

## Our business at a glance

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# Understanding SES Water

### Our vision

To be an outstanding water company that delivers service excellence.

### Our purpose

To supply our customers with the highest-quality water all day, every day, in a reliable and safe way, and to do so in a manner that reflects our long-term commitment to serve our local community and environment.

 [Read more on page 34](#)

### What we do

We supply around 160 million litres of clean water every day to more than 735,000 people in parts of Surrey, Kent, West Sussex and South London.

### Our business in numbers:



Water coming  
from underground  
sources

85%



Water from  
our reservoir

15%



Number of  
employees

351



Percentage  
of our pipe  
network that  
is 'smart'

83%



Customers with  
a water meter

62%



Water  
treatment works

8



Litres of water  
supplied daily on average

160m

## Our values

Our values define who we are, guide our behaviours and underpin everything we do.



### Service

We put our customers first and take pride in our service delivery.



### Integrity

We are accountable, ethical and trustworthy.



### Commitment

We are passionate about our work, act responsibly and care about quality.



### Collaboration

We are respectful, welcome diversity and support each other to achieve our goals.



### Innovation

We seek to improve our business, to be forward thinking and to embrace change.

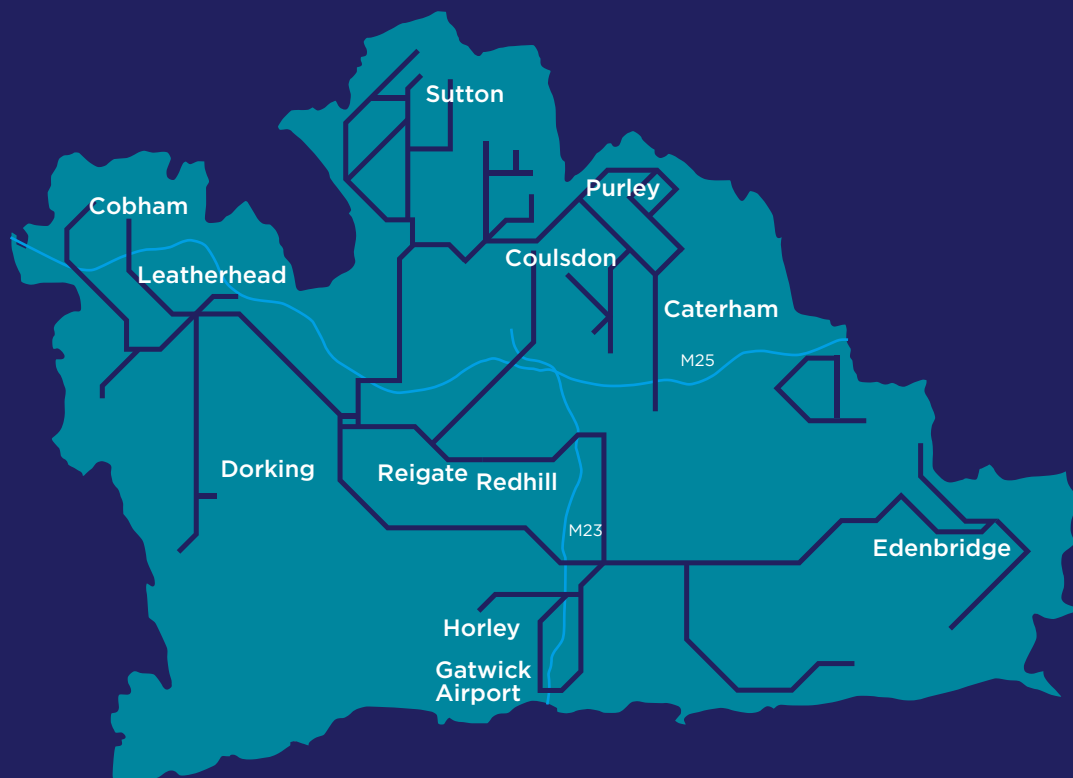


### Compassion

We care about the effects of our actions and make a positive impact on the community.

## Where we operate

Our supply area is 322 square miles extending from Morden and South Croydon in the north to Gatwick Airport in the south and from Cobham, Leatherhead and Dorking in the west to Edenbridge in the east.



## Business overview

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# Our structure

Our structure allows us to focus on our core function of supplying a reliable supply of high-quality water while ensuring that we provide excellent service to our customers, have the key support teams in place and an independent focus on compliance.



### Customer experience

**Kate Thornton**  
Chief Customer Officer

Responsible for overall customer experience, communications and community engagement

#### Key functions

Billing, account management, complaints resolution, supporting vulnerable customers, communications and our education programme



### Wholesale services

**Tom Kelly**  
Wholesale Director

Responsible for the delivery of water from source to tap – including maintaining a sufficient water supply and improving efficiency

#### Key functions

Water resources planning and management, water treatment and distribution, capital investment programme and the service provided to business retailers and developers



### Quality and compliance

**Nicola Houlahan**  
Quality and Compliance Director

Responsible for water quality, the externally accredited quality and environment systems, and providing independent internal assurance and compliance

#### Key functions

Water quality, health and safety, quality assurance, environmental regulations, risk management and compliance



### Finance, regulation and corporate services

**Paul Kerr**  
Chief Financial Officer

Responsible for finance, corporate services and governance, and ensuring adherence with statutory and regulatory requirements

#### Key functions

Finance, economic regulation, procurement, administration, property and facilities



### Information Technology

**John Gilbert**  
Chief Information Officer

Responsible for the management, implementation and usability of technology and data

#### Key functions

Digital strategy, IT infrastructure and support, cyber security and data management



### HR and Learning and development

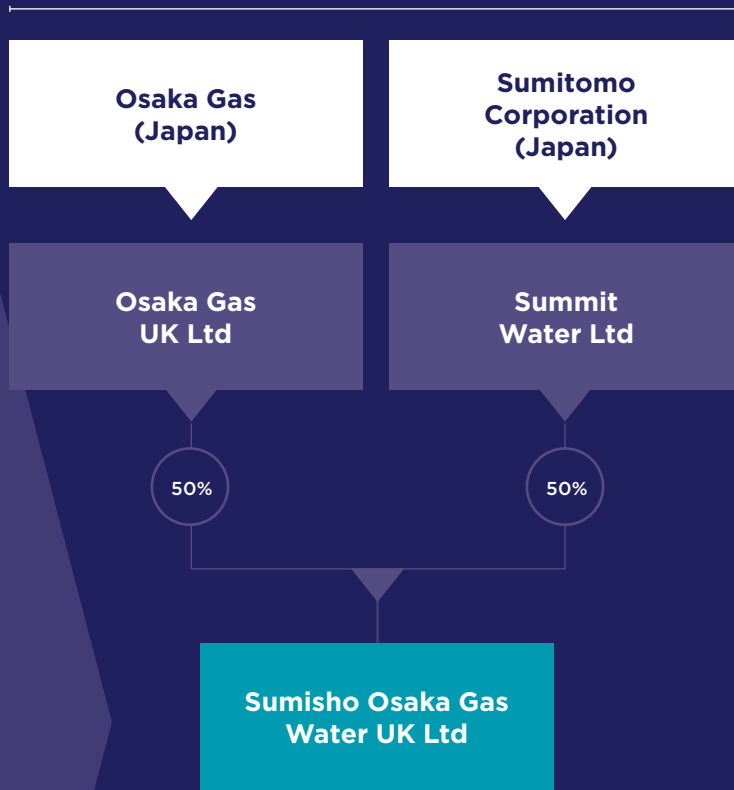
**Sarah Brown**  
Head of People

Responsible for the overall provision of human resources services, policies and procedures

#### Key functions

Payroll and benefits, learning and development, employee relations, recruitment and retention, and employee wellbeing

We are jointly owned by the major Japanese businesses Sumitomo Corporation and Osaka Gas. Each has a 50% stake in the UK-based holding company Sumisho Osaka Gas Water UK Ltd.



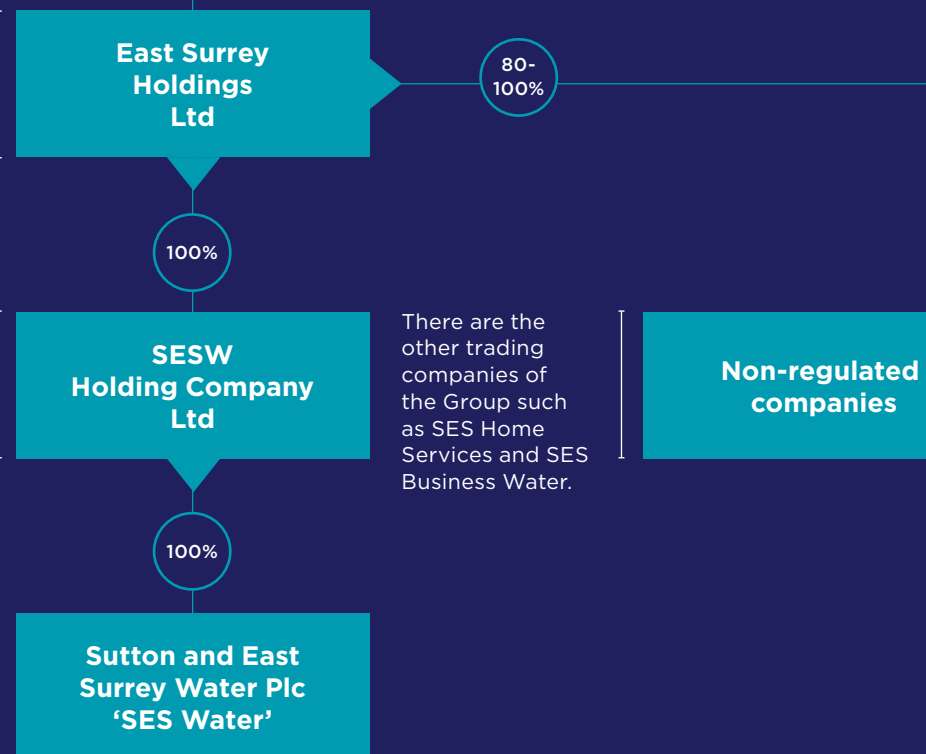
Except where indicated with (Japan), all companies within this structure are subject to UK corporation tax. This has been the case since 2013 and we have not operated any complex off-shore financing arrangements at any time during this period.

**Private ownership**

Investing in water services is key to ensuring resilient supplies for customers, both now and in the future and, since privatisation in 1989, over £150 billion has been invested across the industry.

We have responsible shareholders who put the interests of our customers first, allowing more money to be reinvested in improving our services or kept in reserve. Like any investors they expect a return on the equity they put in and over time they have taken a fair level of dividend, below Ofwat’s allowed level of return. Dividend levels are agreed each year by the Board and take into account how well we are performing against a range of targets, both financial and the commitments we have made to our customers. You can read more about our dividend policy and how payment decisions are made on page 103.

Holding companies are recognised legal entities and bring together the investment made by shareholders to own and control their interests in other companies.



Our immediate parent company is SESW Holding Company Limited, established at the time that the Company’s £100 million index-linked bond was issued in March 2001 to protect the interests of bond holders by exercising control over distributions.

There are the other trading companies of the Group such as SES Home Services and SES Business Water.

**Non-regulated companies**

## Business model

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# Creating long-term value

## Our vision

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### Our vision is to be an outstanding water company that delivers service excellence.

We take pride in being a local company with a long heritage and our customers have told us they value their water being supplied by a small company whose employees have comprehensive knowledge of our supply area. To do this our business model is reliant on a number of key resources and relationships that enable us to meet our obligations.



We are committed to protecting the natural environment, for the benefit of local people and wildlife.



Our Investors In People (IIP) Silver award is a significant achievement which recognises the enduring effort that goes into making SES Water a better place to work.



We want the most satisfied customers in the country and our membership will help us get there.

## Inputs

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### Water resources

Managing our water resources through our forward-looking, 60-year Water Resources Management Plan (WRMP) and protecting and enhancing the environment.

### Employees

Developing and motivating our 351 employees, incentivising them to deliver a high-quality customer experience at every touchpoint with consumers of our services.

### Customer engagement

Engaging customers with the role we all play in valuing water, encouraging behaviour change to protect resources and sharing ownership for how water is used, viewed and valued.

### Suppliers

Building a strong relationship with those companies who work on our behalf and are key to the successful operation of our business.

### Physical assets

Efficient maintenance of our sites, equipment and networks, significant capital investment to construct new assets and innovation to inform future development.

### Financing

Maintaining a robust capital structure, long-term cost-effective debt, shareholder support and an investment grade credit rating.

**Playing our part in achieving the industry's Public Interest Commitments:**

Triple the rate of sector-wide leakage reduction by 2030

Achieve net zero carbon emissions for the sector by 2030



### Water is collected

Groundwater sources provide 85% of our water with 15% coming from our river-fed reservoir.



### Water is cleaned

Our eight water treatment works clean raw water to the highest standards, making it safe to drink.



### Maintenance and development

We constantly monitor our water treatment and storage sites and network, conducting maintenance and developing new infrastructure where necessary.



### Customer service

We support our customers with all aspects of their water service.



### Clean water is put into supply

Our 3,500+ kilometre network of pipes and 24 pumping stations deliver a continuous supply of clean water to our customers.

### Water is tested

Each year we carry out 130,000 tests on around 13,000 samples at every point from source to tap.



### Customers rely on our water

People need a reliable supply of safe, clean drinking water to their homes and businesses for their vital everyday needs. On average we supply 160 million litres every single day.



## Outcomes

The value we share between our stakeholders:

### Customers

We are delivering our customers' priorities through our Business Plan pledges, including providing a reliable and resilient service, supporting our vulnerable customers and making sure our bills are fair and affordable.

### Employees

We invest in our people through new training and development opportunities, fair pay and recognition of good performance, and programmes to attract and retain high-quality employees.

### Communities

We have provided grants to local causes through our community fund as well as opening a new education centre to deliver an industry leading education programme for more schools, young people, businesses and community groups.

### Regulators

We have regular consultation and engagement with our regulators, including Ofwat, the Drinking Water Inspectorate and the Environment Agency, to balance and deliver their expectations.

### Local authorities

We are planning ahead for a 50% growth in the number of people living in our area by 2080 and working with others to limit the disruption of our essential work in local areas.

Make bills affordable as a minimum for all households with water and sewerage bills no more than 5% of their disposable income by 2030 and develop a strategy to end water poverty

Across the country, prevent the equivalent of four billion plastic bottles ending up as waste by 2030

Be the first sector to achieve 100% commitment to the Social Mobility Pledge – a coalition of 550 businesses globally putting social mobility at the heart of their purpose