

Sustainable Financing Framework
Annual Allocation and Impact Report 2025



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Our purpose

Bringing water to life – supporting the lives of people and the places they love for generations to come

Our values



We want you to bring your best everyday. Be open and inclusive, work together and win as one team. Let your passion inspire those around you. Be authentic, make your mark and be you.



We want you to be the one we all look to. Be trusted. Act with integrity and make good on your promises. Build trust, one relationship at a time. Be rock solid.



We encourage you to be curious and challenge convention. Share ideas with confidence and purpose, and help shape our future. Embrace change. Drive progress. Own the challenge. Be the future.

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Foreword from Laura Flowerdew



There has never been a more important or consequential time to be part of the UK water sector.

Bringing water to life – supporting the lives of people and the places they love for generations to come

**Record
£3.2 billion**
investment programme
to 2030



£200 million
to help households
most in need

With the arrival of a new Government, the introduction of the Water (Special Measures) Act, the establishment of the independent Commission on the Water Sector Regulatory System, and the continued public and media focus on our industry, the responsibility and opportunity to deliver real change have never been greater.

At Pennon, we are clear in our purpose: to bring water to life – supporting the lives of people and the places they love for generations to come. This purpose guides every financial and operational decision we make. Underpinned by strong governance, a disciplined capital allocation framework, and a strategy focused on long-term growth and sustainability, the Board and I firmly believe Pennon is in a strong position to secure the future resilience and success of our business.

Following my appointment as CFO, I have had the opportunity to spend time across our operations, meeting many of the talented individuals who keep water flowing for millions of customers every day. Their passion, honesty, and professionalism reinforce my conviction that our most important asset is our people. Supporting our 4,000 colleagues – who live and work in the regions we serve – remains central to our success. When our people feel valued and supported, great outcomes follow for customers, communities, and shareholders alike.

Over the past year, we have made significant progress in strengthening the Group's balance sheet and positioning the business for sustained investment and innovation. Our fully underwritten rights issue in January 2025 has provided the financial flexibility to fund transformational capital programmes across our regions, maintaining balance sheet resilience and underpinning long-term growth. Alongside this, we successfully raised £800 million of new debt across a range of maturities and structures, ensuring an efficient and diversified funding base. These initiatives give us the capacity to deliver our record £3.2 billion investment programme to 2030, supporting environmental improvements, water quality, and customer service.

Our financial strength also supports our wider social purpose. The Board has extended its customer affordability pledge to 2030, committing a further £200 million to help households most in need, particularly when investment in our infrastructure over the next five years is resulting in real bill increases for the first time in a decade. We recognise that the long-term success of our company – and the sector – is inseparable from the health of the natural environment and the resilience of our customers and communities.

We continue to evolve our approach to sustainable finance, ensuring that every funding decision aligns with our broader environmental and social ambitions. A growing proportion of our debt instruments are now linked to sustainability performance targets, embedding accountability and transparency into how we fund and deliver change. We are committed to ensuring that capital raised today drives measurable environmental benefits – from improving river water quality and biodiversity to advancing our Net Zero ambitions through Pennon Power.

Our disciplined capital deployment, robust liquidity, and prudent financial management have ensured that Pennon remains well-positioned to deliver for all stakeholders. With the rebased dividend policy aligned to inflation (CPIH) and around 34% projected organic RCV growth to 2030, we believe we offer an attractive combination of asset growth and income potential, supported by long-term sustainable investment.

Operationally, the Group has demonstrated resilience and adaptability during a period of significant regulatory and environmental challenge. As we close out the K7 regulatory period (2020-2025) and transition into K8 (2025-2030), we do so from a position of strength. Our businesses – South West Water, Bristol Water, and Sutton and East Surrey Water – have each delivered solid performance, with strong customer service outcomes and continuing recognition from Ofwat and other regulators.

We have reshaped the Group into clearly defined business lines, giving greater focus to our four strategic priorities:



Water quality and resilience



Storm overflows and pollution



Net zero and environmental gains



Addressing affordability and delivering for customers

This clarity of structure allows for better governance, improved accountability, and more efficient deployment of capital. Importantly, we have increased the number of frontline colleagues by around 35%, ensuring more people and resources are focused where they matter most – on serving customers and protecting the environment.

The past year has also seen record levels of capital investment, totalling over £650 million in 2024/25 alone, aligned to the step-change required for K8 delivery. Our ‘Amplify’ partnership model is enabling faster, more efficient delivery across more than 1,000 projects, representing one-third of our total K8 investment commitment. These projects are already generating tangible benefits – reducing storm overflow spills, enhancing water treatment processes, and improving the resilience of local water networks.

Financially, 2024/25 represents an inflection point. We have absorbed short-term pressures associated with accelerated capital investment and reduced water consumption as customers respond positively to our efficiency campaigns.

However, these are investments in the future – ensuring the business is reset and reshaped to deliver sustainable profitability and stronger environmental outcomes through the K8 cycle and beyond.

Our sustainability agenda runs through everything we do. We are improving river quality, with an 80% reduction in phosphorus at targeted sites and continued enhancements across catchment management, biodiversity, and nature-based solutions. Over 144,000 hectares of land have been improved under our award-winning catchment programme, demonstrating that environmental restoration and commercial value creation can go hand in hand.

Through Pennon Power, our renewable energy portfolio continues to expand, supporting our Net Zero commitments and reducing reliance on grid energy. More than half of our targeted generation capacity is now under construction, with projects in Fife, Aberdeenshire, and Cumbria expected to deliver attractive unlevered returns of between 7-9% and levered returns of 11-15%.

These achievements underscore a clear principle: Pennon’s financial strategy and sustainability agenda are inseparable. Every investment, financing decision, and operational improvement contributes to the creation of long-term environmental and social value.

Looking ahead, we will continue to engage constructively with Government, regulators, and stakeholders to deliver the change needed across the sector. The challenges are significant – climate resilience, affordability, and customer trust – but so too are the opportunities. By combining strong financial stewardship with sustainable innovation, Pennon will continue to build a business that is both resilient and regenerative, delivering value for customers, shareholders, and the communities we serve.

As CFO, I am proud of the progress we have made, and I am confident that we have the financial foundation, strategic clarity, and purpose-driven culture to deliver on our commitments. Together, we will continue to bring water to life – responsibly, sustainably, and for generations to come.

Laura Flowerdew
Chief Financial Officer
Pennon Group plc

Introduction

This reporting year has been **a period of decisive investment, rigorous delivery and focussed ESG ambition** for Pennon. The combination of renewed regulatory scrutiny across the UK water sector, heightened public and stakeholder expectations, and a material programme of capital deployment has created a **clear imperative**: to translate scale and finance into **measurable environmental improvement** and **better outcomes for customers and communities**.

Over 2024/25, Pennon responded with a blend of accelerated investment, targeted programmes to reduce pollution and leakage, the scaling of nature-based solutions, and the embedding of sustainable finance into its capital structure – all underpinned by strengthened governance and a continued focus on affordability.

Strategic context and financial foundation

Pennon entered 2024/25 with a clear strategy: deploy capital at scale to strengthen resilience, accelerate environmental improvements and create long-term value. Delivering that strategy required both decisive financing actions and disciplined capital allocation. During the year the Group completed a fully underwritten rights issue and raised new debt to diversify and lengthen its funding base, ensuring the liquidity and balance-sheet strength necessary to support an ambitious £3.2 billion investment programme to 2030. These transactions reflect investor confidence in Pennon's plan and provide the financial flexibility needed to accelerate vital projects across water resources, treatment works, storm overflow interventions and renewables.

This strengthened capital position has been deliberately aligned with sustainability objectives: the Group's funding and treasury strategy increasingly mirrors its ESG ambitions. A sustainable finance approach is now an explicit part of how Pennon raises capital – ensuring that proceeds from eligible instruments are directed to projects delivering measurable environmental and social outcomes. Embedding sustainability into financing decisions reinforces accountability and helps link funding cost and availability to delivery on ESG targets.

Investment and delivery – scaling capital into outcomes

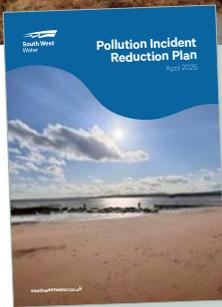
2024/25 saw record levels of capital expenditure: the Group delivered significant investment during the year as it prepared for the K8 regulatory cycle (2025-2030). Capital delivery in 2024/25 was concentrated on projects that directly underpin environmental and customer outcomes – reducing spills from storm overflows, enhancing water treatment capacity, improving network resilience and accelerating renewable energy generation through Pennon Power. The Group's Amplify capital delivery partnership stood up at scale and was delivering across a large number of schemes, helping to convert strategic budgets into tangible projects on the ground.

The effects of this investment are measurable. Pennon reported record investment for the year and accelerated deployment in the early months of the K8 programme, delivering projects that reduce environmental risk and strengthen service resilience. These investments have been carefully prioritised to deliver both near-term improvements (reduced spills, treatment upgrades) and medium-term resilience (new water resources, storage and network capacity).



Ambitious
£3.2 billion
investment
programme
to 2030

Upstream Thinking



**Pollution Incident
Reduction Plan**

Pennon POWER



Environmental performance – measurable improvements

A central theme of Pennon's ESG progress has been the translation of capital and programmes into measurable environmental outcomes. Across the reporting year, Pennon continued to reduce key pollutant discharges and to improve river water quality at multiple sites, with targeted interventions reducing phosphorus and other contaminants where they have the greatest impact. Catchment-scale work, delivered through the Group's award-winning catchment management programmes, continued to expand: these nature-based interventions improve water quality, restore biodiversity and build natural capital across tens of thousands of hectares. Such programmes deliver multi-dimensional benefits – improving habitat, reducing pollutant loads at source, and increasing climate resilience across landscapes.

On storm overflows and pollution reduction, Pennon has implemented a 15-year strategy to significantly reduce the use of storm overflows and to deliver a progressive reduction in spills. Despite exceptional rainfall in recent years that has presented unique operational challenges, the Group achieved a reduction in spills in 2024 and is deploying targeted interventions – network monitoring, WaterFit schemes and investment in storage and treatment – to continue that trend. The Pollution Incident Reduction Plan and ongoing investment in monitoring and rapid response strengthen Pennon's ability to predict, prevent and remediate incidents.

Leakage and demand reduction remain a central operational focus. Across the K7 period Pennon materially reduced leakage in key operating jurisdictions and continued to pilot progressive customer tariff trials and demand-management campaigns that aim to sustain lower consumption while protecting affordability. These programmes show that behavioural and tariff interventions, combined with network investment, can reduce stress on resources while supporting customers to use water more efficiently.

Renewable energy and Net Zero progress

Pennon's commitment to Net Zero and energy resilience has been advanced through the growth of Pennon Power. Over the year the Group progressed renewable projects across multiple sites: a significant portion of targeted renewable capacity is now under construction, and operational returns are expected to be accretive over the medium term. Investing in on-site generation not only reduces Scope 2 exposure and energy risk but also supports the Group's operational resilience in a period of increasing energy market volatility. These projects form an integrated part of Pennon's approach to lowering emissions while generating predictable long-term returns.

Social performance – customers, communities and colleagues

Pennon recognises that environmental delivery must go hand-in-hand with commitment to customers and communities. In 2024/25 the Board extended its customer affordability pledge to 2030 and committed a £200 million support package to help vulnerable households. This focus on affordability sits alongside targeted community investment and outreach programmes designed to bolster resilience in the places Pennon serves. The Group's retail and business services also maintained customer satisfaction standards, reflecting ongoing efforts to deliver high-quality service even as capital programmes scale up.

The Group also continued to invest in its people: frontline resource levels were increased to ensure delivery capacity, while workforce programmes on safety, training and wellbeing were prioritised. Pennon's approach recognises that the sustained performance and reputation of its service depend on a supported, skilled and motivated workforce. The Board's engagement and the Executive's focus on culture reinforce that people are central to achieving the ESG agenda.

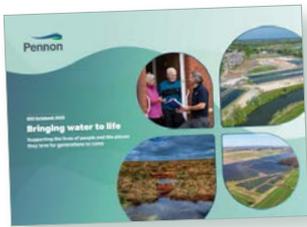
Governance, assurance and target performance

Strong governance and external assurance are essential to credible ESG reporting. Pennon's governance structures were strengthened during the year, with Board oversight of ESG priorities and the appointment of committee leads focused on remuneration and sustainability. The Group's ESG Databook provides comprehensive disclosure and is the basis for external assurance on a range of performance metrics. In 2024/25, Pennon reported that it had achieved 13 of 16 of its 2025 ESG targets, with significant progress on the remaining three – an outcome that demonstrates both delivery and the existence of clearly defined, measurable targets. Independent assurance further enhances confidence in the integrity of reported metrics.

Key governance actions – from improved incident management and monitoring to clearer lines of accountability for delivery – are supporting rectifications in areas where performance must improve. The Board and Executive have made it clear that accountability, transparency and continuous improvement are core principles as the Group navigates a period of heightened regulatory oversight and public interest.

Data, transparency and the ESG Databook

Transparency of data lies at the heart of Pennon's reporting approach. The ESG Databook consolidates the Group's environmental and social metrics for 2024/25 and aligns disclosures to relevant frameworks, providing stakeholders with robust access to the numbers that underpin the narrative: emissions, leakage, pollution incidents, investment deployed, hectares of catchment improved, customer support spend and other key performance indicators. This structured disclosure supports stakeholders' ability to scrutinise progress and holds the Group to account for the outcomes it sets out to deliver.



**ESG Databook
2025**

Looking forward – embedding delivery into the K8 cycle

As Pennon moves through K8 (2025-2030), the emphasis shifts from planning and financing to the consistent delivery of outcomes at scale. The combination of strengthened capital markets access, a sustainable finance framework, a focused capital delivery model and a clarified operating structure gives the Group the ingredients necessary to convert investment into measurable environmental and social value. Key priorities for the coming period include further reductions in storm overflows and pollution incidents, continued expansion of nature-based catchment programmes, deepening of renewable generation through Pennon Power, and targeted customer affordability support to ensure the economic impacts of investment are managed fairly.

Conclusion

The 2024/25 reporting year represents a transition from reset to delivery. Pennon has put in place the capital, delivery capability and governance to respond to the sector-wide challenges it faces. The Group's approach is intentionally pragmatic: mobilise finance, scale delivery through partnerships, measure outcomes rigorously, and be transparent in reporting. The results in 2024/25 – measurable improvements in water quality, reductions in key pollution metrics, accelerated capital delivery, progress on renewable energy and the embedding of sustainable finance – demonstrate that Pennon is turning ambition into action. As the Group progresses through K8, the focus will remain on converting scale and investment into durable environmental gains, improved customer outcomes and long-term value for stakeholders.

Allocation

Overall Capex and Opex spend

Within the year 2024/25 £825 million was raised through the sustainable financing framework (2023/24: £625m) The table below illustrates the allocation of the assets towards our key priorities. The net proceeds from our financing arrangements of £819.7 million has been directed towards projects outlined in the SIPs, as detailed in our business plan. Additionally, £200 million has been identified within our operational expenses for various projects that support our key priorities under the sustainable finance framework.

Total Capital Expenditure		
£459.9m		
Drinking Water	Wastewater	Net zero & environmental gains
£274.3m	£172.3m	£13.3m

Key priorities	2024 £000s	2025 £000s
Water quality and resilience (Drinking Water)	291,567	274,265
Storm overflows and pollutions (Wastewater)	134,628	172,322
Net zero and environmental gains	13,490	13,269
Addressing affordability and delivering for customers	-	-
Total	£439.7m	£459.9m

Allocated (£m)	Total allocated	Operational Expenditure	Capital Expenditure 2023	Capital Expenditure 2024	Capital Expenditure 2025
2023/24 funds to be allocated	625.0	100.0	164.7	360.3	0
2024/25 funds allocated	739.3	200.0	0	79.4	459.9
2024/25 funds unallocated	80.4	0	0	0	0
Carried forward		0	0	0	0
Total		£300.0m	£164.7m	£439.7m	£459.9m

Additions to our sustainable finance portfolio 2025

During the year £825 million (Net proceeds: £819.7m) was drawn through South West Water (SWW) group companies to fund ongoing operational and capital programmes as detailed below.

Name (ISIN)	Issuer	On lent to	Form	Label	Issue date	Maturity date	Net proceeds	Status
SF1: £44m Note due 2038 (N/A)	SWWL	N/A	USPP	Sustainable	24 Apr 2024	2038	£44.0m	Fully allocated
SF1b: £106m Note due 2039 (N/A)	SWWL	N/A	USPP	Sustainable	24 Apr 2024	2039	£106.0m	Fully allocated
SF2: £25m Loan due 2034 (N/A)	SWWL	N/A	Lease	Sustainable	28 Mar 2024	2034	£25.0m	Fully allocated
SF3: £400m 6.375% Notes due 2041 (XS2870909863)	SWWF	SWWL	Bond	Green	29 Jul 2024	5 Aug 2041	£396.6m	Fully allocated
SF4: £250m 5.75% Notes due 2032 (XS2956847805)	SWWF	SWWL	Bond	Green	4 Dec 2024	11 Dec 2032	£248.1m	Fully allocated
Total							£819.7m	

The new financing during the period has been used to fund new capital projects and operational expenditure in the period, during the this time SWW has repaid existing debt in line with the amortisation profiles

Allocations as per the ICMA categories

The ICMA eligible green and sustainable categories, as set out in our 2024 sustainable financing framework, have been used to allocate the opex and capex expenditure to our new financing arrangement. We expect as we progress through the new regulatory period (AMP8) that the funding raising will be used mainly on the provision of safe quality drinking water and for the improvement in our waste water treatment aligning to our key priorities.

Eligible category	SF1 & SF1b	SF2	SF3	SF4	Total
Sustainable Water Management	£150m	£210.2m	£15.1m	£78.4m	£453.7m
Climate Change Adaptation	Nil	Nil	Nil	£13.3m	£13.3m
Pollution Prevention and Control – Marine Pollution	Nil	£186.4m	£9.9m	£76.0m	£272.3m
Renewable Energy	Nil	Nil	Nil	Nil	Nil
Clean Transport	Nil	Nil	Nil	Nil	Nil
Environmentally Sustainable Management of Living Natural Resources & Biodiversity Conservation	Nil	Nil	Nil	Nil	Nil
Affordable Basic Infrastructure	Nil	Nil	Nil	Nil	Nil
Total	£150m	£396.6m	£25.00	£167.7m	£739.3m

Key performance indicators (KPIs)

Metrics	Unit	Company	2023/24	2024/25
Leakage in Year	Ml/d	SWW	not available	107.8
		BRL	not available	36.7
Leakage (3 year rolling average)	Ml/d	SWW	107	112.8
		BRL	37.8	38.5
Total water supply	Ml/d	SWW	198,013	199,988
		BRL	89,607.50	90,343.30
Direct water use	Ml/year	SWW	6,188	6,109
		BRL	not available	
Water efficiency initiatives	-	SWW	You can find more information by visiting www.southwestwater.co.uk/save-water	
		BRL		
Water stress	%	SWW	You can find more information by visiting www.globalreporting.org/standards	
		BRL		
Per Capita Consumption	L/p/d	SWW	147.1	148.4
		BRL	144.7	146.3
Per Capita Consumption (3 year rolling average)	L/p/d	SWW	147.8	149.4
		BRL	149.4	146
Pollutions – water	Number	SWW	29	20
		BRL	not available	
Pollutions – wastewater	Number	SWW	194	189
		BRL	not applicable	
Total gross Scope 1 & 2 GHG emissions	tCO ₂ e	SWW	20,942	19,876
		BRL	30,787	34,592
Biodiversity enhancement (cumulative)	hectares	SWW	126,733	144,120
		BRL	not available	

Key performance indicators (KPIs)

continued

Leakage

In 2023/24, Pennon's regulated water businesses delivered meaningful reductions in leakage, driven by sustained investment and operational initiatives. For example, the Group reports that over the K7 (2020-2025) period, leakage has fallen significantly. Moving into 2024/25, the improvement continued: the Group discloses that for its core businesses, leakage fell further in-year (for SWW a c.9% reduction, for Bristol c.4%) despite the challenge of high rainfall and groundwater levels in certain regions. This shows a trend of incremental yet material improvement, signalling that the intensified capital programme and network intervention activity are beginning to bear fruit. The sector-wide average reduction from 2023/24 to 2024/25 was about 2.7% though, highlighting both the progress and the scale of the challenge still faced.

Greenhouse Gas (GHG) emissions

For GHG emissions, the Group published improved outcomes in 2024/25 compared to 2023/24. According to the ESG Databook, total Scope 3 emissions for 2024/25 were estimated at 299,297tCO₂e, down from 316,295tCO₂e in the previous year. This reduction reflects the impact of improved operational efficiency, fuel and energy use controls, and the early deployment of renewable generation capacity. The commitment to reduce absolute Scope 1 and 2 emissions by 68% (from 2021/22 baseline) and Scope 3 by 30% underlines that these year-on-year improvements are part of a longer-term decarbonisation trajectory.

Biodiversity & nature-based interventions

While exact year-on-year quantified figures for each region are less immediately visible in the disclosure, Pennon emphasises that its nature-based catchment management programmes continue to scale. Over the K7 period, the Group reported improvements across 144,000 hectares of land as part of its catchment management work. The momentum in 2024/25 reflects that many schemes are moving into delivery rather than planning, meaning more tangible benefit in the field (pond construction, buffer strips, tree planting, slurry storage works). This shift from setup to deployment suggests that 2024/25 is a heavier delivery year than 2023/24, setting a stronger foundation for the 2025-2030 cycle.

Customer use, efficiency and consumption

On water efficiency and Per Capita Consumption, the data indicate mixed trends. The regulator-published "Water Company Performance Report" shows that for some companies (including those in the regions Pennon serves) 2024/25 saw an increase in per-capita consumption compared to 2023/24, reflecting external factors such as weather and tourism demand. Internally, Pennon's "Water is Precious" campaign and other demand-reduction initiatives are referenced as intensifying through 2024/25, implying that the Company is responding proactively to these headwinds in consumption. Leakage reductions and network enhancements also contribute indirectly to lower visible per-capita losses, which support resource efficiency and long-term sustainability.

Pollution incidents and operational resilience

The context for pollution-related metrics is more challenging given the harsher weather and groundwater conditions during 2024/25. Pennon reports that despite these conditions, the number of homes and businesses affected by internal sewer flooding fell by 14% year-on-year and external sewer flooding by 11%. While progress is evident, the Group acknowledges that further improvement is needed and remains outstanding in terms of meeting the most stringent regulatory performance levels. The transition from 2023/24 to 2024/25 shows that investments and programmes are beginning to take effect, but the full scale of benefit will be realised into the next regulatory cycle.



Catchment management: machinery out on new site, blocking erosion gullies that funnel water, carbon and peat away

Blackpool Pit water supply resilience project

Transforming a disused china clay quarry into a key water resource for Cornwall

Background

Blackpool Pit, situated on the outskirts of St Austell, Cornwall, has been an important part of the region's industrial heritage for over a century. The site was historically operated by Imerys for the extraction of China clay – one of Cornwall's defining industries.

Clay extraction from Blackpool ceased in 2007, and the site was gradually decommissioned and cleared of mining infrastructure. Over the years, two deep excavated basins naturally filled with water, eventually merging into a single lake. Today, Imerys continues to abstract water for their operational use, and the surrounding paths occasionally host recreational and community events.

As climate pressures increased and demand for resilient water supplies grew, South West Water (SWW) identified Blackpool Pit as a strategic opportunity. The site offered both the storage capacity and location to play a key role in strengthening Cornwall's water network – transforming a legacy of extraction into a resource that supports future resilience.

Project development

Engagement between SWW and Imerys began in October 2022, opening discussions on using the pit for public water abstraction. By November 2022, exploratory assessments were underway to determine potential pipeline routes between Blackpool Pit to enable water transfer into Colliford Reservoir. By March 2023, statutory notices were issued to landowners, and a comprehensive suite of ecology and invasive species surveys were commissioned. From the outset, the project team prioritised environmental protection and landowner collaboration. The pipeline route was carefully optimised to reduce disruption and avoid sensitive habitats – making use of existing gateways and field boundaries wherever possible.

To further minimise impact, the design team chose Horizontal Directional Drilling (HDD) for several crossings, despite higher cost, ensuring minimal hedge and minimal tree loss across the 21 km route. Additionally, a section of abandoned water main was slip-lined which enabled rehabilitation, reducing construction disturbance and carbon footprint.

Construction and engineering

Construction began in June 2023 and concluded in March 2024, when the connection point was finalised at Restormel Water Treatment Works (WTW) rather than Colliford Reservoir, optimising efficiency and water management.

The scheme delivered a 21 km, 560 mm OD pipeline extending from the outskirts of St Austell to Lanhydrock in Bodmin, connecting to SWW's existing recharge main between Restormel WTW and Colliford Reservoir.

A new pump station was installed at Blackpool Pit, incorporating a floating pontoon abstraction system with integrated telemetry for real-time monitoring and remote automated operation. Alongside the engineering works, extensive stakeholder coordination was undertaken with Imerys, multiple private landowners, the Environment Agency, Natural England, the Drinking Water Inspectorate and Cornwall Council. This ensured regulatory compliance and secured the necessary abstraction licence for the new water source.

Floating pontoon, Blackpool Pit



Operation and performance

Since becoming operational in March 2024, the scheme has successfully supported for water resource in the Colliford water resource zone and provided up to 12 Ml/d of raw water to Restormel WTW, where it enters the treatment process and is then distributed to customers across Cornwall.

Blackpool Pit typically operates during the summer, when flows from the River Fowey require augmentation from Colliford Reservoir due to low river levels. The ability to draw from Blackpool Pit during these periods significantly reduces the need to release water from Colliford Lake – conserving strategic storage for the remainder of the year.

While the infrastructure has the capacity to abstract up to 12 Ml/d, the annual licensed abstraction averages approximately 7 Ml/d over the course of a year, reflecting sustainable long-term recharge levels.

Environmental and strategic impact

From concept to completion, the project exemplified how design and proactive engagement can deliver major infrastructure with reduced environmental footprint.

- Minimal hedgerow and tree removal was achieved across the 21 km alignment.
- Use of HDD and slip-lining techniques minimised ground disturbance and safeguarded habitats.
- All ecological surveys were completed with ongoing engagement and monitoring, and construction sequencing was adjusted to protect sensitive species.

Beyond the environmental benefits, the project has enabled coordination between SWW, Imerys, and the wider landowning community. It also represents an innovative model for re-purposing post-industrial landscapes.

Outcome

The Blackpool Pit Water Supply Resilience Project has turned an industrial site into a strategic water asset that enhances regional security, protects the environment, and demonstrates how collaborative partnerships can create long-term value for both business and community.

The site has already demonstrated its capacity to supply at full output during the past two years of operation.



References



[Annual Report and Accounts 2025](#)



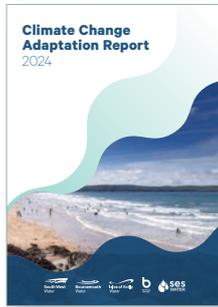
[Task Force on Climate Related Disclosures 2025](#)



[Annual Performance Review](#)



[ESG Databook 2025](#)



[UK Climate Change Risk Assessment](#)



[Investor Summary PR24 Final Determinations](#)



[Information on Water Saving Initiatives](#)

www.southwestwater.co.uk/save-water



[Information on Water Stress](#)

www.globalreporting.org/standards



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