



Our Journey to Net Zero 2030



Capital Markets Day
28 September 2021

Leading the way in UK water



Purpose-led business

– pioneering a new relationship with customers and protecting the environment

Driving performance through innovation

– agile and efficient

Investing for sustainable growth – for the benefit of all

– twin track strategy;
organic, acquisitive

Creating long-term sustainable value

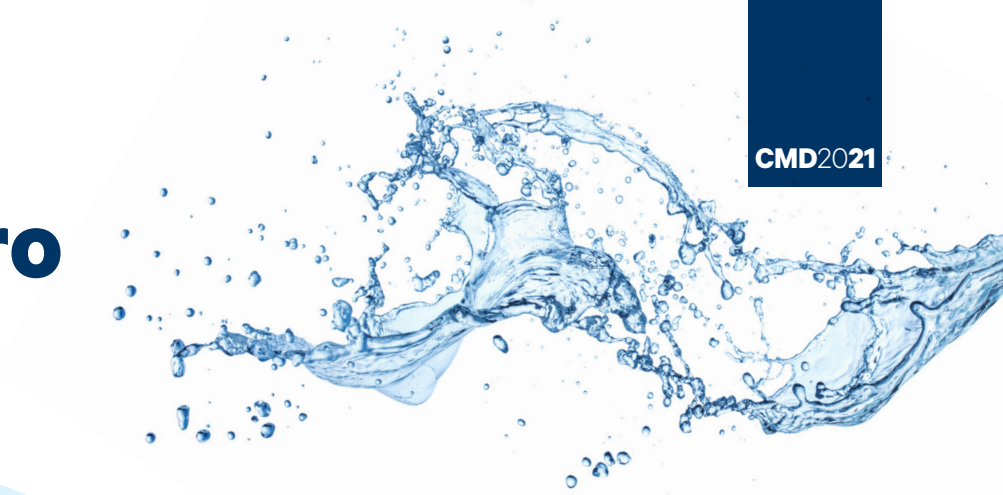


Customers tell us that taking the lead on Net Zero is a priority

Customer engagement is at the heart of our operations and day to day business – we listen to our customers to understand priorities

Customers tell us that supporting national challenges – e.g. climate change is part of being an environmental leader

Our customers want to see us take the lead in investing and innovating to drive environmental improvements and reverse the impacts of climate change



“An environmental leader is kind of paving the way, starting to make change and affecting the environment in a positive way.”

SWW, SEG C2DE, Aged 18-30

“We all want a greener world.”

SWW customer, Female, SEG B, Aged 56+

“There definitely needs to be more investment in the South West.”

SWW customer, Female, SEG C1, Aged 31-55+

8 in 9 customers

consider it important that we are an environmental leader in the region

Our great ambition is delivered through our plans

The price review process provides the vehicle for delivering value for our customers and communities

Our five year plans deliver the long term outcomes customers and communities want and value

Environment Plan to 2050



New Deal 2020-25



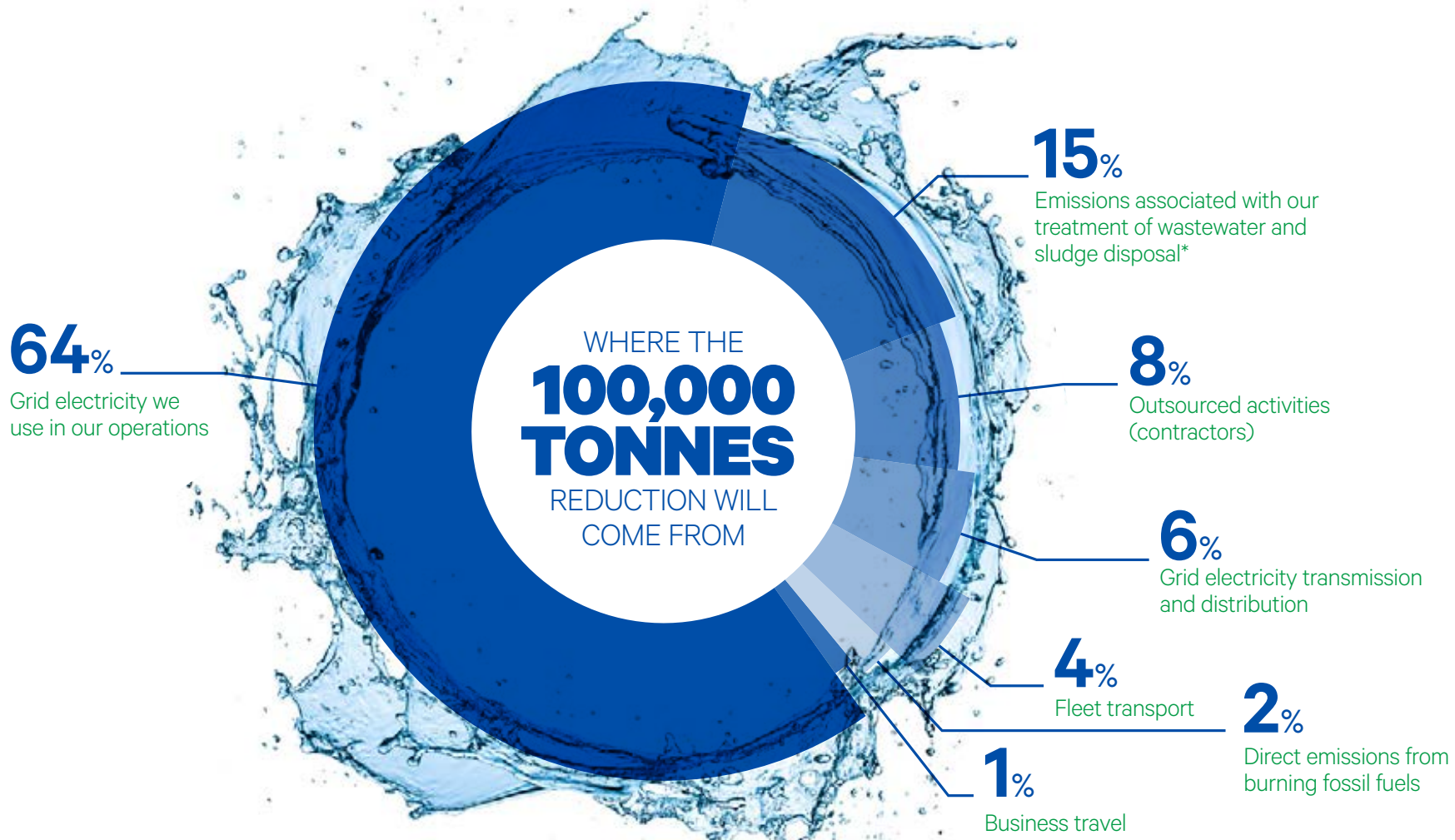
Green Recovery Initiative



recently agreed



Our challenge – how our carbon stacks up



* = Also includes a small amount of emissions from air conditioning and refrigeration equipment

Our Net Zero carbon strategy has three pillars

We have set out an implementation roadmap, focused around three key pillars.

This ensures we are well placed to transform to a different kind of water company, delivering on our purpose, and putting in place the core building blocks for our next price review, and beyond.

The power of

3

1 Sustainable living

- Reducing emissions through changes to operational practices, increasing energy efficiency, and switching to lower carbon fuel sources
- Meeting our commitments to reduce leaks and help customers to use less water – protecting the environment and saving carbon

2 Championing renewables

- Maximising self-generation from renewables at our sites across the South West – working with partnerships and utilising our expertise
- Where we cannot generate enough ourselves to meet all our needs, 100% of the electricity we purchase will be from renewable sources

3 Reversing carbon emissions

- Reversing carbon emissions from our core activities
- Working in partnership to ensure our core activities reverse carbon emissions through solutions such as peatland restoration
- Supporting the development of innovative solutions to develop low carbon footprint processes through research and development

Pillar **1**  **Sustainable living**

Increasing our **energy efficiency programme**, including pump optimisation, and waste and water treatment processes

Decarbonising our fleet – switching to an 100% electric car and van fleet by 2030

Switching from fossil fuels to lower carbon alternatives

Reducing leaks and helping customers to use less water

Working with our supply chain partners to provide **lower carbon contracted services**

Supporting the development of innovative solutions to develop low carbon footprint processes through research and development

Introducing carbon accounting to underpin our future plans and delivery.



Algae in action

Our mission is to find new, innovative low carbon solutions to ensure our operations are sustainable. An example of this in action is the installation of technology to remove phosphorous at our wastewater treatment works.

The scheme at Broadwindsor Sewage Treatment Works uses I-Phyc technology to remove phosphorus, ammonia and other trace contaminants from wastewater. Algae locks away carbon, and early analysis suggests this could be a promising process to help achieve our Net Zero ambitions.



Pillar

2



Championing renewables

Purchasing 100% renewable electricity

Going greener by **championing renewables**

- 400 sites across our region have been identified as potential candidates, and are being prioritised to identify the most viable options for renewables
- Recovering energy from the wastewater sludge that arrives at our works.

Our current renewables sites



HYDRO



CHP



WIND

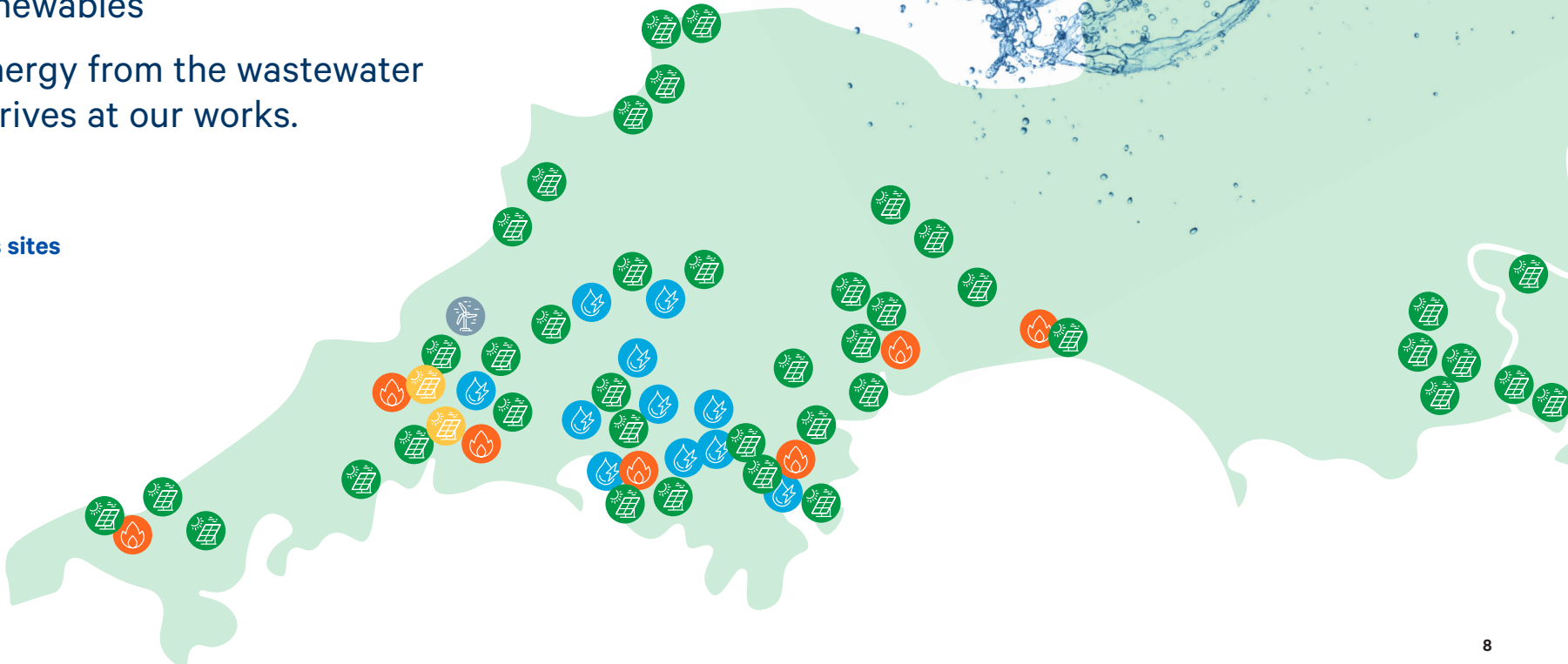


SOLAR PV



3rd PARTY PRIVATE WIRE SOLAR PV

We already operate more than 60 renewable energy installations – a mixture of hydroelectric power, wind, solar, and biogas schemes.



Pillar **3**  **Reversing carbon emissions**
from core activities

Partnership working to maximise the value of investment in our assets and services



Extending activities we do to **improve river quality and biodiversity** to capture carbon benefits

Planting 250,000 trees by 2025

Leading the way in natural carbon sequestration through **peatland restoration**

Innovation and piloting the benefits of marine sequestration
– uniquely placed given we have one third of the coastline



We have pledged to **restore an additional 1,000 hectares of peatland across the South West by the end of 2025**

Our Net Zero carbon strategy underpins all our activities

As part of a world first sector-wide commitment of its kind, our goal is to achieve Net Zero carbon by 2030

The activities to achieve Net Zero are valuable and important to our customers and stakeholders in the region. We need to work at pace to ensure these benefits are realised from our activities quickly and efficiently.

We are therefore proud to commit to Net Zero operational carbon by 2030 and to go further and be a member of Race to Zero, the UN’s global campaign; this pledge extends the boundary of our Net Zero activities to cover all emissions with a 2045 target.



We will ensure our future plans identify the investment needed to meet the needs of our customers and the region, and be reflected in our high quality PR24 business plan.

“2030 is realistic if they put the right money and resources into it.”

SWW Customer, Female, SEG B, Aged 31-55



We have pledged to achieve

Net Zero carbon operational emissions by 2030

Net Zero by 2045 for all other carbon emissions, including from suppliers and construction activities

Net Zero opportunities

We aim to become a different kind of water company, as we scale up investment in the environment, kickstarting our race to Net Zero by 2030, focusing on sustainable living, championing renewables and reversing carbon emissions, and delivering sustainable solutions for customers, communities and the regions we operate in

This ambitious challenge plays to many of our strengths and presents further opportunities

- Reducing emissions in direct control – changes to operational practices
- Onsite renewables energy installations and offsite private wired opportunities
- Transition to electric vehicles
- Unique position for carbon sequestration and reverse carbon emissions
- Partnership working on nature-based solutions

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Q&A



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