

**Summary of responses received from shareholders at the Annual General Meeting
held on the 21st July 2022**

- 1. The development called Langarth Garden Village currently has around 4,000 homes which equates to around 10,000 people and at present, the entire sewage from these houses is to be pumped over the main road, the A390, down to the valley to the village of Killinick pumping station, for onward transmission to the Truro Newham Treatment Works, which are situated on the Truro River, which is a SSSI. How is South West Water going to cope with this increase?**

We previously said that we would upgrade the Newham Sewage Treatment Works, and we have. That work has been completed. And we've increased capacity at that treatment works by a quarter. So that should be absolutely at the right sizing for the new development that is going in and around that area. And that will accommodate not just that development but also future growth as well. So that work has been completed.

We understand in terms of developers for that site, last year in June, they were nearing the completion of their plans, which would allow us to progress with the network upgrades that were needed. Since that time, we've been talking with developers and with Cornwall Council, and we're just about there. I think the final plans from the developers was to begin work. And although the date has not been confirmed by the developers, we expect that to be sometime this autumn. So just to reassure you, the treatment works has been upgraded. The capacity is increased by a quarter. And that will be sufficient for that development and the future development as well. And as part of our long-term planning in that catchment is to make sure we've not just got the treatment works, but we've got the networks in place, and the pumping station you referred to upgraded so that everything is upgraded as it should be to accommodate that future growth and development.

- 2. Has there been any update or improvement on the proposed disposal plans in respect of the Pydar district development?**

We have not had any new updates from the developers however with any further development, we will be absolutely part and parcel of those plans, and where we need to upgrade, we will do. But I'm confident the upgrades we've made so far in Newham will be sufficient. But where we do need to upgrade, we will. And just to reassure you of that. So, we have made upgrades. We think that's sufficient for developments in that region. And anything else that we need to do on the networks will be part and parcel of that going forward.

- 3. My next question concerns the raw sewage being spread on farmland and the stench which goes with it and then we eat the cauliflowers. I enquire at what point of time do you expect the slow-moving sludge to become septic and infections thus causing a Public Health problem?**

Regarding the use of Biosolids on agricultural land, this is the government's preferred use of disposal, it is very beneficial to agriculture and enables costs to be minimised by avoiding disposal of waste at landfill. Biosolids is a sustainable practice that provides the best alignment with the principles of the waste hierarchy. Recycling Biosolids to land is a very controlled and regulated process and prevents minimal risks to humans, animals, and the environment. Biosolids is a sustainable option, and the product is 99.99% pathogen free.

4. What is the fair tax assessment that a gentleman talked about at the beginning that you had a positive assessment? I'm sorry I don't understand what that means.

The fair tax mark is an organisation, an independent organization that assess a company's tax position. They look at the disclosures that the company has in regard to its tax position, the transparent strategy that we have, and it also looks at the amount of tax that we pay and the way we disclose our tax affairs with HMRC. Well, it covers a range of taxes. So principally, it's corporation tax. But it does also consider other taxes as well, such as VAT, for example. So, we've been accredited, I believe we're the first water company to be accredited. We've been accredited since 2018, actually with an improving score over recent years.

5. Do WaterShare+ customers have the same voting rights as main shareholders?

So just explain the water share scheme that we launched. So where we decided as a board to share with customers some of our financial performance, customers got the option either to have the money off their bills when we first launched it in 2020, or to take the equivalent value of Pennon shares. So those that took the Pennon shares, and we have 1 in 16 of our customers now who are shareholders, are shareholders in Pennon and, yes, they have a right to a vote absolutely as you might expect, because they are now shareholders in the company, and therefore they do get a vote that goes with that. So absolutely, yes.

6. There has been no mention of leakage in the presentations today, can I presume that the problem has been solved and we don't have any leakage now?

So, it is really important that we look after the resources and make sure that what gets into our networks gets straight from our treatment works to customers' property. And we have very strong targets to make sure that we are managing where we do have leakage from our networks, that we are making sure we're fixing those mains, and reducing our leaks. And last year, we very much met our leakage targets. And every year, that gets harder and harder, and the targets get ratcheted. So, we have to make sure we're reducing our leakage. And we are doing that. And last year, we achieved that target. The other thing I would say in terms of leakage, that can occur on the customer's property as well. So, the other thing we do is help customers with that. And we've just launched a new scheme where we're going into customers who have an issue on their property and making sure not only, we can fix their leaks but also help them with other aspects of water efficiency, put in a smart meter for them, and make sure that they're helped with any leaks that they've had on their side of the property as well. So, we are reducing leaks. And about a third of leaks are actually on the customer side, so it's a really important job that we're doing now to make sure that we can get those leaks fixed.

7. Some senior directors at other companies take a reduction in salary and bonuses if promises and targets are not met, will the Board consider doing the same if the targets are not met?

I can confirm all elements of executive remuneration are aligned to a wide range of measures. So, you're absolutely correct that we do look at the wider stakeholder responsibilities, which of course feedback to share price. We do also, when we consider payments of bonuses, look to see if objectives have been achieved and where they haven't. We reduce the level at which we pay, and even pay rises, we have been very careful with the pay rises we've offered this year. The executive directors received a pay rise of 3 percent, which was lower than the wider workforce. And, in fact, I should state here that the chief executive respectfully declined that increase anyway. We will, of course, review this again next year when we have even tougher objectives and have incorporated more of the ESG objectives into our challenges for the team.

We do take it extremely seriously. I look forward to you coming back in a couple of years, holding us to account.

8. On television recently, we have seen what looks like a very expensive and glossy advertisement for yourselves. Now, given that you have a monopoly, what is the point of an advertisement like that?

In terms of why did it, and the cost of doing it, you'll have noticed with the TV advert that basically it was our also water colleagues from across the business who were in that, during that advert. So, cost we kept

at an absolute minimum, we used our own staff to do it. And those fantastic colleagues have been that silent army for us all who've kept serving communities, serving customers all the way through the pandemic. And that's the advert that was just making sure everybody was aware of what our fantastic teams have been doing. And just making sure that people could see and understand that they understand such things as TV ads, and you know, where we get our messages out. It's all very subjective. And we have had some positive comments about the advert. But I understand from yourself as well that people are thinking, well, we could have spent that money elsewhere. But let me reassure you, the money was kept the bare minimum and we will be reflecting on the feedback from that ad and making sure that we are understanding comments from customers about what we have done. But we have had some positive comments and others have liked seeing our staff in it and making sure that they understand what we do. But we will obviously keep that in mind going forward.

I started today by thanking our staff. And I really mean it; we have got an extraordinary group of people out there who deliver in the most amazing circumstances day in and day out, often very difficult circumstances. And imagine if you think of some of the sewage problems they must fix and some of the water problems and the leaks and the urgency, the beautiful locations. And those people often get affected by the criticism that comes on us corporately, and it is hugely important that they know how proud we are of them and that the communities recognize what they do. So, that's what we're trying to do. And hopefully, you can see a little bit of that in the advert.