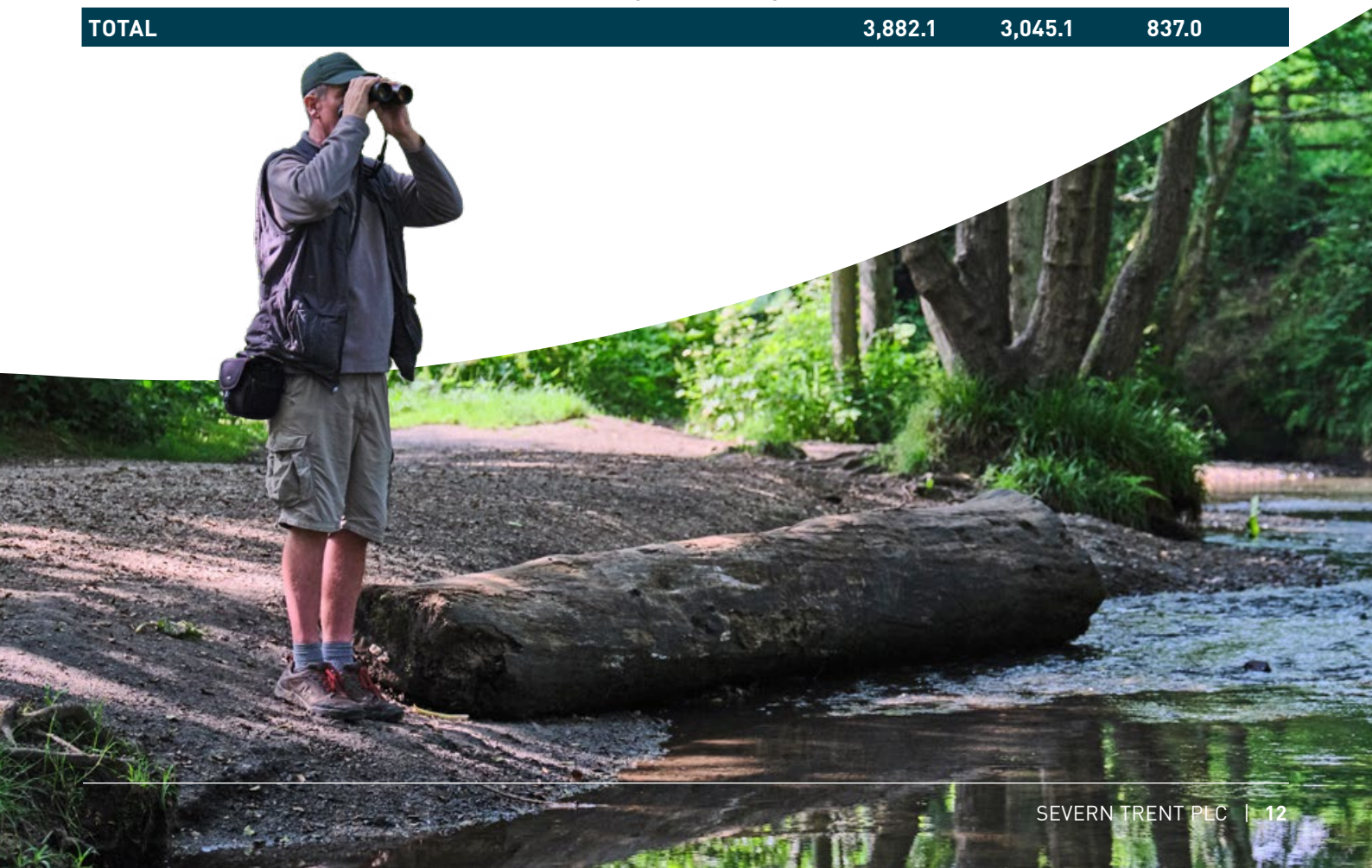
OUR SUSTAINABLE BONDS PORTFOLIO

Assets and expenditure are formally assessed for their eligibility and inclusion into the Eligible Sustainable Portfolio by the Sustainable Finance Committee (the “Committee”) including representatives from our Treasury, Finance and Sustainability teams. The Committee reviews the asset and expenditure categories submitted for inclusion to confirm their alignment with the Social Eligible Categories and Green Eligible Categories as outlined in Section 2.1 of the Framework published in July 2022.

Table 1 provides details of Severn Trent’s sustainable bonds portfolio, including bond specifics and the final allocation position following the allocation of proceeds at the end of our last financial year on 31 March 2025.

Table 1 - Sustainable Bonds Portfolio					Proceeds		
ISIN	Face Value	Coupon	Issue Date	Maturity	Net £m	Allocated £m	Unallocated £m
XS2182065149	GBP 300m	2.000%	02-Jun-20	02-Jun-40	296.2	296.2	-
XS2445344570	GBP 400m	2.625%	22-Feb-22	22-Feb-33	394.7	394.7	-
XS2560756798	GBP 400m	4.625%	30-Nov-22	30-Nov-34	394.4	394.4	-
XS2607194086	GBP 400m	5.250%	04-Apr-23	04-Apr-36	394.9	394.9	-
XS2775728269	EUR 500m	4.000%	05-Mar-24	05-Mar-34	428.0	428.0	-
XS2607194086	GBP 50m	5.250%	03-Jul-24	04-Apr-36	48.6	48.6	-
XS2870262859	GBP 350m	5.875%	31-Jul-24	31-Jul-38	347.5	347.5	-
XS2775728269	EUR 100m	4.000%	04-Dec-24	05-Mar-34	83.9	21.0	62.9
XS2991273462	EUR 850m	3.875%	04-Feb-25	04-Aug-35	713.0	178.0	535.0
CH1415780084	CHF 200m	1.655%	14-Apr-25	14-Apr-32	175.3	87.6	87.7
XS3141207103	EUR 700m	3.875%	04-Aug-25	04-Aug-37	605.6	454.2	151.4
TOTAL					3,882.1	3,045.1	837.0

Fully Allocated



ALLOCATION OF PROCEEDS

The Framework is used to raise finance in a variety of forms to meet our funding requirements. An amount equivalent to the net proceeds from the finance raised under the Framework will be allocated to finance new and/or refinance existing assets and expenditures of Severn Trent and its subsidiaries.

Although many of our assets and expenditures could be eligible, when it comes to existing assets and expenditures, we will (re)finance Eligible Sustainable Investments that align with the Project Eligibility Criteria outlined in the Framework and that have been completed or charged three years prior and/or two years following the date the finance was raised.

Table 2 provides details of the total amounts allocated during our last financial year, as outlined in this bond report.

Table 2 - Total amounts allocated in 24/25				Net Proceeds	Previously Allocated	Allocated 24/25	Unallocated
ISIN	Face Value	Coupon	Issue Date	£m	£m	£m	£m
XS2607194086	GBP 50m	5.250%	03-Jul-24	48.6	36.0	12.6	-
XS2870262859	GBP 350m	5.875%	31-Jul-24	347.5	261.5	86.0	-
XS2775728269	EUR 100m	4.000%	04-Dec-24	83.9	-	21.0	62.9
XS2991273462	EUR 850m	3.875%	04-Feb-25	713.0	-	178.0	535.0
CH1415780084	CHF 200m	1.655%	14-Apr-25	175.3	-	87.6	87.7
XS3141207103	EUR 700m	3.875%	04-Aug-25	605.6	-	454.2	151.4
TOTAL				1,973.9	297.5	839.4	837.0

Table 3 provides details of the total amounts allocated during our last financial year, along with the financial year in which they were allocated.

Table 3 – Financial Years to which Total Amounts were Allocated

ISIN	Face Value	£m Net Proceeds	£m 21/22	£m 22/23	£m 23/24	£m 24/25	£m Total
XS2607194086	GBP 50m	48.6	-	-	-	12.6	12.6
XS2870262859	GBP 350m	347.5	-	-	-	86.0	86.0
XS2775728269	EUR 100m	83.9	16.8	-	4.2	-	21.0
XS2991273462	EUR 850m	713.0	-	20.0	158.0	-	178.0
CH1415780084	CHF 200m	175.3	-	-	43.8	43.8	87.6
XS3141207103	EUR 700m	605.6	-	-	169.6	284.6	454.2
TOTAL		1,973.9	16.8	20.0	375.6	427.0	839.4

XS2607194086 – New financing is defined as expenditure incurred in financial year 2024/25. The has now been fully allocated.

XS2870262859 – New financing is defined as expenditure incurred in financial year 2024/25. The has now been fully allocated.

XS2775728269 – Refinancing is defined as expenditure incurred between financial years 2021/22 to 2023/24. New financing is defined as expenditure incurred in financial year FY2025/26 and is yet to be allocated.

XS2991273462 – Refinancing is defined as expenditure incurred between financial years 2022/23 to 2024/25. New financing is defined as expenditure incurred in financial year FY2025/26 and is yet to be allocated.

CH1415780084 – Refinancing is defined as expenditure incurred between financial years 2023/24 to 2024/25. New financing is defined as expenditure incurred in financial year FY2025/26 and is yet to be allocated.

XS3141207103 – Refinancing is defined as expenditure incurred between financial years 2023/24 to 2024/25. New financing is defined as expenditure incurred in financial year FY2025/26 and is yet to be allocated.

Table 4 provides details of the sustainable bond allocations against the ICMA green and social categories.

Table 4- Bond Allocations against ICMA Green and Social Categories

ICMA Category	£m 21/22	£m 22/23	£m 23/24	£m 24/25	£m Total
Clean Transport	0.0	0.1	5.2	0.8	6.0
Energy Efficiency	0.2	0.1	0.9	0.2	1.5
Living Natural Resources and Land Use*	0.1	0.4	3.6	2.6	6.8
Pollution prevention and control	0.1	0.5	10.1	24.9	35.6
Sustainable water and wastewater management	16.4	19.0	355.7	392.4	783.5
Terrestrial and Aquatic biodiversity	-	-	-	1.2	1.2
Renewable Energy	-	-	-	4.5	4.5
Socioeconomic advancement and empowerment	-	-	-	0.3	0.3
TOTAL	16.8	20.0	375.6	427.0	839.4

* ICMA green category 'Environmentally sustainable management of living natural resources and land use'



DNV have provided independent limited assurance and confirmed the selected information is in accordance with the Use of Proceeds outlined on pages 18-20 in the Sustainable Finance Framework.

[CLICK](#) here for a copy of their assurance

IMPACT SUMMARY

The following table outlines the key impacts that the allocated proceeds detailed in this report contributed towards.

AGGREGATED PORTFOLIO OF OUTSTANDING SUSTAINABLE BONDS		IMPACT					
ICMA Category	£m allocated	% by category	Impact indicators	Impact data	2022/23	2023/24	2024/25
Sustainable water and wastewater management	783.5	93.4%	Leakage reduction ML/d (3-year average)	Annual ML/d	416.0	362.9	335.1
			Number of meters installed	Number	100,108	162,316	121,537
			Per Capita Consumption	litres/person/day	138	134	133
Pollution prevention and control	35.6	4.2%	Treatment works compliance	%	99.33	99.46	99.46
			Internal sewer flooding	Number/10,000 per connections	1.65	1.67	1.33
Energy Efficiency	1.5	0.2%	Annual GHG emissions reduced/avoided in tonnes of CO2 equivalent	tCO2-e p.a.	102,940	110,018	116,097
Clean Transportation	6.0	0.7%	Number of electric vehicles across our fleet (cars and vans)	Number	146	729	796
* Environmentally sustainable management of living natural resources and land use	6.8	0.8%	Area covered by sustainable land and water resources management practices - Peatland	Acres	358	1,198	1,725
* Terrestrial and Aquatic Biodiversity Conservation	1.2	0.1%	Area covered by sustainable land and water resources management practices.	ha	7,728	11,554	16,233
Renewable Energy	4.5	0.5%	Energy generated from renewable sources	GWh	1,552	1,556	1,888
Socioeconomic advancement and empowerment	0.3	0.1%	Hosted six 'Big Boost' events, with over 3,000 people attending				
			Staff volunteered over 1,500 hours, positively impacting more than 6,000 students				
			Hosted 360 students across 11 Discovery Days				
TOTAL ALLOCATED	839.4	100.0%					
Unallocated bond proceeds	837.0	-					



ESG Data Book
Excel Spreadsheet









For in-depth insight into our ESG disclosures and performance metrics across AMP 7.

CLICK [here to download the ESG Databook](#)

KEY AMBITIONS

Our key ambitions and investments to date

In March 2020, we committed to invest £1.2 billion in sustainability over five years, and to report on our progress in a transparent and genuine way. The table below provides detail on where we have invested against our plans to 2025. Last year we exceeded our original target, investing over £1.5 billion by March 2024, and we have now invested over £2.4 billion.

Our ambitions	Our priorities	Climate-related risks and opportunities	Nature related risks, opportunities, dependencies and impacts	Our investment to date (2020-2025)
Carbon and climate change	Triple Carbon Pledge Science-Based Targets Climate adaptation			£248m
Enhancing nature	Biodiversity Pollution prevention River water improvements Catchment management			£1,073m
Water resources for the future	Leakage reduction PCC reduction Meter installations Strategic resource options			£889m
Affordability and accessibility	Reducing water poverty Building our Academy Creating a Community Fund Increasing conservation			£210m



CARBON AND CLIMATE CHANGE

Our Triple Carbon Pledge and Science-Based Target commitments

The following provides an update on our progress this year against our targets and highlights the activities undertaken.

Our Triple Carbon Pledge



Net zero

operational emissions Scope 1 and 2 across our business by 2030 from a 2019/20 baseline (includes renewable energy exports)

Progress

100%

Baseline -15% reduction

Target

- Good progress has been made towards our targets through a reduction in our operational emissions. Read more on page 52.
- We secured dedicated funding of £295 million for net zero in AMP8.
- Our Net Zero Hub is now live, trialling technologies in tandem to minimise operational emissions, and is already delivering insights.
- Our bespoke ODI was approved to reduce capital carbon in AMP8.
- Continued engagement across our organisation has mobilised resources, skills and our supply chain to deliver our plan.



100%

electric vehicles ('EVs'), where available, by 2030

Progress

100%

Baseline 28% increase

Target

- We are currently on target to reach 100% electric cars and 38% electric Light Commercial Vehicles ('LCV') by 2030.
- 28% of our total fleet are now EVs, representing an increase to 796 vehicles in 2024/25. Of these, 71% of fleet cars and 19% of LCVs are now EVs.
- Utilisation of EV site charge points is increasing, and we have installed 538 charging units at employee homes.
- Further deployment of electric LCV and larger vehicles is challenged by the availability of suitable vehicles, the growth in our own fleet and the lack of funding for public infrastructure.
- Trials with hydrotreated vegetable oil, as an alternative fuel, have had positive outcomes and we are now looking at wider adoption as an interim measure.



100%

of energy from renewable sources ('RS') by 2030

Progress

100%

Baseline

86% Target

- We continue to procure 100% renewable-backed electricity.
- Generation of renewable electricity and biogas has increased, after a full year contribution from the acquisition of Andigestion.
- Our own generation, including biogas, has increased to 1,953 GWh.
- We have now finalised a development rights deal for four solar farms.

Our Science-Based Targets ('SBT')



46% reduction

in Scope 1 and Scope 2 emissions by 2031 from a 2019/20 baseline

Progress

-46%

Baseline

-25% reduction

Target

- We continue to improve our data by expanding our monitoring of process emissions and increasing collection of activity-based data.
- Over AMP7, our energy efficiency improvements have continued to offset a rise in overall energy consumption.
- Our emission intensity has decreased year on year. Although our reported Scope 1 emissions have increased from 2023/24, most of this stems from more accurate reporting of natural gas from metered data – at c.80% – as well as a slight increase in use of natural gas.



13.5% reduction

in emissions from the use of sold products by 2031 against a 2019/20 baseline

Progress

-13.5%

19% increase

Baseline

Target

- Our emissions have continued to increase from the use of sold products. The sold product category measures our treated sludge. Population growth means we are treating more sludge which, in turn, increases the volume of biosolids recycled to agricultural land.
- Higher sludge treatment also allows us to produce higher volumes of biogas.
- Improved reporting in Green Power has enabled more accurate visibility of emissions from propane used to meet national gas regulations for biomethane.
- As we look to make the most of our resources and explore innovation to extract ammonia and cellulose from wastewater, we note that this could increase sold product emissions. As a consequence, we will revisit this target in line with our maturing SBT engagement target in 2026.



70%

of our supply chain (by emissions) having set a Science-Based Target ('SBT') by 2026

Progress

70%

Baseline

65% coverage Target

- We remain on track to achieve our target.
- Supplier engagement and support has remained a priority this year, ensuring 65% of our emissions are covered by organisations committed to addressing climate change.
- Through supplier selection, mandated contractual clauses and Key Performance Measures ('KPM') for capital contractors, we continue to set clear expectations for all new suppliers, including reduction delivery.
- 1:1 support and guidance, engagement sessions and our partnership with the Supply Chain Sustainability School remains key to building supplier maturity.
- We engage with new contractors to ensure that we have a live view of progress against our target.

METRICS AND TARGETS

Our increased focus on climate and nature risks, alongside the insights provided by our work on the EU Taxonomy (included on pages 9 to 10), ensures our strategies are sustainability led. We invest with impact in mind, which in turn ensures our business builds resilience in a changing future, reduces the risks associated with reactive costs and increases returns on investment.

MEASURING OUR PROGRESS

The table below sets out our progress against our key performance metrics to 2025 that we measure ourselves against, including four of the 10 core global disclosure metrics from the TNFD. The TNFD metrics are new additions to this table whilst all others were reported previously.

We report both TNFD and TCFD metrics together alongside an update on our financial investment and the associated impact on our performance and on nature and the climate. We report these against each of our Principal Risks to further support an understanding of how we manage and mitigate these risks across our nature and climate strategies, and these are aligned with the transition and physical risks and opportunities relevant to our business.

Further details on the TNFD core metrics, along with a report of our performance against several additional metrics, can be found in our ESG Databook on our website. We are committed to enhancing our future disclosures given the growing demand for nature information.

Key metrics and targets

	Principal Risk	Metric	Measure/ Unit	Target	2020/21	2021/22	2022/23	2023/24	2024/25	Capital deployed this year*
Physical Risk	We do not provide a safe and secure supply of drinking water to our customers.	PCC	3-year average litres per person per day (l/p/d)	129.0 l/p/d by 2025	137.1	138.4	137.6	134.0	133.1	£1.7 million
		Leakage reduction	Cumulative reduction against three-year average baseline set in 2019/20	15% reduction from baseline by 2025	3.6%	7.8%	9.3%	12.1%	16.8%	£98.8 million
		Green Recovery smart meters installed	Number installed (cumulative)	157,000 by 2025	N/A	5,280	71,089	111,853	157,329	£5.8 million
		SR0s	Investment £million (cumulative)	Invest £42.5 million in SR0s by 2025	2.1	5.5	12.7	15.9	27.4	£11.5 million
	We do not transport and treat wastewater effectively, impacting our ability to return clean water to the environment.	Public sewer flooding	Number of sewer incidents on public open spaces	(Annual target)	1,050 (2,005)	1,296 (1,975)	1,526 (1,945)	1,831 (1,915)	1,762 (1,884)	£69.0 million
		External sewer flooding	Number of sewer incidents in customer gardens, driveways and external buildings	(Annual target)	3,606 (3,633)	4,526 (3,574)	5,353 (3,515)	6,721 (3,456)	7,018 (3,397)	(included above)
		TNFD C2.1 – Volume of water discharged	m ³ /d	No target	2,557,758	2,525,400	2,320,778	2,679,344	2,731,81	N/A
	Failure to act as a steward of natural capital in our region providing social, environmental and economic benefits.	TNFD C1.0 – Total spatial footprint – controlled	km ²	No target	20,548	20,538	20,526	20,518	20,514	N/A
		Green Recovery – Flood resilience investment through SuDS	m ³ surface water storage (cumulative)	58,000 m ³	N/A	N/A	239	4,931	31,156	£46.6 million
		CS0s	Average spills per year	Average of 20 per year	27	25	18.4	24.9	25.4	£119.4 million

	Principal Risk	Metric	Measure/ Unit	Target	2020/21	2021/22	2022/23	2023/24	2024/25	Capital deployed this year*
Transition Risks	Our climate change strategy does not enable us to respond to the shifting natural climatic environment and maintain essential services.	Climate change adaptation	Published report	To publish three reports in 10 years	N/A	Dec-21	N/A	N/A	Dec-24	N/A
	Our people and culture do not adapt in response to a changing environment and do not take advantage of technological advancements to deliver enhanced business performance.	Internal Carbon tax*	Amount collected internally (£ million)		N/A	N/A	5.2	5.2	5.2	£4.9 million
	Failure to act as a steward of natural capital in our region providing social, environmental and economic benefits.	Carbon pricing*	£ per tonne	Use external carbon price in project appraisals	N/A	N/A	N/A	£248	£248	N/A
		Net Zero Transition Plan	Investment £million	Net zero by 2030	81.9	44.7	37.2	56.2	28.1	£28.1 million
		TNFD C0 – Absolute gross GHG emissions generated*	tonnes CO ₂ e	Net-zero operational emissions Scope 1 and 2 by 2030	376,300	395,424	395,432	379,419	394,704	(included above)
		Help to Pay When You Need It	% of total customers	(Annual target)	35% (34%)	48% (42%)	52% (42%)	56% (42%)	62% (43%)	N/A
		Big Difference Scheme	Number of customers	Invest £30 million supporting 197,750 customers	70,423	95,403	132,296	160,167	203,722	£66.2 million
		Community Fund	Investment £million (cumulative)	£10 million over AMP7	3.6	5.6	7.6	9.6	11.6	£2.0 million
		Biodiversity enhancements (TNFD C1.0/C1.1)	Number of hectares rehabilitated (cumulative)	5,000 ha by 2027 (now 10,000 ha by 2025)	2,632	4,696	7,728	11,554	16,233	N/A
			Trees planted (cumulative)	1.3 million by 2027	0.3 million	0.5 million	0.7 million	0.8 million	1 million	£1.0 million

There is currently no reportable data to fulfil the below metrics:

- TNFD C 2.0 Pollutants released to soil split by type, referring to sector-specific guidance on types of pollutants (tonnes)
- TNFD C 2.3 Plastic footprint as measured by total weight (tonnes)
- TNFD C 2.4 Total non-GHG air pollutants (tonnes)

We will report data for the following metrics in our ESG Databook following the publication of this report:

- TNFD C 2.2 Weight of hazardous and non-hazardous waste generated (tonnes)
- TNFD C 3.0 Water withdrawal and consumption (m³) from areas of water scarcity
- TNFD C 3.1 Quantity of high risk natural commodities (tonnes)

Cross-industry metrics

Cross-industry metrics are marked above with an asterisk* or are reported elsewhere in this report as set out in the table below:

Cross-industry metrics (ISSB)	Read more in our ARA
*GHG emissions	NZTP – pages 44 to 54
Physical risks – the amount and percentage of assets or business activities vulnerable to physical risks	Climate and Nature Risk Management – pages 35 to 39
Transition risks – the amount and percentage of assets or business activities vulnerable to transition risks	Climate and Nature Risk Management – pages 35 to 39
Climate-related opportunities – the amount and percentage of assets or business activities aligned with climate-related opportunities	Opportunities presented to us by a changing climate – page 39
*Capital deployment – the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	Metrics and targets table – pages 42 to 43
*Internal carbon prices (amount and explanation of how it is used)	Metrics & targets table – pages 42 to 43
Remuneration (% remuneration recognised in current period that is linked to climate-related considerations, and how these are factored in)	Directors' Remuneration Report – pages 131 to 154

ENHANCING NATURE

The world we operate in and the needs of our customers and society change continually. We seek to embrace the challenges and opportunities this presents, not only driving change in what we do, but also acting as a catalyst in our sector, our region and for the people we serve.

In this section:

- | | |
|--------------------------------|--------------------------------|
| 21 Get River Positive Pledge 1 | 22 Get River Positive Pledge 4 |
| 22 Get River Positive Pledge 2 | 23 Get River Positive Pledge 5 |
| 22 Get River Positive Pledge 3 | 24 Green Recovery |

GET RIVER POSITIVE

In 2022, we launched our Get River Positive campaign alongside Anglian Water and Hafren Dyfrdwy as part of our commitment to reduce our environmental impact on rivers and ensure their long-term health. At the heart of this industry-leading initiative are five ambitious pledges as detailed below.

Since its inception we have delivered strong results and our focus on making further improvements continues, supported by collaboration with all of our stakeholders, sustained investment and positive community engagement. We understand the importance of our environment and will continue to focus on rivers, seeking to innovate and invest in more sustainable solutions for a resilient future for rivers.

To find out more about how we are making a difference to rivers in our region, subscribe to our quarterly [Get River Positive newsletter](#) on our website.



River Ranger sampling



PLEDGE 1:

Ensure storm overflows and sewage treatment works do not harm rivers



PLEDGE 2:

Create more opportunities for everyone to enjoy our region's rivers



PLEDGE 3:

Support others to improve and care for rivers



PLEDGE 4:

Enhance our rivers and create new habitats so wildlife can thrive



PLEDGE 5:

Be open and transparent about our performance and our plans

OPERATIONAL OPTIMISATION INNOVATION CENTRE

We recently announced the creation of our Operational Optimisation Innovation Centre ('O2IC') at our Alfreton wastewater catchment. This cutting-edge facility has been designed to mirror the success of our Resource Recovery and Innovation Centre ('R2IC') at Spernal, which has positioned us as global leaders in the measurement and management of greenhouse gas emissions in the water sector. The O2IC will act as our permanent test facility to combine AI solutions, operational and engineering technologies, within a single wastewater catchment. This will create a unique opportunity to develop, monitor and refine AI-driven innovations such as real time monitoring, predictive maintenance and optimisation of treatment processes, in a structured environment. This initiative will also enable us to understand and address the people and process transformations needed for successful implementation, as well as rigorously testing the functional safety and security of AI solutions to ensure safety and environmental risks are properly managed.



CLICK here to visit our dedicated YouTube channel which has a range of videos demonstrating improvements made across our region



Storm water storage tank installation at Trescott Wastewater Treatment Works

PLEDGE 1

Ensure storm overflows and sewage treatment works do not harm rivers



Submerged aerated filter units at Lower Moor Wastewater Treatment Works

River health is declining across the UK, with only 14% achieving Good ecological status. Our Get River Positive pledges are critically important to us as they represent our commitment to river health. By addressing spills, reducing pollution, and investing significantly in river health, we will protect and restore the natural beauty and biodiversity of rivers in our region, ensuring a sustainable future for generations to come.

Our operational area includes over 778 waterbodies. We reduced our contribution to RNAGS in our region's rivers to 14% in 2023, a significant improvement. Through our work installing complex schemes over the last

12 months, our RNAGS contribution has reduced further to 10.8% and we are on track to meet our goal of less than 2% by 2030.

Despite the ongoing challenges of climate change, such as extreme weather patterns and significant flooding, our customers expect us to be resilient to climate change and extreme weather impacts and continue to reduce our impact on rivers in our region.

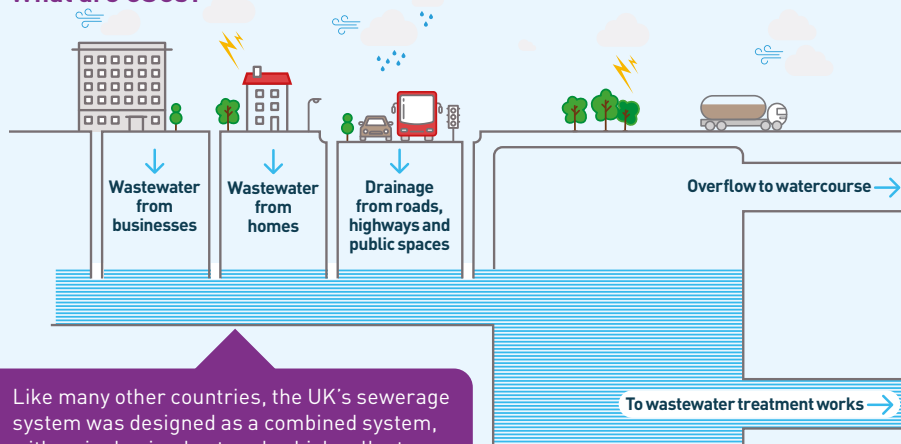
In May 2024, we announced our industry-leading CSO Improvement Plan, with the objective of improving our wastewater network and reducing storm overflow usage. Over the last year, our teams have worked hard to implement over 1,200 permanent

enhancements to eliminate spills from storm overflows across our region, bringing our total to over 1,800 since work commenced. This reflects excellent progress against our initial commitment to deliver 900 enhancements by December 2024.

By Autumn 2025, we will have completed more than 2,100 enhancements. The scale of the project has been made possible by a new dedicated team of 500 people across our organisation and the supply chain. We have delivered an average of 34 projects per week since June 2024, ranging from new storm water storage tanks, innovative wastewater treatment solutions to capture, store and treat flows and flap valves to prevent river inundation when river levels rise during periods of flooding. Early analysis shows our investment is working – and our improvements have helped prevent thousands of spills last year alone, despite a record year of rainfall and extreme weather events resulting in an average of 25.4 spills in the year.

We are proud that this huge engineering programme, delivered at speed, has put us on track to reduce the average number of spills from storm overflows by over 25% from our 2024 levels, reducing spills to an average of 18 per year by December 2025.

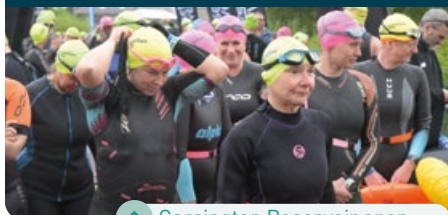
What are CSOs?



Like many other countries, the UK's sewerage system was designed as a combined system, with a single piped network which collects wastewater from homes and businesses and also collects rainwater from roofs, roads and other hardstanding areas.

PLEDGE 2

Create more opportunities for everyone to enjoy our region's rivers



↗ Carsington Reservoir open water swimming event

The health of our rivers is important to our customers and communities and their wellbeing. In recent years, more and more people have been using the rivers in our region and that is why Pledge 2 of our Get River Positive campaign is so important – it is not only about providing opportunities for recreational activities across our estate but also ensuring that our investments lead to cleaner, safer, and more vibrant waterways for all to enjoy.

Our £78 million investment as part of our Green Recovery Bathing Rivers programme delivered innovative wastewater treatment technology at Ludlow, Itchen Bank, and Frankton. Using innovative ozone technology, this work has reduced our impact on rivers in Shropshire and Warwickshire.

We are also committed to enhancing recreational activity opportunities at our visitor sites. This year, we were pleased to host our inaugural controlled open-water swimming event at Carsington Reservoir in Derbyshire, which saw participation from almost 300 swimmers. Following the success of the event, we are developing future plans for recreational activities at other reservoirs and hosting our first triathlon event at Carsington Reservoir on 13 July 2025 with British Triathlon. We are working closely with the sailing, angling and paddle clubs based at our reservoirs.

Swimming at our reservoirs is just one way we have interacted with local communities. Our partnership with the Clean Water Sports Alliance has continued this year and we have engaged with clubs and organisations who use our region's rivers for sports and recreational enjoyment, to understand their perspectives and help inform our future activities.

PLEDGE 3

Support others to improve and care for rivers



↗ River Leam

Collaboration with others is crucial to restoring river health – no single organisation or group can solve the issue single handedly. We know that by working with other industries, local communities and river-user groups and schools we can have a bigger impact on improving river health. Whether it is funding restoration projects, partnering with local wildlife trusts, or collaborating with farmers to minimise their impact on rivers, we want to work together to make a difference.

Our Community Fund has an important role to play, with more than £748,000 awarded over AMP7 to projects that enhance and improve river health. One of our largest contributions has helped the Friends of Bennerley Viaduct to continue transforming a once derelict, fly-tipping hotspot into a thriving heritage and green space. After 50 years of closure, the viaduct has been reopened to the public, with more than 13,000 people – including 2,900 children – engaged in a variety of programmes over the last three years. Our donation of £74,500 will support the development of a new visitor centre and a new rewilding scheme to boost biodiversity as well as provide a much improved community space to enjoy.

Our continued partnership with farmers in our region has enabled us to safeguard water quality through various programmes and grants, including our Severn Trent Environmental Protection Scheme ('STEPS'). In the past year, we have awarded 166 STEPS grants, worth almost £2 million, for on-farm improvements that help protect water quality by reducing pesticide, nitrate and cryptosporidium from reaching raw watercourses. 83% of farmers involved told us that they are very satisfied with our collaboration, and 89% believe the on-farm changes made through our schemes will benefit the environment.

PLEDGE 4

Enhance our rivers and create new habitats so wildlife can thrive



↗ River Rangers in Leamington

Our dedicated River Rangers work tirelessly to improve the health of our rivers through monitoring water quality across rivers, streams and brooks in our region. Their work includes regular inspections, water-quality testing, and conservation activities to support local wildlife and habitats. In the past year, our River Rangers have carried out over 4,300 inspections, taking the total number of inspections to more than 10,000 since the team's inception in 2022. Furthermore, they have attended more than 420 external stakeholder meetings, reaching nearly 2,500 people in relation to river health.

In collaboration with several environmental groups, including wildlife trusts across our region, our river restoration projects have ranged from small scale, such as simple log dams, to more complex mitigations, including eel and fish passes, all with the objective of reducing the volume of structures and water restrictions on our waterways.

We have also made good progress with our Great Big Nature Boost scheme, improving the biodiversity of over 16,200 ha across the region – more than double our original goal. This reflects our commitment to environmental stewardship and our dedication to enhancing the natural beauty and biodiversity in our region.

↗ River Rangers celebrate 10,000 visits





PLEDGE 5

Be open and transparent about our performance and our plans

CHARLTON KINGS

At Charlton Kings in Gloucestershire, we have been making upgrades to our CSOs, delivering smarter, more efficient ways to reduce spills and improve river health.

After carrying out detailed flow investigations, we designed a solution to improve how we manage storm flows during periods of heavy rainfall. By installing 50 metres of much larger diameter pipe, we have significantly increased our stormwater storage capacity, helping to prevent overflows when the system is under pressure.

Additionally, we have installed new sensors, to provide more accurate and timely data so we can respond faster to changes in flow. These enhancements have improved our performance at this site.



Over the last year, we welcomed new members to our Get River Positive Independent Advisory Panel to include Stuart Singleton-White from the Angling Trust, and a member of the Clean Water Sports Alliance, and Alison Biddulph, who led the Bathing Waters Designation in Shropshire. The expertise and commitment of our Advisory Panel is a key contributor to informing our approach to protect and enhance river health. The Advisory Panel's insights and constructive challenge has been hugely beneficial.

We are committed to reporting our performance transparently to our customers, communities and wider stakeholders and this year saw the launch of our Storm Overflow Map in April 2024, which was a major milestone. The map provides a near real-time view of the data from our Event Duration Monitors ('EDMs') and is underpinned by over 300 million data points. Based on feedback from our Advisory Panel and other stakeholders, we further enhanced our map in February 2025 to provide detail of our planned and completed investments for each overflow.

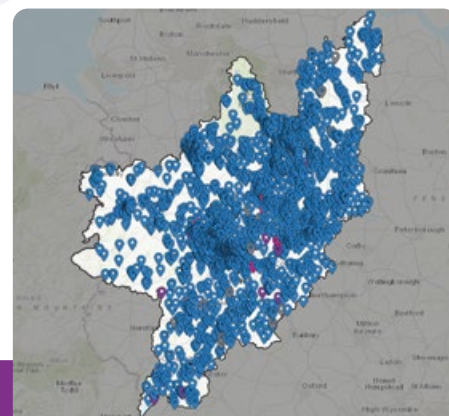
We also launched the National Storm Overflow Hub in December 2024 in collaboration with the Stream open data initiative and other water companies. The Hub collates data from all English water companies into one dataset, providing the public with access to nationwide data, which they can download and utilise as needed. In the year ahead, we will publish our open data strategy on our website, to provide transparent insights into our open data engagement principles.

We have continued our partnership and collaboration with citizen scientists and other interested parties, such as the Severn Rivers Trust, to support others to better understand

river water quality. This includes investigating methods for citizen scientists to test for bacteria in water and interpret the results. Working with our laboratories and the River Protection Team, we have trialled more than six testing methods and are now close to developing a tool that citizen scientists can use. This programme is due to be completed in September 2025.

We will be investing a further £2 billion over the next five years to improve river health. We are also committed to enhancing transparency by installing around 1,000 river water quality monitors across our region by 2030. Applying learnings from our Storm Overflow Map, we will explore how to effectively share this information with our customers, communities and other interested stakeholders on our website.

Furthermore, we have committed to ensuring we are open and transparent and provide information on our EDM performance on our website in an easily accessible format. Our data is published annually at present and we are pleased to commit to publishing our EDM data quarterly moving forwards, with the aim of reporting it monthly before the end of the year.

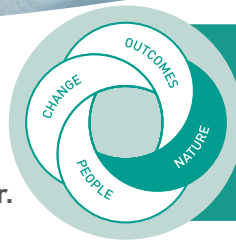


Zero Spills Hub

Inspired by our Net Zero Hub, which combines operational, engineering and AI solutions to achieve ambitious goals, we are excited to introduce our Zero Spills Hub to support our Get River Positive campaign. In the Arnold catchment in Nottinghamshire, we will be trialling innovative solutions in combination to deliver our WINEP commitments and demonstrate how to achieve zero spills in a catchment. Our trials will focus on AI based solutions that optimise the use of our existing assets, as well as physical, biological and nature-based solutions that remove stormwater from the network (and reuse it), apply localised treatment and create smart storage that can be used to flush the network.

ENVIRONMENT

The natural environment is at the heart of our operations and everyone in our business is focused on protecting and enhancing nature, habitats and rivers across our region. We know that looking after nature helps to look after water.



Great Big Nature Boost 2027 targets:

- Enhance biodiversity across 5,000 ha
- Plant 1.3 million trees
- Restore 2,000 km of rivers across our region

As part of our commitment to the environment, we created our Great Big Nature Boost ('GBNB'), an industry-leading initiative to enhance biodiversity and make improvements to nature across our region.

In 2020, we set ambitious targets including boosting biodiversity across 5,000 ha in our region by 2027. We were delighted to reach this target four years early, in 2023, and we set ourselves a new ambitious target of improving 10,000 ha by 2025 – still two years earlier than our original target. We are thrilled that we surpassed this goal in 2024 and have now delivered improvements to over 16,200 ha – more than three times our original target. Our work to enhance and preserve our natural environment accounts for more than 3% of the nation's 2042 Nature Recovery Network target.

Our collaboration with nationally recognised and trusted partners such as the National Trust, RSPB and the regional Wildlife Trusts has been fundamental in achieving our ambitious plans. By leveraging the expertise and dedication of our partners, we have been able to go further and faster to deliver changes that protect and celebrate the natural environment. In this final year of AMP7, we have worked with 20 individual partners on 36 projects across our patch, which has delivered nature improvements to over 3,100 ha across our region.

Examples during the year include our collaboration with the Shropshire Wildlife Trust and Shrewsbury Town Council supporting the reintroduction of beavers to Shropshire after 400 years. Beavers play a crucial role in creating natural habitats, enhancing water quality and reducing flooding. By constructing dams, beavers help to filter and purify water, positively contributing to the health of our waterways. This is the third reintroduction of beavers in our region that we have supported, aided by learnings at Willington Wetlands in Derbyshire and the Idle Valley Nature Reserve in Nottinghamshire in 2021. Since then, both sets of beavers have established their habitats, created dams and demonstrated why they are nature's natural water engineers.

In 2019, we made a pledge to plant 1.3 million trees as part of our GBNB and we have made good progress to deliver our target by 2027. To date we have created 33 new woodlands, planted 72 tiny forests and worked with our environmental partners and landowners to plant a million trees. This includes creating a carbon neutral legacy for the Birmingham 2022 Commonwealth Games as part of our commitment to help create the most sustainable games to date.

Our Boost for Biodiversity grant fund – which offers small grants for community organisations and land owners to improve habitats – is now in its fifth and final year. The fund has supported 27 projects, delivering over 130 ha of improvements across a range of projects, including wildflower meadows, woodland management and improvement, invasive species management and wetland restoration.

Other projects we have undertaken during the year include creating flower-rich roadside verges in Shropshire and reinstating meadows in Warwickshire to boost populations of wildflowers, fungi, bees, butterflies and bats. Our longstanding partnership with Moors for the Future continues its vital work in the Peak District across the Bamford Catchment and in Combs Moss, helping to restore the degraded peatland through planting Sphagnum moss, a vital building block for the restoration of blanket bog. This work is vital in helping to capture and store water, as well as protecting the peat from erosion – this helps reduce overland flow during storms and protects drinking water quality.

We are incredibly proud of the work we do to protect and enhance nature and we have delivered a number of significant improvements in our region over the last five years. We remain focused on this as we enter AMP8, continuing to work hard for nature as well as maintaining the work that we have completed with our partners.

GREEN RECOVERY

This year marks the successful completion of our ambitious Green Recovery programme, for which Ofwat approved an additional £566 million (2017/18 prices) investment in 2021. We are proud of the benefits this programme has delivered for our customers, communities and the environment. Our Green Recovery initiatives have not only addressed immediate challenges but have also laid the groundwork for a more sustainable future for the sector more broadly. We remain committed to continuing our efforts to protect and enhance the natural environment, ensuring a resilient and thriving region for generations to come.

BATHING RIVERS



Ozone treatment at Ludlow Wastewater Treatment Works

Our goal

Improve the water quality of the River Leam and River Teme by upgrading three wastewater treatment works, treating and reducing spills from storm overflows and undertaking river water quality monitoring.

Achievements

We have successfully completed the project and achieved our March 2025 target. The installation of our wastewater treatment works ozone disinfection upgrades is now complete at all three sites. Our off-site assembly approach proved to be time-efficient, more cost-effective, and supportive of equipment testing and commissioning.

Our planned improvements to 24 storm overflows included the delivery of storage tanks and surface water separation, which have increased the length of river we have improved to more than 120 km, delivering benefits for customers, communities, and the environment.

Throughout this project, we have collaborated with the Rivers Trust to better understand how our customers and communities use rivers and engaged with local communities about our plans, which has informed our collective approach to taking care of rivers.

PROTECTING CUSTOMER SUPPLY PIPES



Supply pipe installation

Our goal

Replace up to 26,000 lead or leaking customer-owned supply pipes in Coventry and Bomere Heath, removing lead and reducing leaks by around 1 million litres a day from customer-owned pipes.

Achievements

We increased the rate of delivery, and have successfully replaced over 17,000 supply pipes, including almost 10,000 replacements this year.

In Bomere Heath, we completed a full sampling programme to identify any remaining lead pipes. Moving forward, we will work closely with the DWI to investigate disengaging phosphate dosing in the area, thereby reducing the carbon impact of our water treatment processes.

Lead supply pipes are not solely a problem for Severn Trent customers and we were keen to share our experience with other water companies. We held a Lead Industry Day in October 2024, bringing together over 90 attendees from water companies, trade bodies and regulators to talk about the issues and our approach.

We estimate that we have reduced leakage by 0.22 m³ throughout this project. Additionally, the programme generated significant employment benefits in our region with over 3,400 jobs completed through the Grant model in Coventry using local suppliers.

WATER RESOURCES



Witches Oak Water Treatment Works

Our goal

Increase water supplies by treating up to 93 ML/d using low-carbon-impact treatment processes, and share our knowledge with other water companies. In addition, our work aimed to increase the biodiversity of up to 46 ha of habitat at our Witches Oak wetland next to the River Trent.

Achievements

The construction of our Raw Water Abstraction and Transfer Project completed in March 2025, despite exceptional weather and flooding events. As part of this project, we have successfully refurbished the Witches Oak abstraction pumping station to ensure it operates at optimum capacity and efficiency – building resilience for customers and the environment. The 31 floating wetlands biologically pre-treat the raw water before we abstract it, reducing the amount of traditional treatment required. Our innovative ceramic membrane pilot plant has been operational since December 2022 and is collecting critical data to support real-time optimisation of the new treatment works utilising this technology.

The brand new Witches Oak Water Treatment Works began commissioning in December 2024, and we are increasing the volume of water treated throughout the spring. We have installed new pipework to deploy the treated water from Witches Oak Water Treatment Works into our network, ensuring a sustainable water supply for the future.

120 km

river with improved water quality

17,176

supply pipe replacements delivered

93 ML/d

new water treatment asset capacity

FLOOD-RESILIENT COMMUNITY



Detention basin, Mansfield

Our goal

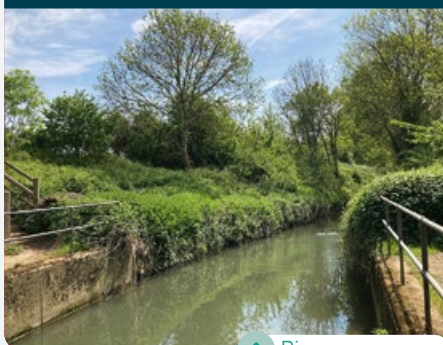
Create the UK's first catchment-scale flood-resilient community in Mansfield, using an innovative 'nature-based' approach to reduce surface flooding risk.

Achievements

We achieved this by installing Sustainable urban Drainage Systems ('SuDS') across Mansfield to absorb rainwater, providing additional storage capacity and, crucially, reducing surface water flooding for customers and communities in this area. We delivered more than 31,000 m³ of surface water storage through our interventions, constructing 84 rain gardens and bioretention tree pits with a capacity of almost 955 m³, and more than 11,300 m² of permeable paving with an estimated 2,900 m³ of storage. Natural solutions, such as bioswales and detention basins, have delivered significant benefits – with our 143 bioswales providing a storage capacity of over 14,700 m³ and our 12 detention basins providing storage capacity of more than 12,500 m³. Whilst primarily mitigating against surface water flooding risks, these interventions have also delivered environmental benefits, such as increased biodiversity and community amenity benefits.

We have learned a huge amount about the actual costs of retro-fitting SuDS through this project and how to roll them out at scale in a more cost-effective way. This knowledge will be used to help us, and others in the sector and more broadly, to deploy SuDS interventions moving forward.

IMPROVING OUR REGION'S RIVERS



River Ishbourne

Our goal

Support environmental improvements to 500 km of rivers, accelerating our planned WINEP investment by three years. This includes delivering 47 Water Framework Directive ('WFD') statutory obligations faster by carrying out schemes to reduce storm overflows and remove phosphorus.

We will also undertake Storm Overflow Assessment Framework ('SOAF') investigations to inform and prioritise future investment.

Achievements

We successfully delivered 21 WFD points by the end of March 2025 – 14 more than our required seven. The remaining WFD points are on track for delivery by the end of 2027. Accelerating the delivery of our WFD obligations delivers improvements to our rivers more quickly. We have also been installing more chemical dosing systems, reedbeds and mechanical filters to reduce the amount of phosphorus in the rivers resulting from our wastewater operations.

In addition to the WFD points, the project also delivered 54 overflow spill reduction interventions (such as weir height increases) and SOAF investigations to inform and prioritise our future investment.

SMART WATER METERS



Smart water meter

Our goal

Help customers save water – and also reduce their bills – by installing over 157,000 smart water meters to individual household properties, aiming to promote water efficiency and reduce consumption by providing customers with real-time data on their water usage.

Achievements

We have installed more than 157,000 smart meters through the project, providing blueprint for our smart meter installations in AMP8, which has been shared with the broader sector. The smart meters installed across the Coventry area are enabling customers to monitor their water usage and identify leaks or internal plumbing issues quickly. In addition, they have real-time visibility of the positive impact they are making – reduced water use means lower energy consumption and lower GHG emissions.

We now have a much-improved ability to handle the increasing volume of data while maintaining the integrity of our data systems. Importantly, we can now leverage smart data to drive meaningful insights in water management. It is an ongoing process which will maximise the benefits of smart metering, leading to a more sustainable and efficient water network.

The success of this project is reflected in our leakage and PCC performance, which has surpassed our expectations and has saved 7.2 ML/d in 2024/25 and 12.4 ML/d over AMP7.

31,156 m³

surface water storage delivered

21

WFD points delivered

157,329

smart meters installed



CLICK here to visit the Severn Trent Water Regulatory Library and view our dedicated Green Recovery Report

WATER RESOURCES FOR THE FUTURE

LEAKAGE

We are thrilled to have outperformed our AMP7 leakage target, achieving a 16.8% reduction over the AMP from our three-year average baseline set in 2019/20. This puts us on a positive trajectory as we enter AMP8, targeting over 30% leakage reduction by 2030 and 50% reduction by 2045. Our performance this year reflects a year-on-year annual leakage reduction of 28 ML/d, and achieving our lowest ever level of leakage at 335.1 ML/d. Our resilient operational performance has enabled us to meet our target for 13 out of the last 14 years, with learnings from the 'beast from the east' in 2018 being embedded to minimise the future impact on customers of such extreme weather events.

We have increased our focus on finding and fixing leaks, with 60,000 repairs carried out this year, an increase of over 5% from last year. We are also repairing significant visible leaks faster than ever before, with an average end-to-end job completion time of three days, including site reinstatement and clearance, reflecting an improvement of over 60% across AMP7 and meeting our target every year. Additionally, we continue to renew our water network and deliver pressure management schemes to stabilise the network and reduce leaks caused by high network pressure.

No dig technology

Maintaining and upgrading underground infrastructure can pose significant challenges. Traditional methods involve disruptive excavation processes that can impact customers, communities, businesses, and the environment. No dig technology presents an innovative, non-disruptive and cost-effective solution, eliminating the need for excavation. This technology is being deployed to support our leakage reduction target of 50% by 2045.

A unique solution comprising water, food-grade gellant, and engineered calcium carbonate particles is injected into a pipe in the boundary box and forced under pressure directly into the leak, sealing it quickly and effectively.

This new technology enables us to quickly reinstate mains with minimal interruption to water supply, ensuring a more continuous and reliable service for customers. Repairs that would normally take two to three days now only take 20-30 minutes on average, and with around 200 leaks successfully repaired during our trial, we are now exploring how to roll out this technology across the business.

200

leaks successfully repaired during our trial

SEWER FLOODING

The last 12 months have seen extremely challenging weather conditions, as reflected in the increase in wastewater volumes treated this year – driven by the

higher than average rainfall in our region over the year. We treated 3.34 billion litres of wastewater per day compared with an average of 3.06 billion litres per day for the first four years of the AMP. Our teams have worked determinedly in particularly challenging conditions this year to keep our services operating efficiently and reduce the impact on our customers and the environment. However, we recognise that there is more we can do to deliver the improvements our customers expect.

We have achieved our best ever internal sewer flooding performance, improving 20% year on year, however it is still not where we want it to be as we strive to be the leading company on this important waste measure. To drive further improvements, a member of our Executive Committee reviews every single incident to understand the cause and support investment activity (for example, our insourcing of waste reactive services).

Storm intelligence

We have developed an AI-based platform to support our Network Control Team to manage weather-related incidents. Using AI-boosted modelling, we can predict our sewer network response to storms. This helps us deploy resources before storm overflow spills, pollutions or sewer floodings occur.

SEWER BLOCKAGES

We are continuing to see the benefits of insourcing our Waste Infra Response Team, which has given us greater internal control over the quality of work delivered. This has enabled us to reduce repeat blockages, a leading cause of FOCs. Additionally, insourcing has improved our response time to blockage jobs, reducing the chance of blockages causing flooding as we can take action before customers are affected by internal or external flooding. To reduce impacts driven by blockages caused by sewer misuse, we are continuing to work in partnership with food service providers to ensure the appropriate disposal of fats, oils, and greases ('FOG'), preventing them from entering the sewage system and causing blockages.

This year, we achieved our best ever performance on sewer blockages, with 28,062 blockages, surpassing our target by over 30%. We continually seek out new technologies and innovation to improve our approach and this year we introduced the Stickleback, a device designed to tackle blockages caused by items like wet wipes. The Stickleback is strategically placed in sewers to capture these items, preventing blockages and potential sewage backups. Alongside its deployment, we launched a public awareness campaign emphasising the message 'be a binner, not a blocker', encouraging proper waste disposal.



The Stickleback in action



AFFORDABILITY AND ACCESSIBILITY

OUR SOCIETAL STRATEGY

Our Societal Strategy, launched in 2022 to reach 100,000 people in, or at risk of, water poverty by 2030, aims to improve life chances through access to high-quality employment-related training and career opportunities.

Maintaining our focus in areas of high deprivation in our region, we have expanded our schools programme with employability training, mock-interviews, career assemblies, unpaid work experience and discovery days. Our corporate volunteer offer continued to grow with the introduction of NeighbourGOOD this year, where local organisations can apply for Severn Trent volunteer time and a small grant. This year, we have also launched our Learning, Employability and Preparation initiative to create pathways into roles at Severn Trent for people who may have barriers to work.

We have made excellent progress since its launch, including:

- Supporting 12,500 school students through a series of employability workshops, assemblies and mock-interviews.
- Hosting 200 students through unpaid work experience.
- Providing paid work experience placements and internships to 180 individuals.
- Organising nine Big Boost events across Birmingham, Coventry and Derby, attracting over 4,800 people.
- Having 1,000 students attend a Discovery Day.
- Helping 5,700 members of the community via our employability support sessions.
- Our employees volunteering 13,500 hours to support the local community and environment.

CREATING OPPORTUNITIES IN OUR REGION

Social Mobility Index

We have officially been named as one of the country's top performing companies for improving social mobility. For the sixth year running, we have been placed in the top 10 on the Social Mobility Index, coming in at 9th place out of 75 companies.

The Social Mobility Index, which is in its eighth year, ranks UK employers for their commitment to making sure those from all social backgrounds have access to the same opportunities.

Community Fund

In our 2020-25 Business Plan, we pledged to create a new Severn Trent Community Fund that donates 1% of Severn Trent Water's annual profits after tax (more than £10 million over five years) to good causes in our region.

In 2024/25, the Community Fund awarded over £2 million to over 113 organisations. Since the Community Fund's inception, we have awarded over £11 million to 896 organisations across our region.

[CLICK](#) here to view our Community Fund Report

SUPPORTING OUR CUSTOMERS

To be truly impactful in our communities, we need to help more of our customers who need support today. Our average combined bill for the year remains the second lowest in England. Even though our bills are low, some customers have difficulty paying and we make it clear to our customers that we do not want anyone to fear their bills.

So far this year we have provided over £88 million of support for around 290,000 of our customers. Between 2025 and 2030, we are doubling the number of households who might be eligible to receive financial help with a new £575 million package of support. That means around one in six customers across our region, or nearly 700,000 households, could receive help with their bills.

In respect of our vulnerable customers, we also aim to reach out to as many customers as possible to find those who might need additional support from us. We now have 9.9% of our customers signed up to our PSR. Our PSR ensures those who need additional support are prioritised during an incident so we can provide them with bespoke communication and a personalised service.

We're committed to supporting customers in vulnerable circumstances through our **Priority Services Register (PSR)**. This includes tailored services such as alternative communications, mobility assistance, incident support, and enhanced home visit security. With over 415,000 households registered, we regularly review entries to ensure support reaches those who need it most—delivering a more personalised and effective service.

CUSTOMER VULNERABILITY STRATEGY

In addition to our focus on our PSR, our Customer Vulnerability Strategy outlines the support and services we offer to customers in vulnerable situations, particularly those who need extra help accessing our services. Our Strategy sets out our approach to tackling vulnerabilities, ensuring that our services are accessible for all - particularly those who need help - and we continue to improve our offering within our region through associated programmes such as our Societal Strategy. You can read more on our website using the link below.

[CLICK](#) here to view our Customer Vulnerability Strategy

SOCIAL VALUE

We launched our Societal Strategy in November 2022 to support 100,000 people who are at risk of water poverty over 10 years. Our focus has been on skills development, training, and employment across areas of high deprivation within our region. We have proudly supported more than 26,000 people, generating nearly £7 million of Social Value since 2022. This is supported by our employee volunteering programme, which gives all employees two paid days per year to participate in voluntary work in our communities.



Severn Trent Plc
Sustainable Bonds
Allocation and
Impact Report 2025

Severn Trent Plc
Registered office:
Severn Trent Centre
2 St John's Street
Coventry
CV1 2LZ

www.severntrent.com

Registered in England and Wales
Registration number: 2366619



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