POLLUTION INCIDENT REDUCTION PLAN 2026

Published 26th March 2026

HAFREN DYFRDWY
severn dee

STATEMENT FROM OUR MANAGING DIRECTOR

Protecting the places around us is one of the most important things we do at Hafren Dyfrdwy. Our relationship with the natural world is critical - healthy rivers are not just vital to the communities we serve, but to the success of our business. In every way, Hafren Dyfrdwy's long-term progress goes hand-in-hand with the wellbeing of waterways.

I am, therefore, proud to present our first Pollution Incident Reduction Plan (PIRP) which highlights some of the great work we are undertaking to reduce our impact on our environment.

We are starting from a strong position. We have had zero serious pollutions since our inception in 2018 and have had an average of 2.5 Cat 3 pollutions per year from our sewerage assets in that same time. We are clear that our ambition is to get to zero pollutions by 2030.

We started AMP8 with an ambitious investment programme for wastewater and water distribution assets, along with a clear focus on improving our root cause analysis process.

Our plan for 2026 is to continue and complete the initiatives we started in 2025, with the addition of improved operational response and increased proactive survey and maintenance activities.

We recognise that the changes to pollution regulation for 2026 - and the new GN018 guidance - means that our forecasts include much larger pollution numbers than we're used to and we're expecting our reported performance to appear to have deteriorated due to change in reporting methodology.

I'm keen to see the true impact of the changes and we'll adjust our targets as the new baseline becomes clear. I approve of this Pollution Incident Reduction Plan and fully support the strategy and interventions within it.

James Jesic
Managing Director,
Hafren Dyfrdwy

- **Zero serious pollutions** in AMP7
- **Zero Cat 1-3** pollutions from sewage pumping stations, rising mains or water treatment works in 2025
- EDM monitors installed at **100% of Combined Sewer Overflows**

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Hafren Dyfrdwy

Which translates as "Severn Dee" – was formed in 2018 from the coming together of Dee Valley Water and Severn Trent to form a new water service for our customers in Wales.

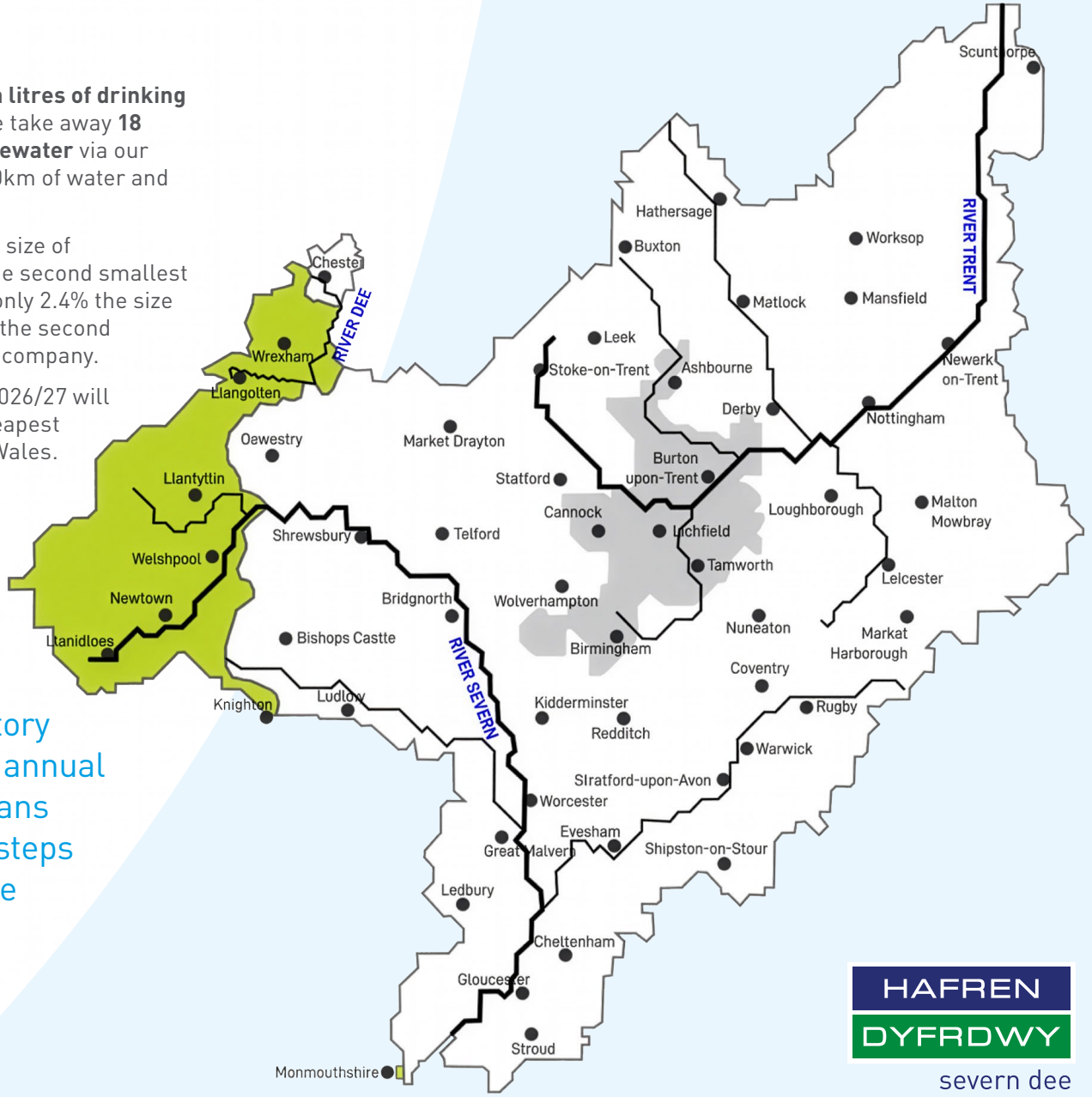
We have **over 200 employees** based across our office locations and operational sites.

We provide clean water to around **106,000 properties** and wastewater removal and treatment for around **21,000 properties** in the heart of Wales. We are funded entirely by revenue from these customers.

We provide **61 million litres of drinking water per day** and we take away **18 million litres of wastewater** via our network of over 3,000km of water and sewer pipes.

We're only 28% of the size of Portsmouth Water, the second smallest water company, and only 2.4% the size of South West Water, the second smallest wastewater company.

Our average bill for 2026/27 will be £635, the third cheapest across England and Wales.



The government has introduced a new statutory requirement for water companies to publish annual plans, called Pollution Incident Reduction Plans (PIRPs), to increase transparency about the steps they are taking to address these performance issues, reduce pollution incidents and their impact on the environment.

Natural Resources Wales PIRP Guidance 2026

HAFREN DYFRDWY
severn dee

What is a pollution incident?

If any polluting matter escapes from any of our assets and comes into contact with surface waters or a watercourse, this is classed as a pollution incident.

When we talk about 'assets' we mean any part of our equipment we use to provide water to customers in our region and treat wastewater to safely return to the environment. Examples include sewers and storm overflows, sewage treatment works and pumping stations, clean water mains and supply pipes.

Water quality regulation

Our impact on the environment is closely regulated by Natural Resources Wales(NRW). They classify each pollution using four environmental impact categories:

- **Category 1:** Major, serious, persistent or extensive adverse effect or damage to the environment, people or property, or to NRW's assets, operation or reputation;
- **Category 2:** Significant adverse effect or damage to the environment, people or property, or to NRW's assets, operation or reputation;
- **Category 3:** Minor or minimal adverse effect or damage to the environment, people or property, or to NRW's assets, operation or reputation;
- **Category 4**: An incident/occurrence that had no environmental or organisational impact.

We use these categories when tracking performance and setting targets, and they are referred to throughout this plan.

Environmental Performance Assessment

The Environmental Performance Assessment (EPA) was introduced in 2011 as a tool for comparing performance between water companies and across years for several core requirements. Three of the Seven performance metrics relate to pollution incidents:

- Serious Pollution Incidents – Category 1 and 2
- Total Pollution Incidents – Category 1 to 3
- Self-reporting of Pollution Incidents - The percentage of Category 1, 2 and 3 pollution incidents self-reported by a water company to NRW

Due to our size, Hafren Dyfrdwy do not receive a formal EPA rating but NRW use the EPA metrics to assess our performance in their annual water company performance report, published every year between July and October.

For 2025, our pollution target was 3 to align with our ODI.

Pollution Regulation Changes

Guidance Note *GN018 – Water company pollution incidents* was published in December 2025 and went live from 1st January 2026. A key change is the removal of Cat 4 ('no impact') as an option for wastewater asset discharges into watercourses.

Due to the change in guidance for classification of pollutions, EPA methodology has removed the RAG scoring for Total Pollutions for 2026 and 2027 until a new baseline is understood.

Potential Impact of **GN018**

Other refers to a combination of other factors such as regulatory changes not already incorporated.

In AMP8, we have 2 pollution related Performance Commitment Levels (PCLs) set by Ofwat as part of our Business Plan:

- Total Pollutions PCL (Cat 1-3)
- Serious Pollutions PCL (Cat 1&2)

Total Pollutions PCL:

Purpose: This performance commitment (PC) is designed to incentivise the company to reduce the total number of pollution incidents that impact the environment.

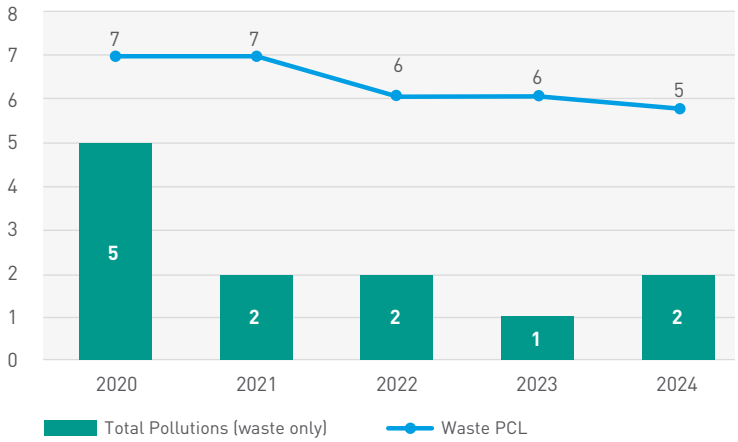
Benefits: Delivery of this performance commitment will improve the quality of the environment by reducing the total number of pollution incidents that occur.

AMP8 PC Measurement: Total number of pollution incidents per 10,000 km of the wastewater network. For Hafren Dyfrdwy, this equates to 60.48 incidents per 10,000 km of sewer length. In real terms the target for actual pollution incidents per year is 3.

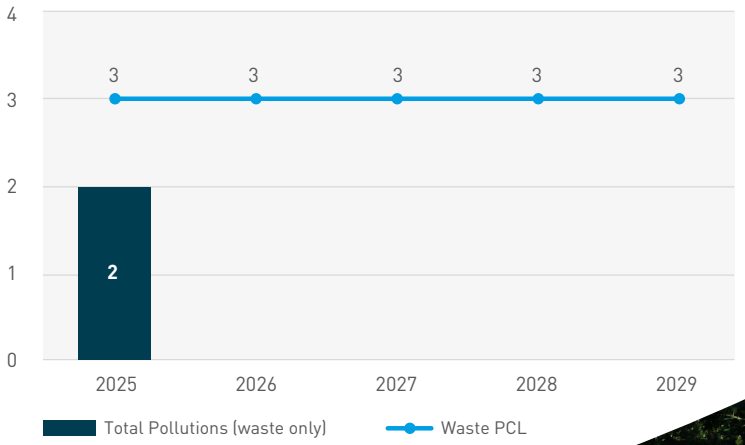
Serious Pollutions PCL:

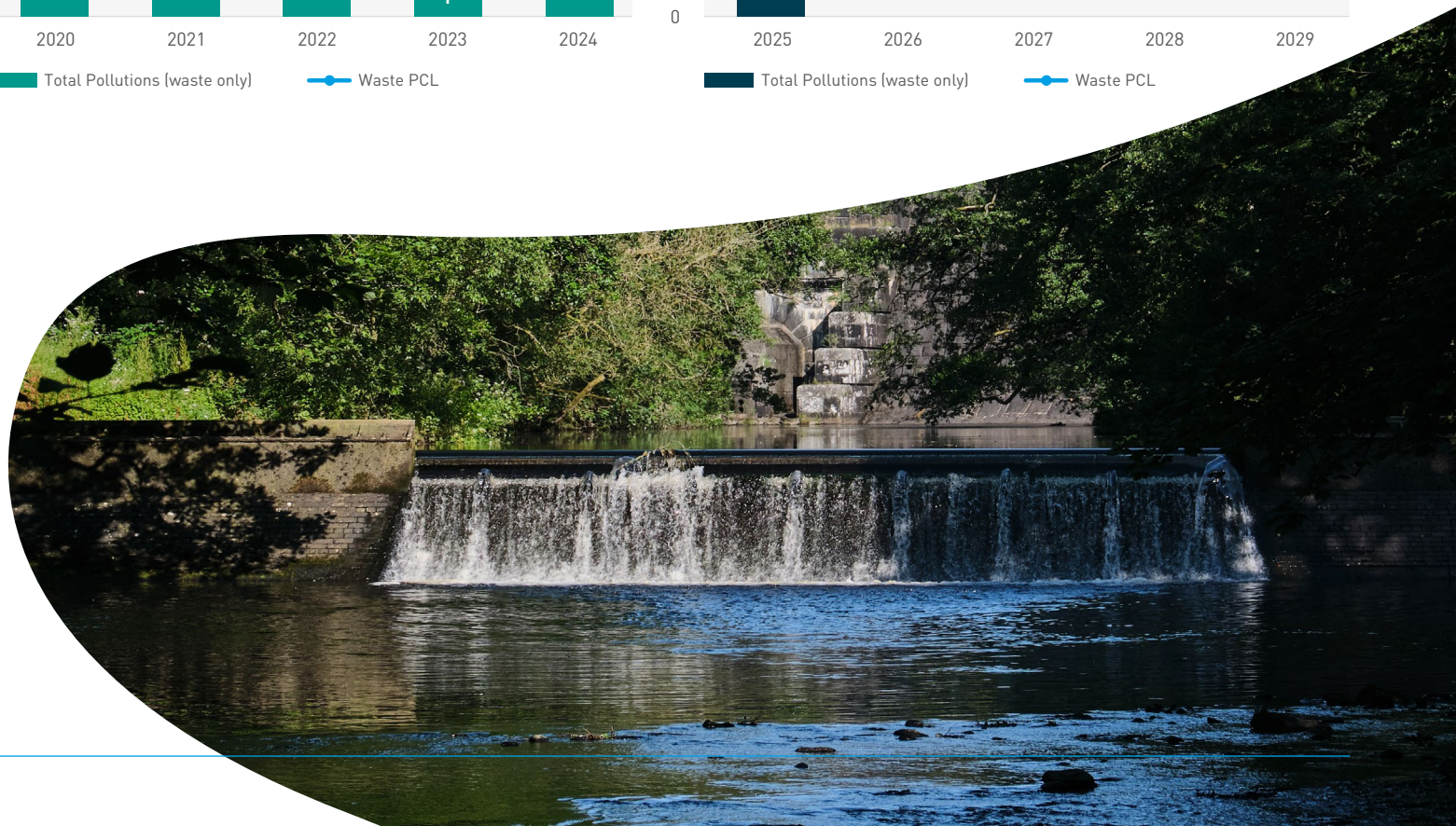
Our target for Serious Pollutions is **ZERO** throughout AMP8.

AMP7 Total Pollution PCL (Cat 1-3)



AMP8 Total Pollution PCL (Cat 1-3)





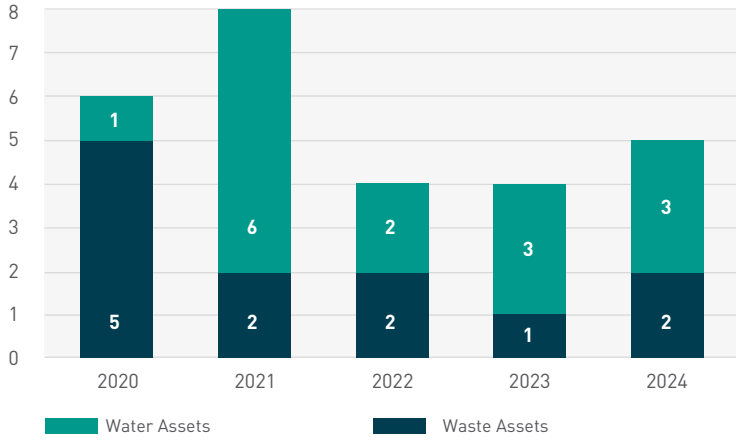
OUR JOURNEY 2020-2024

OUR JOURNEY LOOKING BACK

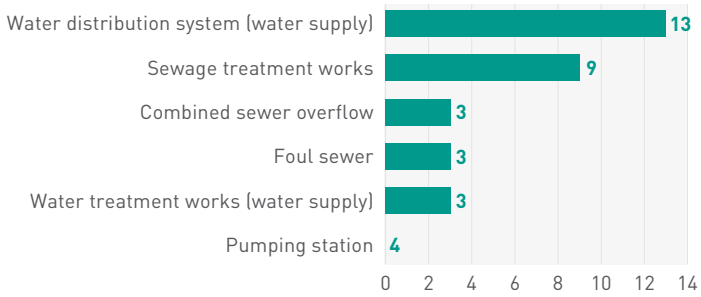
Since the formation of Hafren Dyfrdwy (in 2018) we have not been required to take any enforcement action higher than a warning against them in response to pollution incidents or non-compliance with environmental permits.

NRW 2024

AMP7 Pollutions (Cat 1-3)



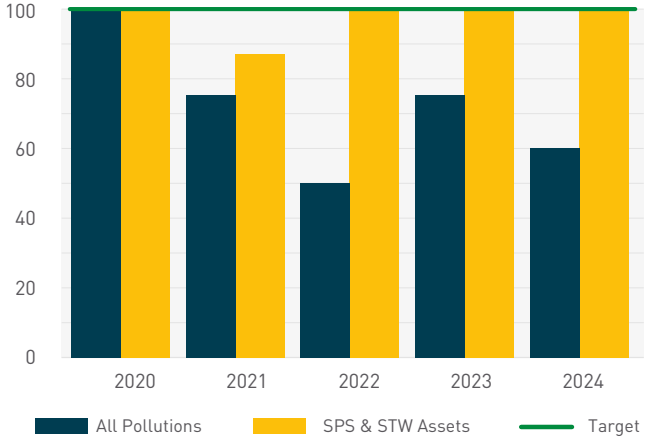
AMP7 Cat 1-3 Pollutions by Asset Class



Serious Pollution Incidents

Since the formation of Hafren Dyfrdwy in 2018, there have been no serious incidents (Category 1 & 2) recorded

Percentage of Pollution Self-reported



High self-reporting rates show we understand our networks, monitor them effectively, and can respond quickly to minimise environmental harm.

Asset Class Performance

In 2025 we had zero Cat 1-3 pollutions from 4 of the 7 asset classes that pollutions can be recorded against:

- Sewage Pumping Stations
- Combined Sewer Overflows
- Rising Mains
- Water Treatment Works

Sewage Pumping Stations haven't caused a Cat 1-3 pollution since 2018, that's 7 years pollution free on this asset class.

Rising Mains have never caused a Cat 1-3 pollution since the creation of Hafren Dyfrdwy in 2018, that's 7 years pollution free.

Serious Pollutions

Since the formation of Hafren Dyfrdwy in 2018, there have been no serious incidents recorded (Category 1 & 2).

Root Cause Analysis Improvements

In 2025 we have revamped our Root Cause Analysis (RCA) process and tools across all asset classes. We have moved away from capturing causal factors and now go further to trace back to the true root cause. Whilst in the past we focused heavily on asset-related causes, we have now expanded our lens to include all 5 SWAMP organisational units (Skill, Work Environment, Assets, Management, Process) capturing the full spectrum of errors, shortfalls, and systemic failures. The new process includes agreeing targeted improvement actions for every identified root cause.

This additional detail in our Root Cause data has already been put to use in 2025 to ensure our Pollution Incident Reduction Plan (PIRP) interventions are making improvements in the right areas and to provide assurance on the effectiveness of our plans.

You can find our RCA data broken down for each asset type that has caused pollutions in 2025 in the 'Our Plan' section of this PIRP and the intervention tables include a column to link each intervention to the root cause it's addressing.

Key Achievements

- **100% EDM Coverage**
- **21 Cameras installed on our STW outfalls**
- **Zero Serious Pollutions**

OUR PLANS 2025-2029

ZERO Pollutions

It's our ambition for AMP8 to have no Serious or Category 1-3 pollutions.

Our Pollution Incident Reduction Plan (PIRP) focuses on the three asset classes that caused pollutions in 2025:

- Sewage Treatment Works
- Foul Sewer
- Water Distribution

This section of our PIRP addresses each asset class individually, taking a deep dive into:

- 2025 pollution performance and root causes
- Interventions we undertook in 2025
- The interventions we'll deliver in 2026 and beyond

What is DWMP?

Hafren Dyfrdwy's Drainage and Wastewater Management Plan (DWMP) is our 25-year plan for improving and maintaining our drains and wastewater systems against future pressures of climate change, population growth and urbanisation. We will check and update our plan every five years, which is a cycle of our DWMP. Right now, we're using DWMP23 (Cycle 1) which helps guide how we'll invest from 2025 to 2030.

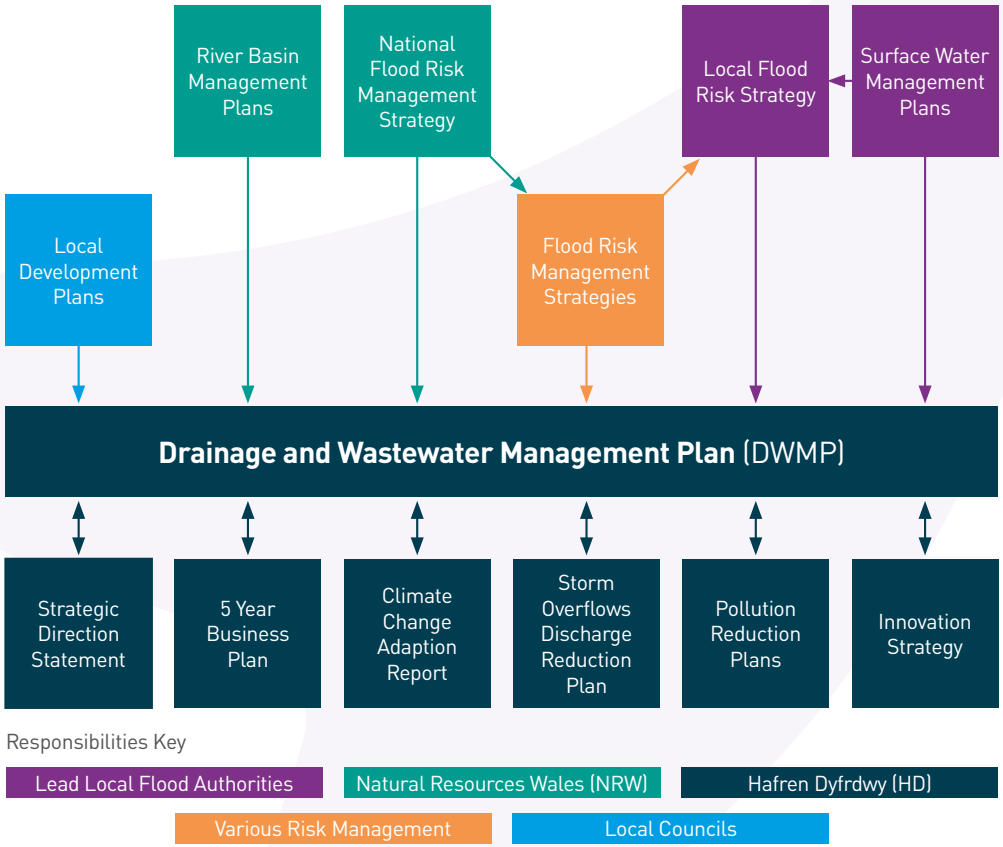
DWMP23 shaped key areas like storm overflow reduction, sewer flooding improvements and making sure our sewage treatment works can handle more people as communities grow. You can view our current DWMP on our website **HERE**

We're currently working on the next plan, DWMP28 (Cycle 2), which will help us decide where to invest from 2030 to 2035. We'll publish this in 2028.

PIRP and DWMP

The new guidance for statutory PIRPs requires a direct link to be made between PIRP interventions and the recent pollution performance issue they're addressing, as identified in our DWMP. As we wrote our current DWMP before this requirement, it currently doesn't identify recent pollution performance issues in this way. However, we will make these links within our first statutory DWMP publication in 2028.

Inter-relationship of other frameworks and strategies to DWMP



High level links

Whilst we're unable to make direct links between PIRP interventions and DWMP recent pollution performance issues for now, the documents do align. Both our PIRP and DWMP highlight that capacity and asset health are influencers of pollution.

Our DWMP identifies that climate change, population growth and urban creep will increase pressure on our wastewater systems between now and 2050. By 2050, climate change will increase the risk of flooding. With warmer, wetter winters, we'll see more extreme heavy rainfall events, increasing the risk of rivers breaking their banks or saturated ground flooding. And while summers will be drier, we'll see more frequent, heavier, torrential downpours that could spark localised flash flooding as drains fill and the excess water has nowhere to go.

Our current DWMP identified that we think the number of people we serve will grow by 19% by 2050. The increase in paving over grassy areas, known as urban creep – means there will be more rainfall run-off and less absorbed into the ground.

Over the coming years we forecast the collective impact of these factors to increase risk of wastewater capacity becoming overloaded, meaning that flooding will affect more customers, more frequently, with greater severity which will have knock on impacts to the environment and service levels for our customers.

Our PIRP includes interventions to address both capacity and asset health concerns. Our interventions to increase and improve telemetry coverage will aid our understanding of asset health, supporting capital improvements and asset renewal interventions.

SEWAGE PUMPING STATIONS

OUR PLANS SEWAGE PUMPING STATIONS

About our sewage pumping stations

We have 78 pumping stations across our region, which distribute sewage towards final treatment by pumping it uphill, using pressurised pipes called rising mains.

At most pumping stations, sewage drains into a well and collects until it reaches a set level. The pumps then start up and take the sewage out of the well through a rising main, either to another sewage drainage area, where it will eventually flow into another pumping station, or directly to a sewage treatment works.

Nine of our sewage pumping stations have a hydraulic relief in the form of an overflow, which helps avoid sewage backing up and flooding our customers should the station be out of operation for an extended time due to circumstances out of our control i.e. power failure.

2025 Performance

We had no Cat 1-3 pollutions from this asset class in 2025.

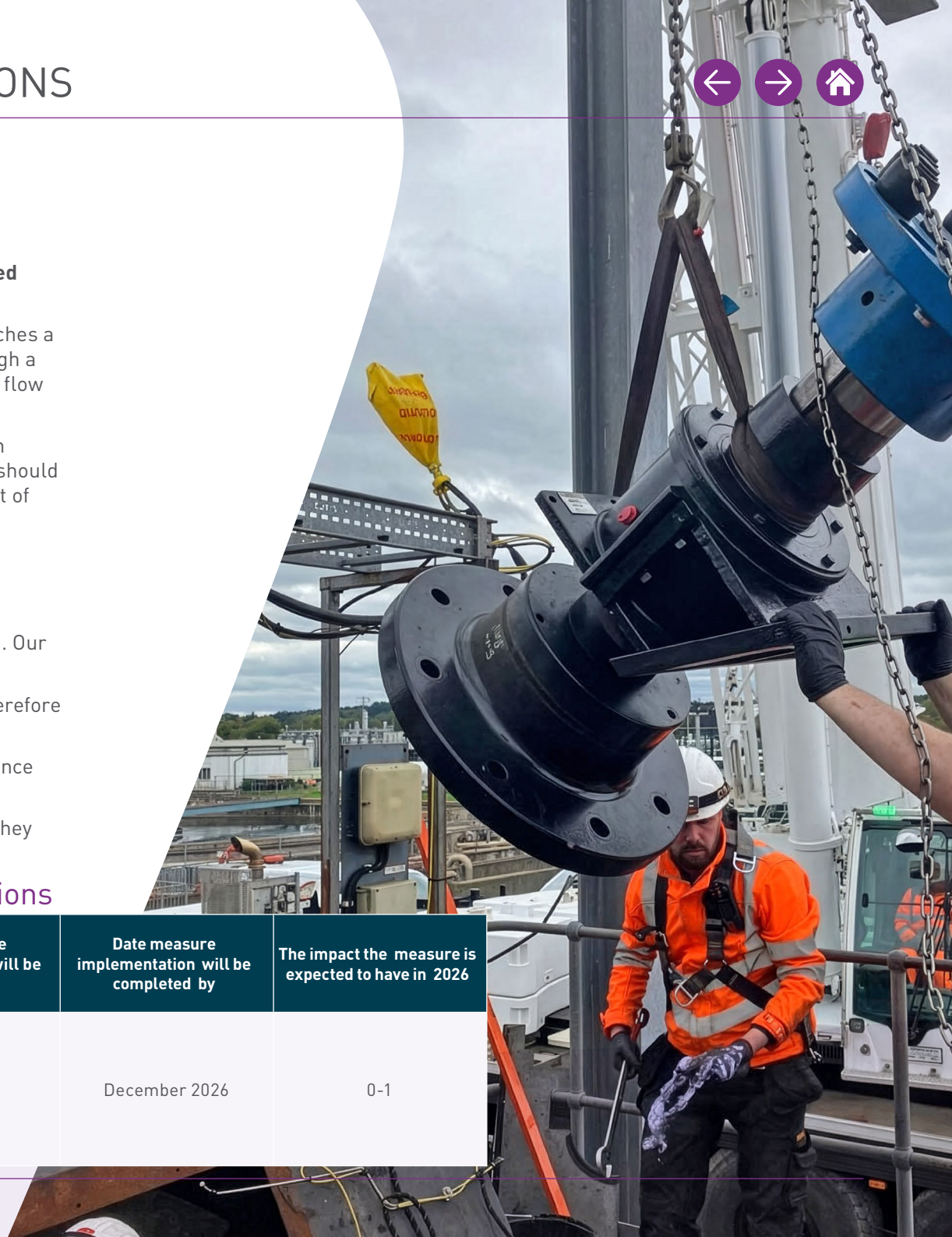
We had no Cat 1-3 pollution from this asset class across AMP7 (2020 – 2024). Our last Cat 1-3 pollution from SPS was in 2018.

However, we recognise there is a pollution risk with this asset type and are therefore planning the following proactive activities for 2026:

- We are introducing a new dedicated Proactive Implementation and Maintenance team (PRIME)
- By focusing in on proactive upgrades such as generator installation points, they will add a critical layer of resilience to our infrastructure

2026 plans to reduce risks at Sewage Pumping Stations

Measure	SMART Target	The root cause(s) addressed by the measure, as identified in our RCA data	Date measure implementation will be started by	Date measure implementation will be completed by	The impact the measure is expected to have in 2026
Operating model enhancement	Invest in a new PRIME team to undertake a rapid recovery, overhaul and enhancement of Sewage pumping stations.	Asset Failure	January 2026	December 2026	0-1



SEWAGE TREATMENT WORKS

2025 Performance and Root Cause Analysis Data

Our 50 sewage treatment works use mechanical and biological processes to clean wastewater from sewers and rising mains, returning treated water back to the environment. These works range in size from a the size of a small septic tank, all the way to much larger sites like Newtown serving the population equivalent of over 5,000 people.

Pollution incidents can occur when the water leaving the site isn't up to standard, or when blockages or failures occur and sewage overflows into the watercourse rather than passing through the works.

Cat 1-3 Root Cause Analysis Data

Fault	Number of Category 3 pollution incidents	Proportion of Category 3 pollution incidents	Root Cause	Number of Category 3 pollution incidents	Proportion of Category 3 pollution incidents
Asset inundation	1	100%	Hydraulic overload	1	100%

2025 Sewage Works Pollutions by month

Month	No. Cat 3 pollutions
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
Total	**1**

Review of 2025 Intervention Progress

Here are the steps we took in 2025 to maintain our system and reduce pollution risk which were above and beyond our routine monitoring and maintenance activities.

Measure	**Intervention Description**	**The root cause(s) addressed by the measure, as identified in our RCA data**	**Pollution Performance Factors to be considered in our new DWMP**	**Delivery status of the measure at the end of 2025** (pre-existing, delivered in year, in progress)	**The impact the measure has had in 2025.** (No. of cat 1-3 incidents prevented)
Telemetry installation	Condition Based Monitoring (CBM) installation at Knighton STW.	• Asset failure	• Enabler – provides information on asset health	In progress	Enabler

Interventions for 2026

Here are the steps we plan to take in 2026 to maintain our system and reduce pollution risk. Some actions will extend into the rest of AMP8.

Measure	SMART Target	The root cause(s) addressed by the measure, as identified in our RCA data	Pollution performance factors to be considered in our new DWMP	Date measure implementation will be started by	Date measure implementation will be completed by	The impact the measure is expected to have in 2026 (No. of cat 1-3 incidents prevented)
Operator Self Monitoring (OSM) Audits.	Complete 25 first line technical audits per year to ensure key processes and controls are optimised and robust.	• Asset failure • Asset maintenance	• Enabler – provides information on asset health	January 2026	December 2026	0
Telemetry installation	Condition Based Monitoring installation at Knighton Sewage Treatment Works.	• Asset failure	• Enabler – provides information on asset health	In Progress	December 2026	0-1
Telemetry installation	Install 4 Final Effluent monitors at sites with P reduction (Phosphorous reduction) schemes due to be delivered in AMP8.	• Asset failure • Asset maintenance	• Enabler – provides information on asset health	April 2026	December 2029	0-1
Enhanced incident response	Procure petrol over-pumps for 3 sewage works.	• Asset inundation – Hydraulic overload	• Operational efficiencies and improvements	March 2026	December 2026	0-1

FOUL SEWERS

About our foul sewers

Our sewer network is approx. 495km long, and includes small lateral drains just 10cm across. Some sewers are 50 – 100 years old, while others are brand new.

Pollution events can happen when untreated sewage reaches the local environment, either through a breach in the sewer itself or backflow from a blockage.

While the technology now exists to monitor our sewers in real-time, it has only become viable in the last 10 years. We have plans to install approx. 25 sewer monitors and sensors during AMP8 so we can respond to problems.

Cat 1-3 Root Cause Analysis Data

Fault	Number of Category 3 pollution incidents	Proportion of Category 3 pollution incidents	Root Cause	Number of Category 3 pollution incidents	Proportion of Category 3 pollution incidents
Blockage	1	100%	Blockage	1	100%

2020-2024 Performance and Root Cause Analysis Data

However, we have had three pollutions from foul sewers across the earlier part of AMP7:

Month	2020	2021	2022	2023	2024
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total	**2**	**0**	**0**	**0**	**1**

2025 Foul Sewer Pollutions by month

We have had one pollution from this asset class in 2025.

Month	No. Cat 3 pollutions
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
Total	**1**

Therefore we are have undertaken a number of proactive activities during 2025 and plan to build on these between 2026 and 2029. You can see more detail on our plans for foul sewers on the following pages.

Review of 2025 Interventions Progress

Here are the steps we took in 2025 to maintain our system and reduce pollution risk.

Measure	Intervention Description	The root cause(s) addressed by the measure, as identified in our RCA data	Pollution Performance Factors to be considered in our new DWMP	Delivery status of the measure at the end of 2025 (pre-existing, delivered in year, in progress)	The impact the measure has had in 2025. (No. of cat 1-3 incidents prevented)
Customer engagement	Complete 100 FSE visits, including follow-up visits after pollution incidents related to fats, oils and grease blockages. Complete 250 door step engagement interventions with domestic customers: • 1171 properties visited and 395 conversations = 33% success at door • 93 FSE visits completed including 116 points of contact with business owners via emails and visits • 13 new FSEs added to the register	• Blockage - sewer misuse	• Network abuse • Operational efficiencies and improvements • Asset deterioration	Delivered in year	0-1
Mains interceptor maintenance programme	Infiltration investigations completed in 15 catchments.	• Asset inundation – infiltration	• Hydraulic capacity	Delivered in year	0-1
	Undertook c.20 days of proactive CCTV surveys in 2025.	• Blockage – roots ingress • Asset defect	• Asset deterioration	Delivered in year / in progress	0-1
Implementation of proactive cleaning and maintenance	The planned cleanse of 493 pipes was successfully completed as part of the 2025 scheduled maintenance programme. This activity was initiated to uphold system reliability, prevent debris-related flow restrictions, and ensure continued operational compliance throughout the upcoming service period.	• Blockage • Asset maintenance	• Network abuse • Operational efficiencies and improvements • Asset deterioration	Delivered in year	0-1
Remedial capital asset improvements	Repaired, enhanced or replaced 47km of gravity foul sewers and 1km of rising main.	• Structural defect • Asset failure	• Asset deterioration	Delivered in year	0-1

Interventions for 2026

Hear are the steps we plan to take in 2026 to reduce risks at foul sewers.

Measure	SMART Target	The root cause(s) addressed by the measure, as identified in our RCA data	Pollution Performance Factors to be considered in our new DWMP	Date measure implementation will be started by	Date measure implementation will be completed by	The impact the measure has had in 2025. (No. of cat 1-3 incidents prevented)
Customer engagement	Complete 80 FSE visits per annum to include reactive and proactive engagements. Reactive cases to include root cause analysis visits after pollution incidents related to fats, oils and grease blockages. Complete 1000 door step engagement interventions per annum with domestic customers.	• Blockage – sewer misuse	• Network abuse	• January 2026	December 2026	0-1
Mains interceptor maintenance programme	Infiltration investigations to be completed in 6 catchments.	• Asset inundation - infiltration	• Hydraulic capacity	• January 2026	December 2026	0-1
	40 days of proactive CCTV surveys carried out in 2026.	• Blockage - roots ingress • Asset defect	• Asset deterioration	• January 2026	December 2026	0-1
Implementation of proactive cleaning and maintenance	Planned sewer cleansing programme will be carried out during 2026 consisting of 146 pipes. Includes systematic cleaning of sewer pipes to remove debris, silt, grease, and other build-ups that can restrict flow.	• Blockage • Asset maintenance	• Network abuse • Asset deterioration • Operational efficiencies and improvements	• January 2026	December 2026	0-1
Telemetry installation	Install 25 sewer monitors by March 2027.	• Blockage	• Enabler - provides information on asset health	• January 2026	March 2027	0-1

COMBINED SEWER OVERFLOWS

About our Combined Sewer Overflows

We have 54 combined sewer overflows ('CSOs') across our network. They are designed to act as a relief point when combined sewers are overwhelmed with rainwater, in order to prevent the worst types of impacts for our customers.

During periods of heavy or prolonged rain, the water that runs off from roads, drives and properties can enter our sewers. This mixes with foul wastewater we take away from our customers and businesses in what we call a combined sewer.

When the level of the water and sewer rises, to prevent flooding to customers properties, our sewers have CSOs. To help limit their impact on the environment, NRW set strict guidelines in our permits on when we can use CSOs.

CSOs are an important asset as without them there is a potential risk of flooding of homes and businesses, which are the worst impacts for customers. It is important that the overflows operate within the terms of their permits so as not to have a detrimental environmental impact on the receiving watercourse.

2020-2024 Performance

We have had 3 pollutions from CSOs across the earlier part of AMP7:

Month	2020	2021	2022	2023	2024
January					
February					
March					
April					
May					
June					
July					
August					
September					
October					
November					
December					
Total	**1**	**0**	**1**	**0**	**1**

2025 Performance and Root Cause Analysis Data

We had no pollutions from this asset class in 2025.

Our success is down to a robust delivery of regular CSO inspections called 'golden measures' (GM). We carried out 190 of these measures in 2025 and are proposing to undertake approximately 150 'golden measure' checks in 2026.

PR24 Spill Reduction Investment Business Case

In August 2024, in response to Ofwat's draft determination, we submitted an enhancement business case setting out proposals for a major improvement in the performance of our storm overflows by 2030.

Our original PR24 plan set an ambition to achieve an average of 29.8 spills per overflow, by 2030. The enhancement case **set out a 'no regrets' plan to go even further and deliver and overall average of fewer than 20 spill events a year by 2030.**

We operate a total of 54 storm overflows which discharge to rivers during high rainfall events:

Measure	2022	2023	2022 and 2023 average
Total spill count	1,728	2,225	1,976
Total spill duration (hours)	12,611	18,166	15,389
Average spill count per overflow	32.00	41.20	36.60
Average spill duration (hr)	7.30	8.17	7.79
Number overflows spilling >20 pa	24	34	28
Annual rainfall (mm)	850	1,143	-
Rainfall variance from long term average (%)	-14	+16	-

What we are proposing to do

- We are prioritising high-spilling overflows that have been identified through ongoing investigations, where we have evidence of harm being caused to the environment.
- In AMP8, we will invest ~£11m to improve 15 of our 54 overflows, across thirteen schemes, to reduce our average overflow spill frequency to <20 a year.
- Our programme contains a number of solutions, taking advantage of green/blue options with a key consideration on resilience to the pressures of climate change and population growth:

Solution type		AMP8 enhancement totex £m[1]
Separation / SUDs	Removal of surface water from the sewer system.	0.12
System optimisation	Maximising capacity of existing systems through flow attenuation, raising overflow weirs, removing sewer capacity pinch points and network reconfiguration.	1.51
Optimised treatment capacity	Optimise capacity at sewage treatment works to increase average peak flow through treatment.	7.48
Stormwater storage	Provision of traditional grey storage solutions.	1.84
Total		10.95

> AMP8 will see our largest ever investment in wastewater asset improvements, including £11m at storm overflows to deliver fewer than 20 spills a year by 2030.
>
> Hafren Dyfrdwy

RISING MAINS

About our rising mains

We use rising mains to move sewage uphill across our varied terrain, using pumping stations. We have 35km of rising mains in Hafren Dyfrdwy, which account for just under 7% of sewer infrastructure length. Like sewers they are largely underground and invisible.

They can contain large flows at high pressures, which can present risk of pollution in the event they leak or burst. We proactively manage pressures in our rising mains to manage this risk.

2025 Pollution Performance

We had no Cat 1-3 pollutions from this asset class in 2025.

Since the formation of Hafren Dyfrdwy in 2018, there have been no Rising Main Pollutions recorded.

Here are some of the activities we've been working on in 2025 to help maintain zero pollutions at this asset class:

- Proactive inspections of Non-Return Valves (NRVs) and Air Valves across the HD sewer network

Here are some of the additional activities we're planning for 2026.

- Undertake proactive CCTV investigations of rising mains to assess asset health
- Continue our programme of proactive inspections of NRVs and Air Valves across the network

WATER DISTRIBUTION

2025 Performance and Root Cause Analysis data

Our water distribution network carries potable water, which is clean drinking water. We have over 2600km of pipes under the ground that we keep pressurised to ensure water reaches our customers' taps, whenever they need it.

In the event of a leak or burst on our network, clean water could enter rivers, in our region, where it could be harmful to fish due to the chlorine it contains. However, chlorine dissipates quickly with any overland flow and often, due to this, it has no impact at all.

The other impact than can occur is when a burst pipe causes additional terrestrial material to enter the river, like soil and sand (we refer to this as suspended solids). This can change the habitat of the species that live there. If large quantities of suspended solids arise then it can reduce the oxygen on the river-bed and may cause harm to species that live there (mainly invertebrates that sustain the food web above them). This is an uncommon event.

For smaller bursts the deposition of materials is much like a river being in spate or flood – the difference being that those 'extra' materials would not have been there if it weren't for our activities. The solids change the nature of the riverbed, sometimes filling spaces that could cause certain invertebrate populations to be impacted.

Causes of Category 3 Pollutions

Fault	Number of Category 3 pollution incidents	Proportion of Category 3 pollution incidents
Burst water main	1	100%

2025 Water Distribution Pollutions by month:

We had one pollution from this asset class in 2025.

Month	No. Cat 3 pollutions
January	
February	
March	1
April	
May	
June	
July	
August	
September	
October	
November	
December	
Total	**1**

Review of 2025 Interventions Progress

Here are the steps we took in 2025 to maintain our system and reduce pollution risk.

Measure	Intervention Description	The root cause(s) addressed by the measure, as identified in our RCA data	Delivery status of the measure at the end of 2025 (pre-existing, delivered in year, in progress)	The impact the measure has had in 2025. (No. of cat 1-3 incidents prevented)
Staff training	Mandatory training for front-line staff to be delivered across AMP8.	• Enabler	Pre-existing	Enabler
Remedial capital asset improvements	Replaced 7.3km of mains water network in 2025.	• Asset failure	Delivered in year	0-1
Air valve maintenance	Installed 1 Pressure Regulating Valve (PRV)in 2025.	• Asset maintenance	Delivered in year	0-1
Smart valve installation	Use of technology to remotely close and open valves to reduce pressure transients and variance.	• Asset maintenance	Delivered in year	0-1
Management of clean water discharges	Leakage from DSRs can represent a pollution risk through cracks within reservoir structure or overtopping due to poor inlet control. 10 DSRs isolated for remediation in 2025.	• Asset maintenance	Delivered in year	0-1
Air valve maintenance	Undertaking pressure management via optimisation of existing PRVs. 26 valves were optimized in 2025.	• Asset maintenance	Delivered in year	0-1

Interventions for 2026

Here are the steps we plan to take in 2026 to maintain our system and reduce pollution risk. Some actions will extend into the rest of AMP8.

Measure	Smart target	The root cause(s) addressed by the measure, as identified in our RCA data	Date measure implementation will be started by	Date measure implementation will be completed by	The impact the measure has had in 2025. (No. of cat 1-3 incidents prevented)
Staff training	Mandatory training for front-line staff to be delivered across AMP8.	• Enabler	January 2026	December 2026	Enabler
Remedial capital asset improvements	Replace approx. 62km across AMP8; 7km of mains water network in 2026.	• Asset failure	January 2026	December 2029	0-1
Implementation of proactive cleaning and maintenance	Use of technology to remotely close and open valves to reduce pressure transients and variance.	• Asset failure	January 2026	December 2026	0-1
Management of clean water discharges	Leakage from DSRs can represent a pollution risk through cracks within reservoir structure or overtopping due to poor inlet control. Isolating 8 DSRs in 2026.	• Asset failure	January 2026	December 2026	0-1
Implementation of proactive cleaning and maintenance	Undertaking pressure management via optimisation of existing PRVs.	• Asset failure	January 2026	December 2026	0-1

WATER TREATMENT WORKS

OUR PLANS WATER TREATMENT WORKS

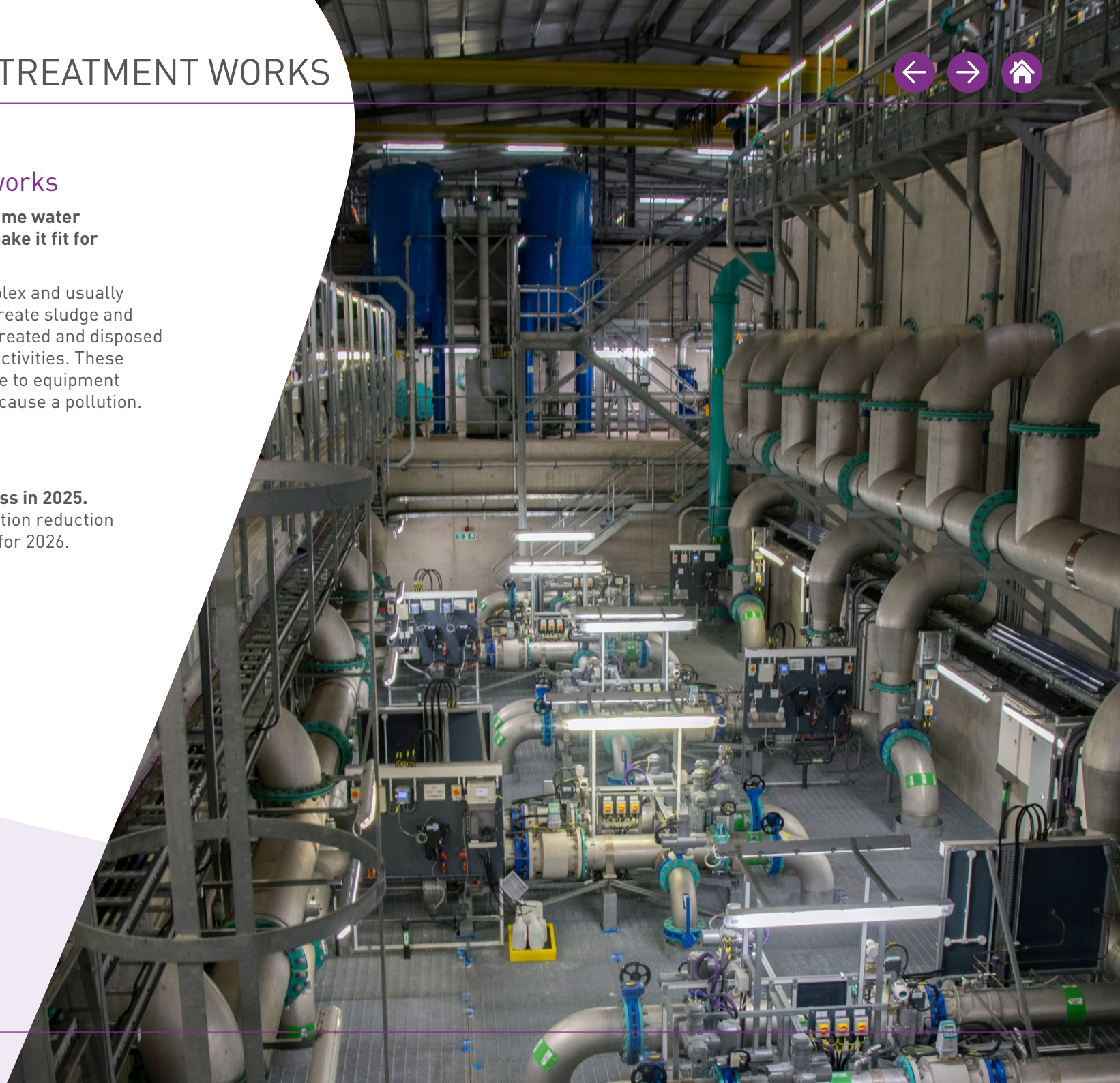
About our water treatment works

Water Treatment Works supply wholesome water to customers by treating raw water to make it fit for human consumption.

Our water treatment processes are complex and usually feature multiple assets. Some of which create sludge and wash water byproducts. These are then treated and disposed to the environment as part of permitted activities. These processes can sometimes breakdown due to equipment failure or power interruptions which can cause a pollution.

2025 Pollution Performance

We had no pollutions from this asset class in 2025. Therefore we did not undertake any pollution reduction activities in 2025 and have none planned for 2026.



ACROSS OUR ASSET BASE

Review of 2025 Intervention Progress

Here are the steps we took in 2025 to reduce pollution risk across our asset base.

Measure	Intervention description	The root cause(s) addressed by the measure, as identified in our RCA data	Date measure implementation will be started by	Date measure implementation will be completed by	The impact the measure has had in 2025. (No. of cat 1-3 incidents prevented)
Company cultural or behavioural change	Embed the Environment Champions initiative into our Customer Operations Directorate in 2025.	Enabler	Delivered in year	December 2026	Enabler
Improve root cause analysis techniques	Deliver a new, refined, Root Cause Analysis (RCA) framework and process.	Enabler	In Progress	December 2026	Enabler

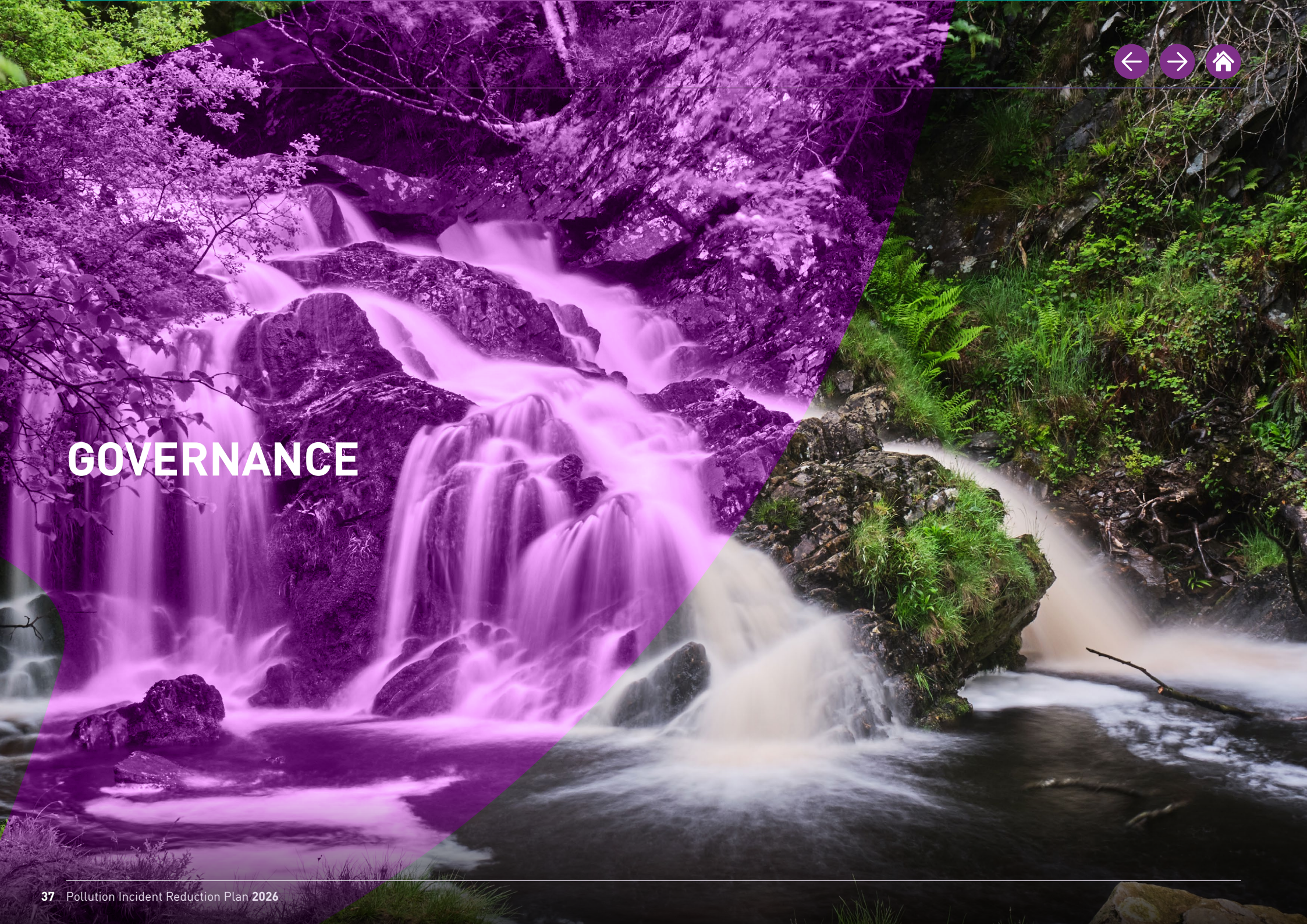
Interventions for 2026

Here are the steps we plan to take in 2026 to maintain our system and reduce pollution risk. Some actions will extend into the rest of AMP8.

Measure	Intervention description	The root cause(s) addressed by the measure, as identified in our RCA data	Date measure implementation will be started by	Date measure implementation will be completed by	The impact the measure has had in 2025. (No. of cat 1-3 incidents prevented)
Improve root cause analysis techniques	Enhance, Strengthen and Embed new Root Cause Analysis (RCA) process and migrate all RCA recording to new app.	Enabler	January 2026	December 2026	Enabler

Total Pollutions in 2025 by asset class and month

Asset Type	January	February	March	April	May	June	July	August	September	October	November	December	Total
Foul sewer	0	0	0	1	0	0	0	0	0	0	0	0	**1**
Sewage treatment works	0	0	0	0	0	1	0	0	0	0	0	0	**1**
Rising main	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Pumping station	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Rising main	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Water distribution system (water supply)	0	0	1	0	0	0	0	0	0	0	0	0	**1**
Water treatment works (water supply)	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Total Pollutions (Wastewater Only)	0	0	0	1	0	1	0	0	0	0	0	0	**2**



GOVERNANCE

GOVERNANCE

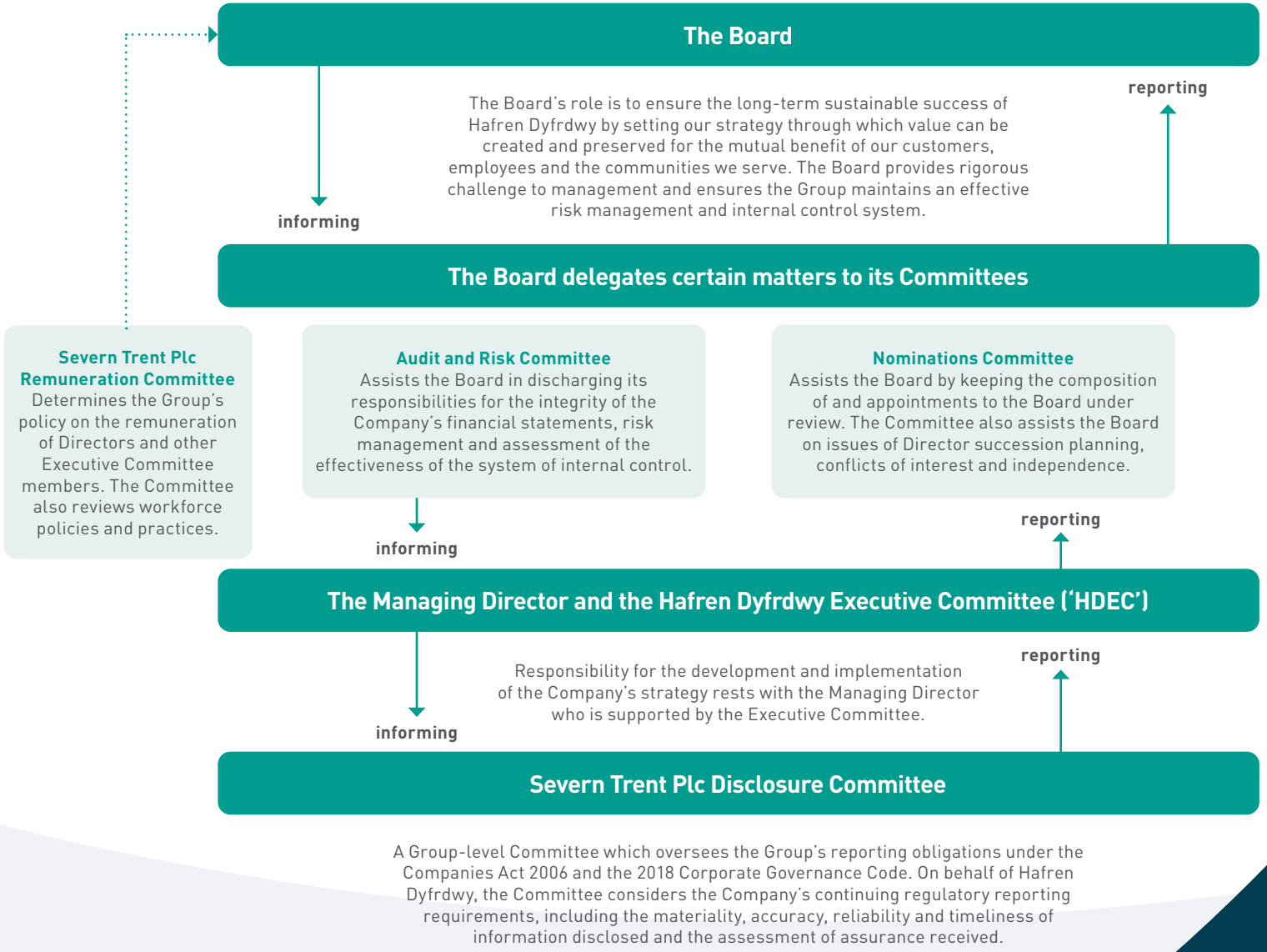
The values that guide us, the teams that lead us, the policies that shape us and the culture we create.

The Hafren Dyfrdwy Board is supported by the Severn Trent Plc Governance Framework, shown here.

The Governance Framework comprises the Board, Executive Committee and their respective Committees. It is subject to periodic review to ensure it remains appropriate.

In line with the 2018 UK Corporate Governance Code, the Board delegates certain roles and responsibilities to its various Committees. The Committees assist the Board by fulfilling its roles and responsibilities, focusing on their specific activities, reporting to the Board on decisions and actions taken, and making any necessary recommendations to the Board in line with its Terms of Reference.

Our Pollution Incident Reduction Plan has been reviewed and approved at all levels of the Governance Framework and **our Managing Director has personally approved the plan.**



GLOSSARY OF TERMS

Like many industries, we have lots of acronyms and technical terminology. We hope this glossary helps those of you less familiar with our industry to follow this plan.

AMP: Asset Management Period – The water industry develops plans on a five year basis. Each five year period is called an AMP, this AMP8 will cover 1 April 2025 to 31 March 2030.

CSO: Combined sewer overflow – an asset on our sewer network that acts as a relief point when combined sewers are overwhelmed with rainwater allowing discharge into rivers/ watercourse.

NRW: Natural Resources Wales – The environmental regulator.

EDM: Event Duration Monitor

EPA: Environmental Performance Assessment – an assessment framework used by the Environment Agency each year to report on environmental measures in the water sector. The NRW a similar framework for Wales.

GM: Golden Measures – Critical process parameters we measure through treatment processes to ensure we meet the required quality output – and warn of any issues in time to take corrective action.

ODI: Outcome Delivery Incentives – a performance mechanism set by Ofwat which allows companies to earn rewards if they beat targets and be penalised if they fail targets.

Ofwat: Economic regulator for the water sector.

Total Pollutions: The total of Category 1, 2 and 3 pollutions.

Serious Pollutions: the total of Category 1 and 2 pollution incidents

FOG: Fats, Oils and Greases

RAMP: Remote Asset Management Policy

OCC: Control Centre

IRT: Incident Response Team

RCA: Root Cause Analysis

FSE: Food Services Establishment

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