

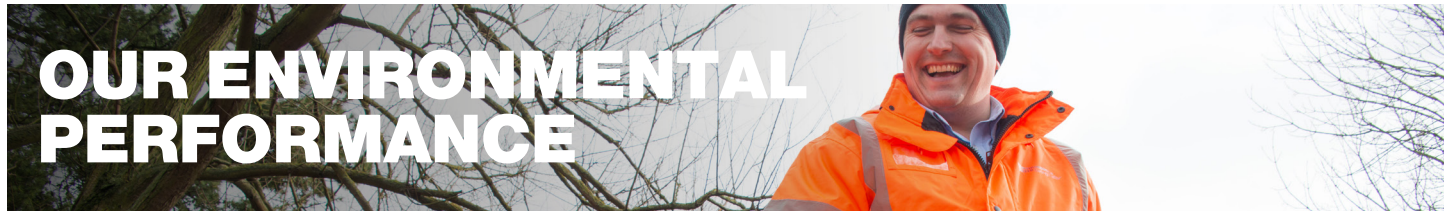
OUR ENVIRONMENTAL PERFORMANCE EXPLAINED



As a company, we are passionate about the environment. We have a strong track record protecting and enhancing our environment and are known to be leaders in this area.

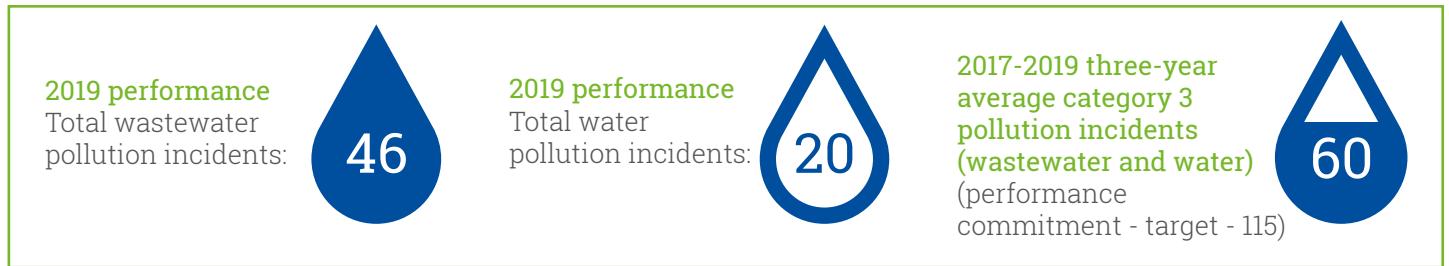
Our own stretching targets include having zero pollutions relating to our assets by 2025 and, thanks to initiatives including our [Pollution Incident Reduction Plan \(PIRP\)](#) and [Pollution Management Plan](#), we have moved into an industry leading position with the lowest number of pollution incidents per 10,000km of sewer. We have already achieved the reduction in pollution numbers expected of the industry, but our zero pollutions goal drives us to always strive for improvement.

We have also set ourselves a target of reaching carbon net zero status by 2027, three years ahead of the industry target and 23 years before the government's 2050 goal – and we are already more than half-way there, compared with our position in 2009.

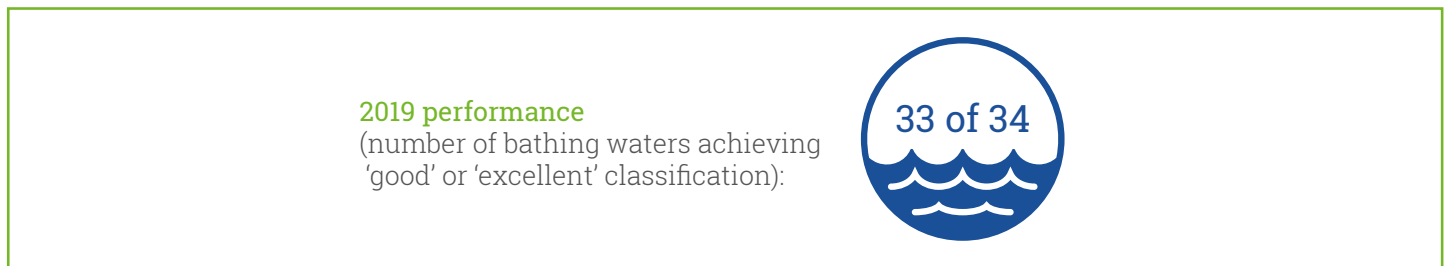


OUR ENVIRONMENTAL PERFORMANCE

POLLUTION



BATHING WATER COMPLIANCE



SEWAGE TREATMENT COMPLIANCE



THE ROAD TO NET ZERO CARBON

- We are committed to achieving net zero emissions in 2027;
- Our greenhouse gas emissions are now 54% less than 2008 levels;
- Our emissions reporting has achieved ISO14064-1 accreditation – demonstrating accurate and transparent reporting;
- We are leading the sector commitment to deliver a net zero water industry in 2030 (along with Anglian Water and Yorkshire Water);
- We plan to develop renewable energy generators at treatment works across the North East and South East to aid the transition to net zero.

ENVIRONMENTAL PERFORMANCE ASSESSMENT (EPA)

The **EPA** is a basket of measures on how well companies protect the environment. The measures cover things like how companies have prevented sewage getting into rivers, whether companies treat and dispose of sewage properly and if companies have good equipment and processes to treat sewage.

The Environment Agency collect the data from their own regulatory activities and from companies on how they have performed on these measures. **The Environment Agency** then use this data to form a scorecard and give an overall assessment.

OUR EPA RATING

In 2018, we were the only water company to achieve the highest possible four-star EPA from the **Environment Agency**. This was something of which we were rightly proud and 2019 saw us work extremely hard to emulate that top ranking.

Despite strong performance across the board in 2019, including an industry leading position with the lowest total pollutions per 10,000km of sewer, a single red marker automatically dropped us to two stars.

The EPA highlighted:

- Concentration breaches – where strict effluent quality guidelines are not met – at two of our sewage treatment works, one of which related to a third party disposing of unauthorised trade effluent into the sewerage network, and one at a water treatment works.
- Three quality control samples, which are taken to check that our laboratory process is producing accurate results. These fell outside of our own very strict tolerances required for one parameter, nullifying the real samples submitted. As these were taken in late December, there was no time for replacement samples to be taken, which would normally be allowed by the EA, and they were ultimately classed as ‘missing samples’, carrying a default classification as failures. The real samples themselves were within normal parameters and, as the Agency itself acknowledges in the report, these did not relate to ‘any known environmental impact’.

All other parameters were passed comfortably and, while this is a setback in an area of otherwise consistent strong performance, we are in a strong position for 2020.

ENVIRONMENTAL PERFORMANCE ASSESSMENT (EPA) 2019

Metric	Performance
Total pollution incidents per 10,000km ² (actual)	15 (sector average 37)
Serious pollution incidents per 10,000km ² (actual)	0.7 (sector average 0.9)
Discharge permit compliance (percentage)	96.6% (sector average 98.7%)
Self-reported pollution incidents (%)	80% (Sector average 80%)
Asset Management Plan/National Environment Plan scheme delivery (%)	100%
Security of supply index	100