

Pennon Group and South West Water Liaison meeting with the Future Water Association

Agenda

1. Overview of Future Water Association
2. Introduction to Pennon Group of Directors. - GRM
3. Overview of the Pennon Executive Management Team. - GRM
4. About Us - GRM
5. Management Teams, including - GRM
 - Engineering,
 - Waste Water Services,
 - Water Services,
 - Sustainability & Natural Resources,
 - Pennon Power & Procurement Team.
6. Pennon Group Priorities. - GRM
7. Procurement Group Process. - VW
8. Sustainability in the Supply Chain. - CC
9. Pennon Group Capital – Delivery Programme. - GRM
10. Technology & Innovation. - CC
11. Q&A.

Introduction to Pennon Group and South West Water

- Graham Murphy – Chief Engineering Officer

Pennon Group – Board of Directors

David Sproul - Chair

- Keith Haslett - Chief Executive Officer *
- ❖ *It was announced on the 2nd of October the appointment of Keith Haslett as the Chief Executive Officer & Executive Director & will join Pennon during Q1/Q2 - 2026*
- Laura Flowerdew - Chief Financial Officer
- Iain Evans - Senior Independent Director Non-Executive
- Dorothy Burwell - Independent Director Non-Executive
- Jon Butterworth - Independent Director Non-Executive
- Loraine Woodhouse - Independent Director Non-Executive
- Andrea Blance - Independent Director Non-Executive
- Sir Andrew Haines - Independent Director Non-Executive

Pennon Executive Management Team

Keith Haslett – Chief Executive Officer*

❖ *It was announced on the 2nd of October the appointment of Keith Haslett as the Chief Executive Officer & Executive Director & will join Pennon during Q1/Q2 - 2026*

- Laura Flowerdew -Chief Financial Officer
- Andrew Garard – Group General Counsel & Company Secretary
- Graham Murphy – Chief Engineering Officer
- Richard Price – Managing Director Waste Services
- David Harris - Managing Director Water Services
- Paul Ringham – Managing Director Pennon Power
- Sarah Heald – Chief Strategy, Regulatory Affairs, & Investor Relations Officer
- Carolyn Cadman – Chief Sustainability & Natural Resources Officer
- Ian Cain – CEO Retail & Customer Markets
- Sharon Gathercole – Group Chief People Officer

About us...

Our values



Water business

At Pennon Group, we provide clean and wastewater services through our businesses across the South West of England. Our team of c.4,000 talented colleagues work around the clock to deliver services to a population of c.4.2 million.

As a FTSE 250 listed company in the UK, strong governance is at the heart of our decision making as we focus on doing the right things, in the right way, every day.

We are investing more than ever before to deliver environmental benefits, and to support the achievement of our stretching commitments for customers and communities.

Since privatisation in 1989, we've invested around £13 billion in our infrastructure across the region and we are well underway in delivering more.

Non-regulated business



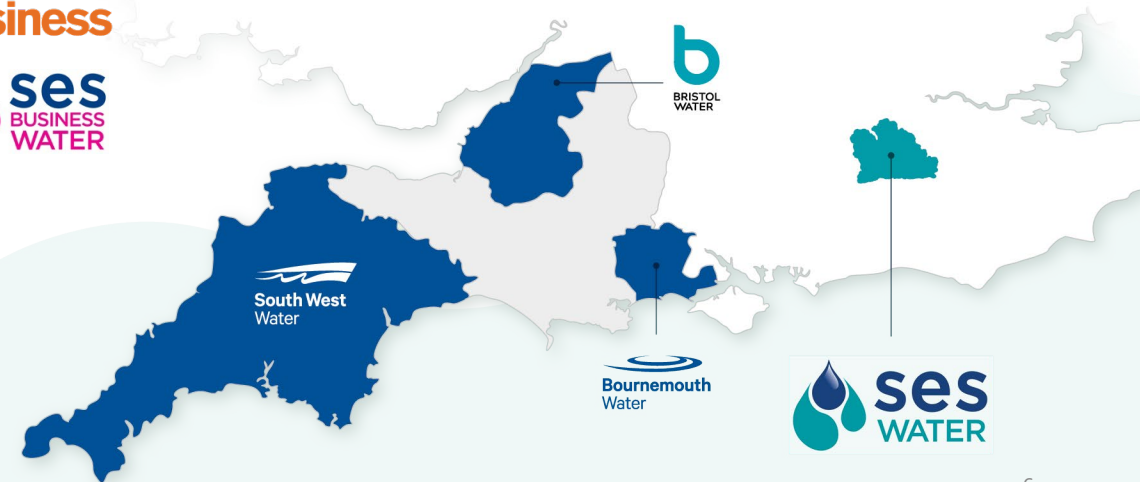
Pennon Power

Our investment in renewable energy generation supports our long-term sustainable growth strategy, alongside accelerating our 2030 Net Zero commitment, whilst reducing the Group's exposure to future volatility in wholesale power markets and providing attractive commercial returns.



Non-household retail¹

Profitable businesses providing water retail services to businesses across England and Scotland.



Engineering Management Team

Graham Murphy – Chief Engineering Officer

- Sophie Berry – Personal Assistant
- Mark Rands – Engineering Director
- James Pearce – Interim Engineering Director
- Vicky Woodland – Head of Procurement
- Les Metcalfe – Head of Contracts, Commercial & Estates
- Ryan Jackson – Head of Programme Performance
- Ben Ward - Head of Regulatory Asset Management & Innovation

Waste Services Management Team

Richard Price – Managing Director Waste Services

- Sarah Deeley – Personal Assistant
- Jay Harris – Director of Waste Services - East
- Dave Swiggs – Director of Waste Services - West
- Chris Anderson – Director of Waste Services - Central
- Helen Simonian – Director of Waste Operational Services & Customer Hub
- Louise Rowe – Finance Director
- Hazel Tranchant – Head of Tactical Asset Management - WWS

Water Services Management Team

David Harris – Managing Director Water Services

- Rachel Blackmore – Personal Assistant
- Sam Bottomley – Interim Director of Water Services, Devon, Cornwall, & IOS
- Richard Stanbrook – Water Services Director (Bristol & Bournemouth)
- Pete Harris – Interim Director of Water Services, SES
- Dan Lamb – Business Evolution & Innovation Director, Water Services (National)
- Chris Rockey – Head of Water Quality
- Polly Chancellor – Head of Industry Liaison, Water Services
- Kim Williams – Head of Water Resources & Water Efficiency
- Becky Holbourne – Finance Director, Water Services (National)
- Marc Tite – Director of Asset Strategy & Planning Water Services (National)

Sustainability & Natural Resources Management Team

Carolyn Cadman – Chief Sustainability & Natural Resources Officer

- Ian Lake – Head of Developer Services & Technical Performance
- David Smith – Natural Resources Manager
- David Rose – Net Zero & Operational Energy Manager
- Freddie Bowlby – Sustainability Manager

Pennon Power & Procurement Management Team

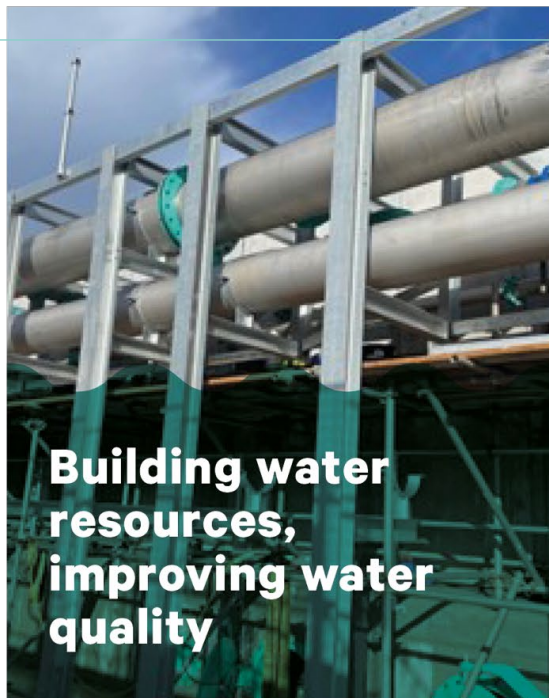
Paul Ringham – Managing Director

- Peter Rayner – Commercial & Operations Director
- James Rowan – Technical Director
- Priyeni Mann – Interim Group Head of Procurement

Pennon Group Priorities

- Graham Murphy – Chief Engineering Officer

Delivering on our four strategic priorities



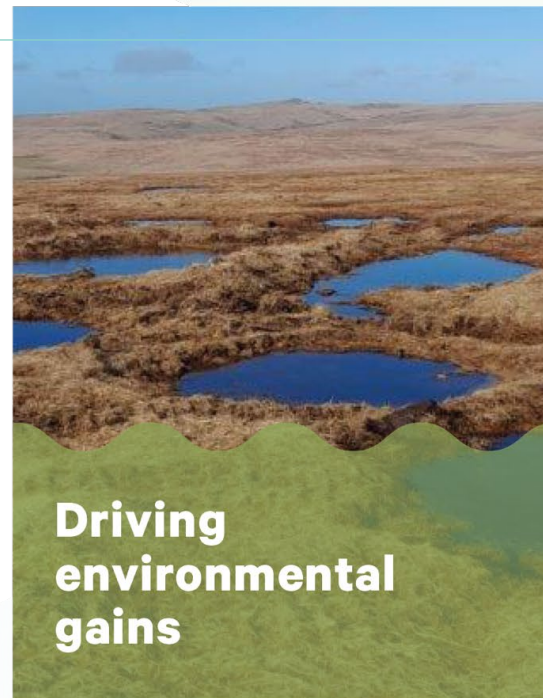
Building water resources, improving water quality

Broken the drought cycle for Devon and Cornwall



Tackling storm overflows and pollutions

**Expected to retain EPA 2★ rating – maintaining gains delivered in 2022
Road map to EPA 4★**



Driving environmental gains

Catchment regeneration programmes progressing well



Supporting affordability, delivering for customers

Over 132,000 customers benefiting from our affordability initiatives to date

c.70% ODI delivery across South West and Bristol

Our priorities

Water quality and resilience



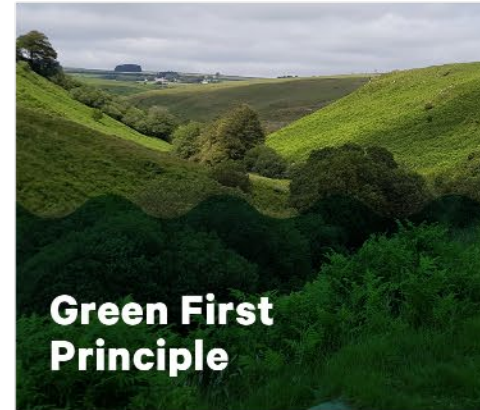
£1.2bn

Storm overflows and pollutions



£1bn

Climate change – net zero 2030



£76m

Customer affordability



£200m

Challenges we now face

More extreme weather events



- Fivefold increase for heavy rainfall events
- 17% increase in extremely wet days
- Increasing risk of flooding

Hotter and drier summers



- Reservoir levels lower
- River abstraction reduced equivalent to supplying 250,000 people
- Raw water quality impacted

Rising sea levels



- Large coastal population
- 1/5 of our treatment works at risk
- 100's kilometres of network

Growing population



- Another half a million residents by 2050
- 10 million tourists visit the region every year

Business units

Water Services



Waste Water Services



Pennon Power



Retail & Digital



- Increasing external stakeholder expectations on our businesses.
- Managing Director for each business unit to add focus and accountability.
- Each business unit has its own set of priorities.
- Key priorities of the water businesses can be effectively managed.
- Business units will aid future strategy by providing clear pathway for integration.

Progressing through K8

Building a sustainable supply chain

- We have launched a major new supplier alliance called '**amplify**'
- Early market engagement secured long-term strategic partners
- Integrated global and local engineering capabilities and capacity with our extensive in-house expertise
- Having a shared vision, value and behaviours
- Driving investment into local economy, creating c.2,000 new jobs
- Adoption of a Sustainable Procurement Policy – with social contract principles

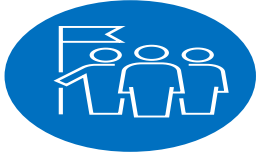
The logo for 'amplify' features the word in a lowercase, sans-serif font, with a stylized graphic of three overlapping circles in blue, green, and purple above the 'y'.The logo for 'bam' consists of a green square containing a white stylized arrow pointing right, followed by the letters 'bam' in a white, lowercase, sans-serif font.The logo for 'Clancy' features a stylized 'C' made of two overlapping curved lines, one green and one red, followed by the word 'Clancy' in a bold, sans-serif font.The logo for 'MMB' features the letters 'MMB' in a large, bold, sans-serif font, with 'MOTT MACDONALD BENTLEY' in a smaller, all-caps, sans-serif font below it.The logo for 'Tilbury Douglas' features a stylized 'A' made of two overlapping triangles, one red and one blue, followed by the name 'Tilbury Douglas' in a sans-serif font.The logo for 'MWH TREATMENT' features a stylized globe icon to the left of the letters 'MWH' in a bold, sans-serif font, with 'TREATMENT' in a smaller, all-caps, sans-serif font below it.The logo for 'Network Plusenvolve' features the word 'Network' in a green, sans-serif font, with 'Plusenvolve' in a green, sans-serif font below it, and a small registered trademark symbol.

Procurement Group Process

- Vicky Woodland – Head of Procurement -
amplify

Procurement

Size & Structure



- Part of wider Finance Team
- Headcount 15 FTE
- A fully integrated team across all business units, delivering cross company procurement with full economies of scale
- Part of various groups:
 - Western Procurement Hub – member
 - Chemical Forum –NIM/ PIM

Annual Spend ~£900 million

2800 suppliers

Chemicals, network materials, contractors, plant, equipment, IT, Engineering, Labs, Facilities, Prof. services

2025 tender value £838 million

2026 forecast £ 928million

*Digital enablement
90% of sourcing via e-procurement platform*



Our BU led Business Partnering Model enables us to bring supply chain innovation into the business as we work closely with business areas.

Our aspiration is to deliver innovative solutions encouraging our key suppliers to build collaborative relationships with innovative partners.

Procurement

Scope & Remit



- Dedicated Procurement Team leading on sourcing, go-to-market strategy, tender lifecycle mgmt. and contracting.
- Governed by Utilities Contract Regulations 2016 & Procurement Act 23
- Supported by Achilles, to comply with UCR16 until 2028
- How to register-



Encourage suppliers to register on the Central Digital Platform to access opportunities across regulated & public sectors in UK for PA 23

Encourage supplier to register to Achilles to access opportunities across the whole utility sector for UCR 2016

Procurement

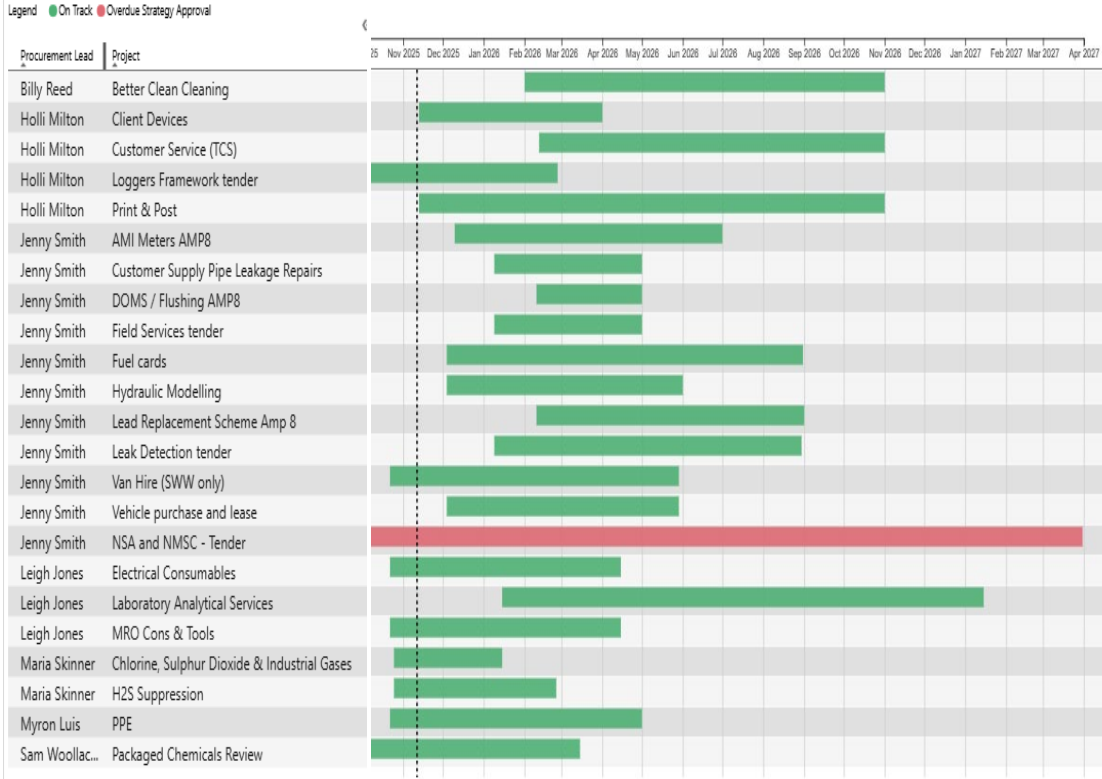
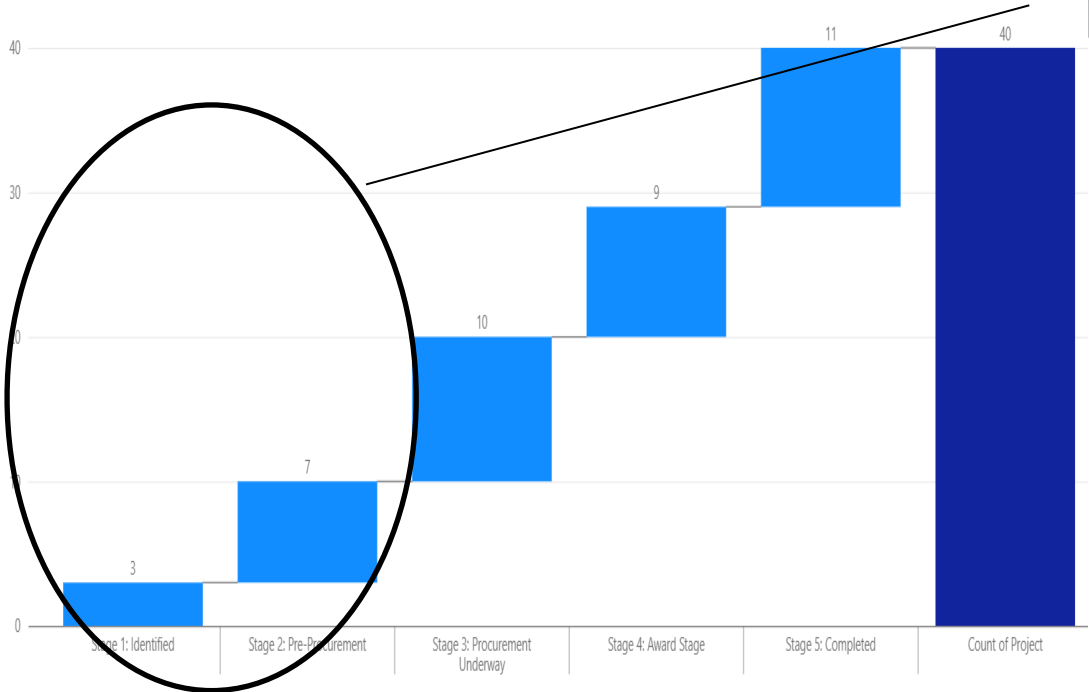
Pipeline & Opportunities



We have worked as a team to identify a number of procurements that will go live over the next few financial years.

So **please speak to us** and do get registered to **Achilles** and CDP as well.

These cover all areas of the business.

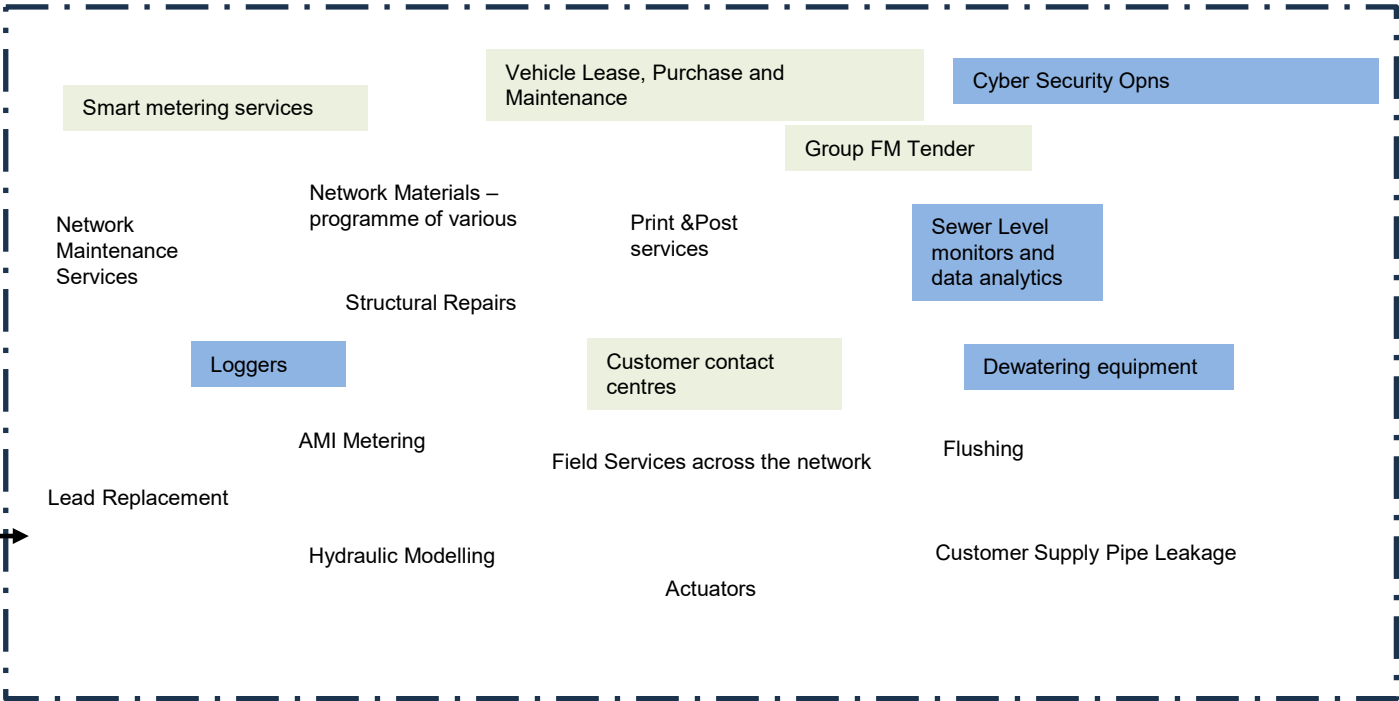
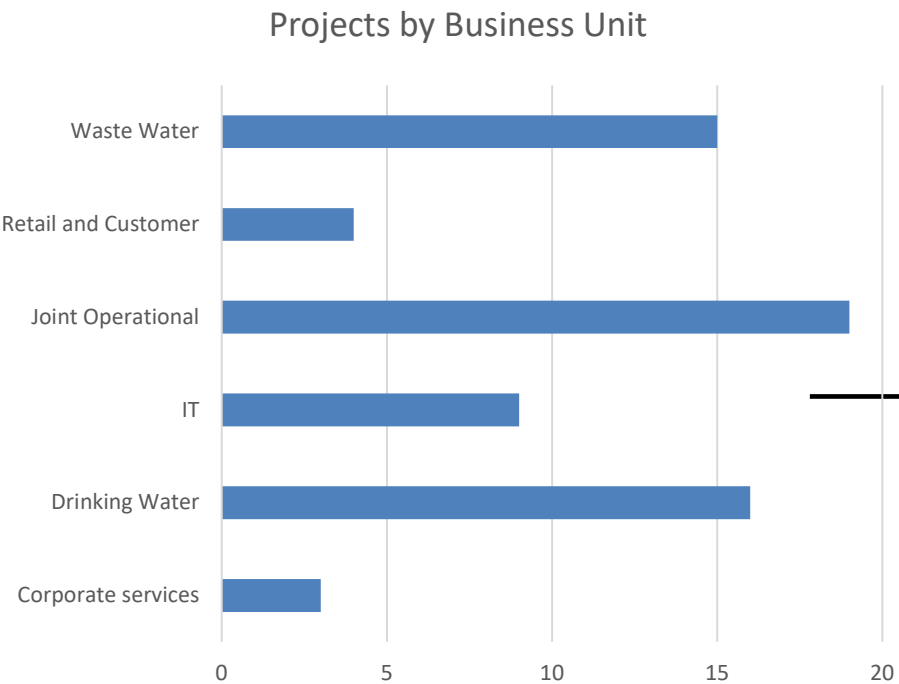


Procurement

Pipeline & Opportunities



Some of our biggest opportunities over the next couple of years....

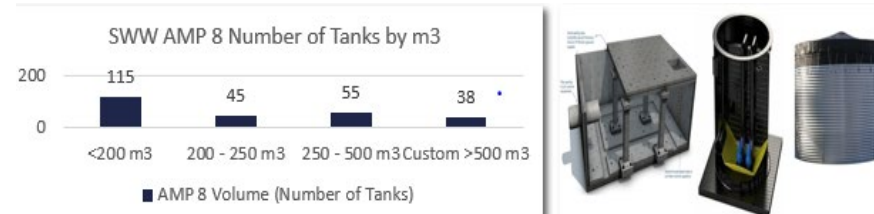


Guiding Principles within

Processes, principles and key initiatives

'Off the shelf' products

- **amplify** are creating a lasting repeatable standard approach to the design delivery & procurement of assets. Standard designs, off the shelf products and D&B principles are being reintroduced



Early Procurement

- Using in-house Procurement expertise **amplify** are investigating early AMP8 procurement opportunities to drive cost efficiencies, carbon reduction, safety improvements and to ensure delivery of our regulatory date commitments.



Sustainability in the Supply Chain

- Carolyn Cadman – Chief Sustainability & Natural Resources Officer

Sustainability – Our ESG Performance

Latest external assessment scores (as of 31 March 2025):



11.7
ESG Risk
(Previous rating: 12.0)

84.5
ESG Rating
(Previous rating: 82.5)

MSCI  **AA**
MSCI ESG Indexes
(Previous rating: AA)

 **A-**
CDP Climate Change
(Previous rating: B)

A-
CDP Water security
(Previous rating: B)

S&P Global **46**
Corporate Sustainability Assessment (CSA)
(Previous rating: 46)



3.8/5
FTSE4Good ESG Score
(Previous rating: 3.7/5)



Prime (B+)
ISS corporate rating
(Previous rating: Prime, B+)



A (93)
GRESB Infrastructure Public Disclosure
(Previous rating: A (83))

Sustainability – Our ESG Targets

ESG	2025-2030 Target ¹	Unit	2026	2030	UN SDG
E	% Renewable Electricity Self-Generated ²	%	16.1	50	
	% Reduction in GHG Emissions – Scope 1 and 2 (SBT verified) ³	%	49	61	
	Tree Planting (cumulative)	#	400,000	500,000	 
	Peatland Restoration (cumulative)	Ha	5,000	5,184	
S	Customer Affordability	%	95	100	
	Increase in Social Impact from our Community Investment	%	Baseline	10	
	% Diversity of Workforce ⁴	%	33	35	 
	5% Club Accreditation Status	Grade	Platinum	Platinum	
	Glassdoor Score (average)	#	3.2	3.8	
	Lost Time Injury Frequency Rate (LTIFR)	Number/100khrs	0.2	0.13	
G	ESG Rating (Sustainalytics)	Industry Percentile	Top 10%	Top 10%	
	Funding raised through Sustainable Financing Framework	£m	400	2,000	
	ESG Criteria included in % of Tender Evaluations	%	75	100	
	Supply Chain Sustainability School Membership Grade	Grade	Silver	Gold	 



Sustainability – Our Carbon Commitments



- Annual Reporting of Water & Wastewater, Cradle to Gate & Cradle to Build Carbon
- Performance Commitments - Embodied Carbon
- Performance Commitments - Operational Carbon, Water and Wastewater

- Water Industry Net Zero 2030 Commitment
- Operational Route map South West Water and Bristol Water
- Pennon Group Annual reporting Greenhouse Gas Emissions

- Science-based Targets
- Engagement target: 60% of suppliers by emission to be SBTi compliant by 2027/28
- 3 other targets across Scope 1 and 2, Scope 3, and renewable electricity.



Sustainability – X29 Climate Change Requirements / Moata

Business Need	MoSCoW	Project Objective
Deliver a Capital Carbon reduction of 10% per annum against the baseline conventional/traditional solution	MUST	Carry out optioneering at each stage gate & demonstrate application of the carbon hierarchy to decarbonise & drive efficiencies through capital works

X29 Embeds PAS2080 Carbon Management in Buildings & Infrastructure (2023) into Contract

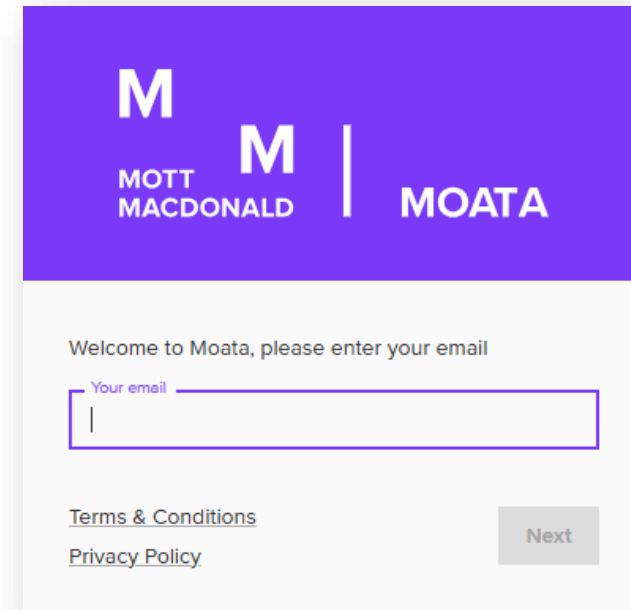
- Purpose: reduce carbon through demonstrable consideration of whole life carbon
- Increase value delivery
- Collaborative approach throughout value supply chain partners
- Challenge convention & traditional practise for decarbonisation

Common Process for whole life carbon assessment: Moata

- Identification of Hotspots for challenge at next stage gate
- Reduce carbon further

Integrating carbon into Decision Making consistently at each stage gate

- Capital Carbon
- Operational Carbon pa
- Whole Life carbon 40 yrs including replacement of assets
- Comparison with equivalent costs



MOTT MACDONALD | MOATA

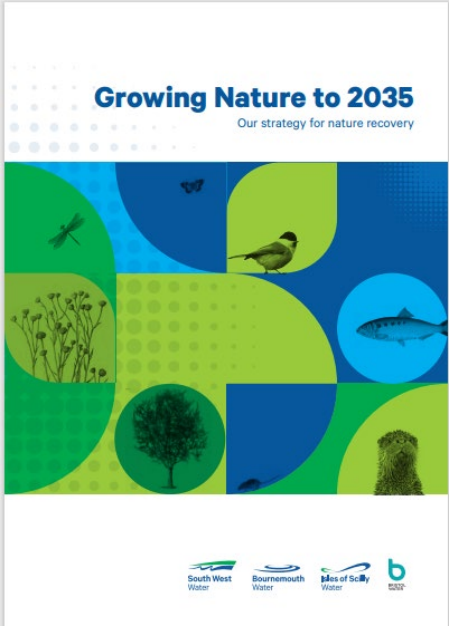
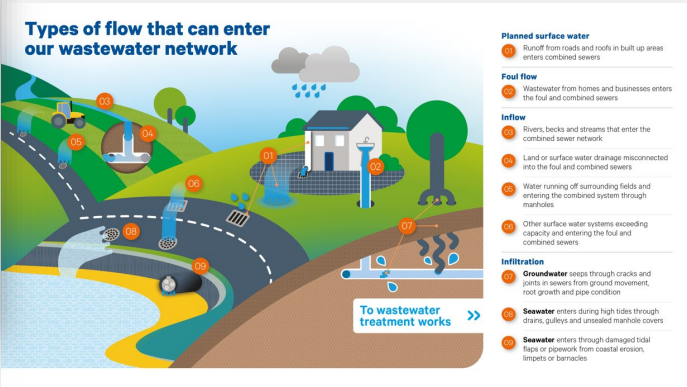
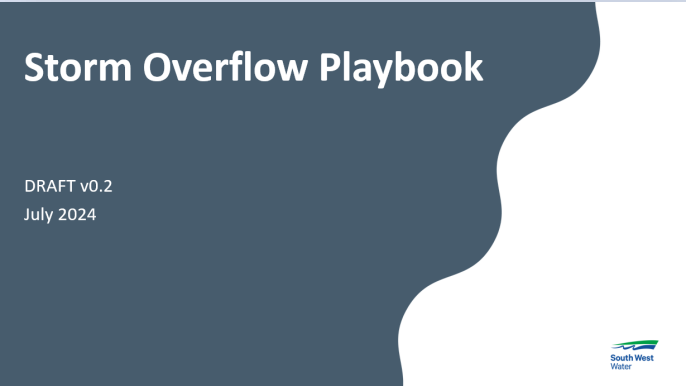
Welcome to Moata, please enter your email

Your email

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Sustainability – Green First / Biodiversity Net Gain

Business Need	MoSCoW	Project Objective
Green first to be applied, and biodiversity considered at every stage of the project. Where planning permission is required, a minimum of 10% Biodiversity Net Gain (BNG) must be delivered. For projects not requiring planning permission, adhere to Pennon’s Biodiversity Strategy to 2035. Maintain a collaborative approach and honour commitments to deliver green and blue solutions in partnership with local stakeholders.	MUST	Refer to the Green First, Biodiversity and Environmental Appraisal monitoring and reporting checklist.1 Liaise with South West Water stakeholder engagement leads to connect with local stakeholders.



Sustainability – Our Green First Approach

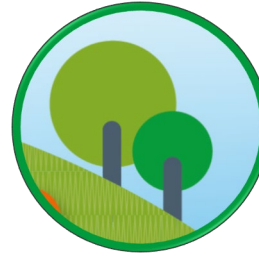
Green First assumes that a nature-based (green) solution will be considered from the outset.

We will make best value decisions to determine if the solution needs to be adapted and amended from this starting point.

This approach will maximise the potential to prioritise nature-based solutions to resolve business needs.

Taking a catchment view

We know that by looking at the whole catchment using a Green First approach we may also solve other challenges, such as pollution or flooding reduction.



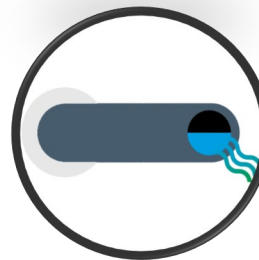
Green Solutions

- ✓ Slowing the flow
- ✓ Ecologically-driven processes
- ✓ Wider benefits for people & place



Blue Solutions

- ✓ Managing the flow
- ✓ Reducing or removing rainfall, inflow and infiltration
- ✓ Avoiding pumping & treatment



Grey Solutions

- ✓ Storing the flow
- ✓ Increasing speed through the system
- ✓ Increasing treatment capacity

Pennon Group Capital Delivery Programme

- Graham Murphy – Chief Engineering Officer

amplify Model and Partners

‘an AMP8/9 delivery model that will deliver a step change in capital programme delivery’



Step Change

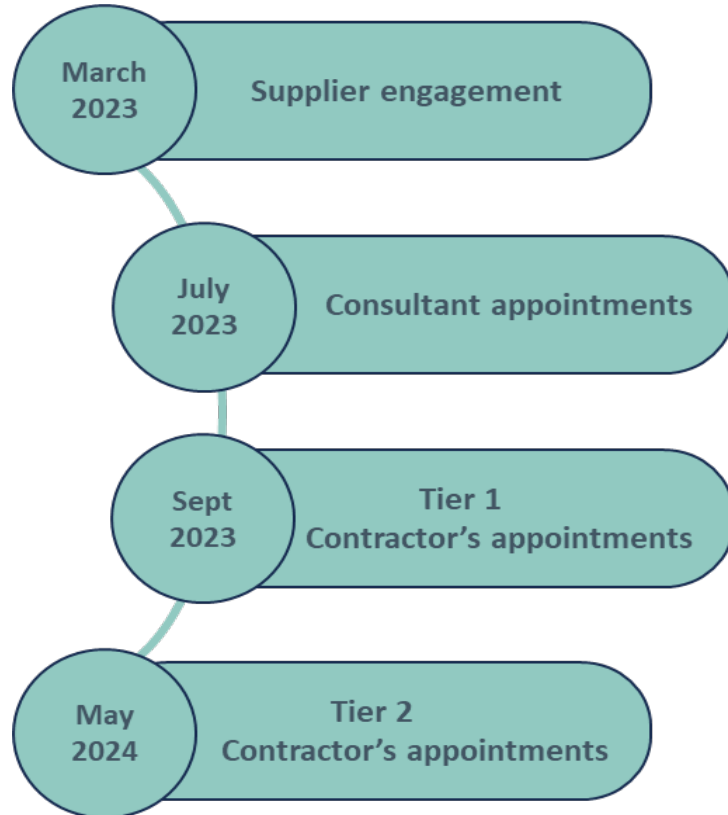
Within **amplify**...

To date:

- We recognised SWW needed to learn from challenges that we faced with our capital delivery model during AMP 7
- We conducted an independent assessment of our delivery model by an internationally recognised procurement specialist company
- We have created a new optimum delivery model for AMP 8 and beyond
- We have focussed on an 'Alliance' model to build strong partnerships built on trust & collaboration
- We have conducted a supplier forum workshop with **amplify** leaders (SWW and Contractors) to define amplify's evolutionary priorities that recognise the results of the recent British Water survey (November 2025)
- Collated framework leaders' feedback and support continued performance improvement
- Rolling out feedback & continuous improvement proposals to the wider **amplify** team
- We have conducted our own independent survey amongst our partners to determine whether their respective companies have responded to the British Water survey (multiple contacts within partner organisations)



Formation of the amplify delivery alliance



Early supplier engagement

- Targeted long term strategic 5/10-year relationship
- Beginning delivery ahead of new AMP

Working in partnerships

- Delivery Alliance Model
- Co-location and integrated offices
- Shared vision, values and behaviours (**amplify**)

Securing Global Expertise & Scale

- Resilient, resourced and managed supply chain

- We extended AMP 7 frameworks ➡ March 2025
- We commenced new management ➡ March 2025



amplify Partner Organisations



SWW attracted global partners to the region, many for the first time

- Consultant frameworks – 5-year initial term July 2023, with option to extend up to a further 5 years
- Tier 1 Contractors – 5-year initial term Sept 2023, with option to extend up to a further 5 years
- Tier 2 Contractors – 5-year initial term May 2024, with option to extend up to a further 5 years

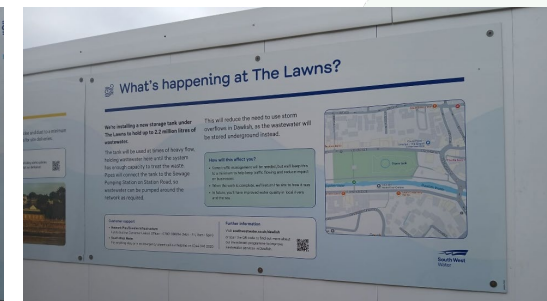
Turning the Tide

Turning the Tide is a campaign that supports our c£760 million investment programme for storm overflow improvements from 2025 to 2030

While WaterFit Live offers near real-time data on storm overflows and their impact on bathing water quality, the Turning the Tide campaign will serve as a catalyst for internal focus and a platform for communicating our investment plans to external stakeholders

There is a need to collaborate with our Customers, Stakeholders, and Regulators to guide them throughout this process, helping them understand what we will invest in local communities, when, and how and the benefits of these investments

Turning the Tide will adopt a proactive approach, enabling communication and engagement



amplify Major Project: Dawlish

- A programme of works is underway in Dawlish that will deliver 11 AMP8 WINEP, EPA and PCD outputs. The programme will see:
 - The installation of new underground storage tanks capable of holding 2,200m³ of storm flows at The Lawns and Sandy Lane
 - An additional tank will be placed in Brook Street holding 50m³
 - Surface Water Separation will also be taking place in the West Cliff and Elm Grove Road which will provide equivalent storage volume of 16m³
- Once the work is complete, the investment should result in the reduced reliance on storm overflows and improved water quality in the sea and rivers around Dawlish
- The wastewater network in the area is currently under increased pressure due to rapid growth and most of the town has a system of combined sewers, which means wastewater from toilets and sinks mixes with rainwater that runs off roofs, roads and the land
- With increased rain, this results in a higher risk of storm overflows being used
- The WINEP and PCD deadline for the programme is March 2026 which we are on target to achieve
- The works will be the first to complete under our £760m Taming the Tide programme

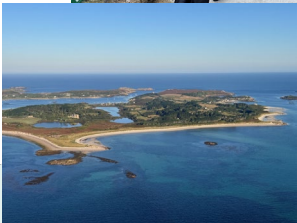


amplify Major Project: Isles of Scilly

- Following adoption of Clean Water assets, SWW undertook surveys and evaluations to understand the strategy of bringing the islands into compliance in line with Reg 28 notices
- The investment will allow for future works to enable the connection of customers to our networks and improve resilience drinking water services on the Isles of Scilly
- Five new water treatment plants will be provided on the five inhabited islands, all of which will include sea water intakes, desalination RO plants and brine discharge outfall structures. The new and updated water supply facilities include new seawater intake pipelines, new RO plant buildings, new water storage tanks and new water supply pipelines on the different islands
- Interim measures are currently underway with St Martin’s Pipeline complete, Porth Hellick WTW new UV system to be completed by February 2026 and install of GAC and UV at Vane Hill WTW (Tresco) beginning in November for completion in April 2026



	Current Water Requirements	Future Water Requirements (2040)
St Marys	806 m³/d	900 m³/d
Tresco	125 m³/d	176 m³/d
St Martins	26 m³/d	75 m³/d
Bryher	72 m³/d	82 m³/d
St Agnes	19 m³/d	25 m³/d



Next Steps

The recent British Water Survey highlighted that South West Water's current standing does not meet our ambitions or stakeholder expectations. It is not where we aspire to be.

Key points raised:

- Collaboration and behaviour
- Procurement and process clarity
- Innovation and digital working
- Supplier engagement

We recognise these challenges stem from both legacy issues and evolving external pressures.

In response, we are:

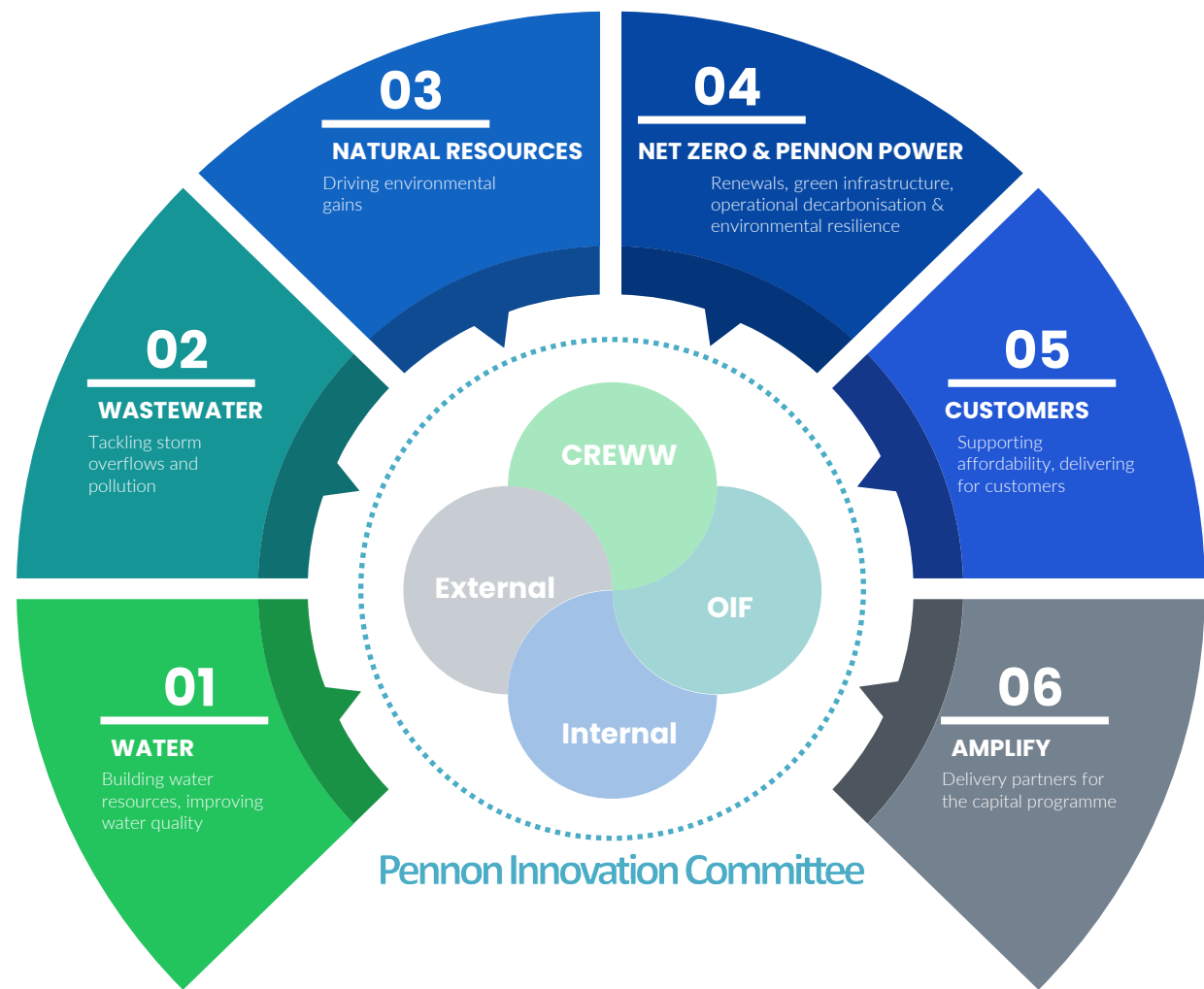
- Undertaking workshops with partners and framework suppliers to define priorities
- Rolling out continuous improvement initiatives
- Engaging proactively with industry bodies - British Water, Future Water Association and Civil Engineering Contractors Association (CECA)
- Recommencing the supplier forums

We are as a business committed to using this feedback as a springboard for positive change

Technology & Innovation

- Carolyn Cadman – Chief Sustainability & Natural Resources Officer on behalf of Ben Ward – Head of Regulatory Asset Management & Innovation

Innovation at South West Water



Our innovation delivery routes

CREWW for leading pivotal interdisciplinary research towards the discovery of solutions that will make a difference to people's lives and protect the future of water systems in the South West of England and beyond.

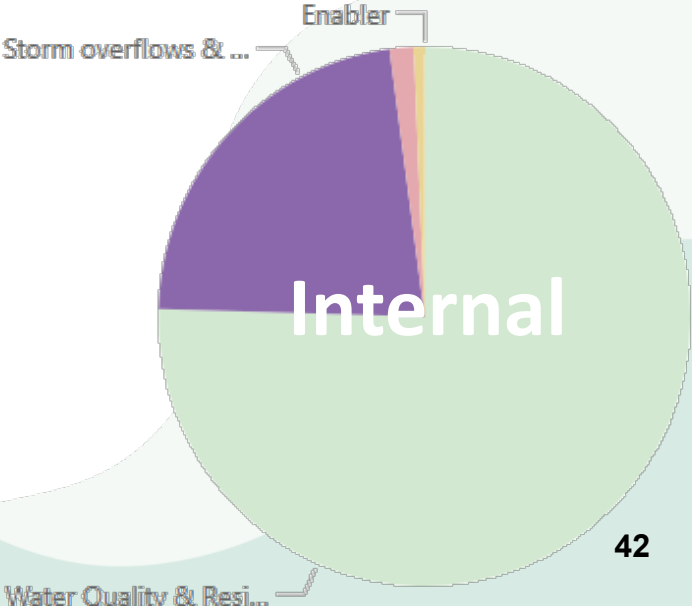
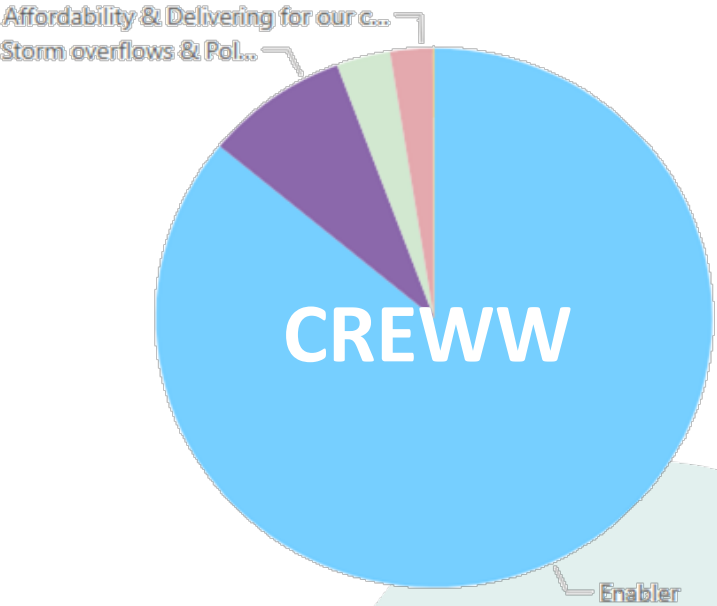
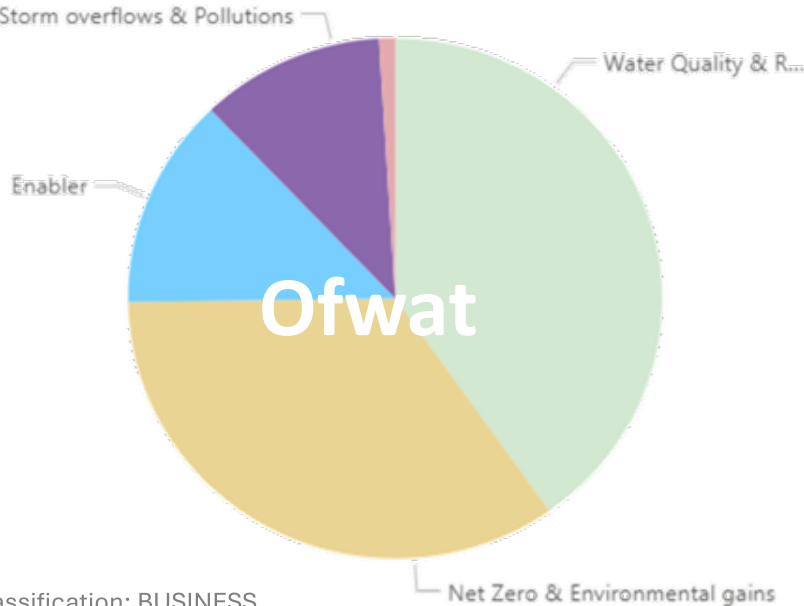
Ofwat Innovation Fund projects where the sharing of data, knowledge and experience between water companies, partners and the supply chain, can accelerate the delivery of transformational innovation.

Internal ideation for encouraging, engaging and enfranchising our own staff and external partners to develop new ideas that are aligned to our strategic priorities, helping us to foster an all-important innovation and intrapreneurship culture. This includes **scouting, testing and deployment** for near-to-market solutions or technologies from other industries that have the potential to deliver service benefits quickly and efficiently.

External partnerships where long-standing relationships can help improve innovation culture, ways of working and benefits from broader knowledge exchange activities across both partnering companies.

Innovation overview

	Ofwat	CREWW	Internal	Externally funded	Total
Completed last 12 mths	3 (£0.1m)	2 (£1.4m)	4 (£0.7m)	0	9 (£2.2m)
Live projects	27 (£6.4m)	8 (£6.9m)	16 (£1.1m)**	3 (£0.50m)	54 (£15m)
Development (Bidding/ scoping)	3 (£14m)	3 (£0.95m)	4	0	6 (£15m)



CREWW



Centre for Resilience in Environment Water and Waste

- Established to **undertake research** into the challenges facing the water sector in the UK and overseas. The Centre is a **joint venture** between South West Water and the University of Exeter.
- The first industry, academia research centre in the water sector in the UK.
- South West Water has committed an initial £21m of investment to the joint venture.
- Aim is to understand how we can manage our precious natural resources in ways which are sustainable and resilient in the face of climate change and population growth.
- CREWW is equipped to face these challenges, with cutting edge analytical instruments and an array of field based remote technology for evidence gathering and environmental monitoring.

Q&A

Appendices

Contact Details

Booking a slot for inclusion on a Tuesday briefing, or to undertake a lunch learn with **amplify**

- Email - ProjectSupportAdministrator@southwestwater.co.uk

Contacting the Innovation Team

- Email - innovation@southwestwater.co.uk
or Email – Ben Ward - bdward@southwestwater.co.uk

Contacting the Sustainability & Natural Resources Team

- Email - For Green First - Izzy Atkins iatkinsm@southwestwater.co.uk and Simon Ainley simon.ainley2@arcadis.com
- Email - For Carbon associated with capital projects – Will Howard wbhoward@southwestwater.co.uk
- Email - For sustainability/ESG Freddie Bowlby fbowlby@pennon-group.co.uk

Contacting Pennon Group Procurement

- Email - GroupProcurement@pennon-group.co.uk
- Team structure overleaf

Pennon Group Procurement Team

- Priyeni Mann – Interim Head of Procurement
 - *Ilona Nagy – Procurement Process Administrator*
- Mark Mould – Senior Group Procurement Manager
 - *Billy Read – Procurement Business Partner - Specialist Contractors & FM*
 - *Jenny Smith – Procurement Business Partner - Metering*
 - *Myron Lewis – Procurement Specialist – Network Materials*
 - *TBC - Procurement Business Partner – Transport*
 - *TBC – Procurement Specialist – General Support*
- Sam Woollacott – Senior Group Procurement Manager
 - *Holli Milton – Procurement Business Partner – Customer & IT*
 - *Maria Skinner – Procurement Business Partner – Chemicals & Enviro*
 - *Leigh Jones – Procurement Business Partner – Plant & Equipment*
 - *Olga Nossenکو – Procurement Specialist – Health & Safety, Security & People*
- TBC – Senior Group Procurement Manager - Indirects