

PORTSMOUTH WATER LIMITED

Environmental Policy

Introduction

As a water-only company, protecting our natural resources is fundamental to our business and our customers. Our vision, against the backdrop of climate change, the nature crisis and population growth, is to provide an affordable, reliable and sustainable supply of high-quality water for our customers, whilst supporting the environment to thrive today and in the future. By being smart in our approach, we will work with our local communities to meet our goals, whilst protecting and enhancing the environment for generations to come.

We are committed to ensuring we remain compliant with all environmental legislation and regulations; carefully assessing the impact of our operational activities. We take our obligations as a business seriously, especially in relation to our impact on the environment. Our commitments as a business to the environment and the communities in which we operate are summarised below.

Environmental Commitments

Environmental Responsibility

- Transition towards net zero (by 2040) and prepare for the effects of climate change
- Raise awareness of environmental considerations and constraints across our business, managing habitats and carrying out ecological mapping on our land to protect and enhance biodiversity
- Improve biodiversity on our land and in our wider communities, building resilience by protecting our water sources and the environment
- Seek potential reductions to the volume of water we take from the environment
- Preventing pollution and managing operational activities that impact the environment.

People, Communities and Customers

- Educate our people in environmental issues and the environmental effects of our activities
- Promote environmentally responsible behaviours throughout our operations and supply chain
- Engage with our Independent Challenge Group on climate-related and environmental issues and projects
- Help customers use water wisely to reduce the amount of water they use
- Operate an ESG board-sub-committee to oversee the implementation and maturing of our ESG strategy.

Operations

Water Management

- Through our water resources management plan (WRMP), secure reliable and safe drinking water supplies in our region in the next fifty years; catering for growth and climate change, improving our environment and significantly reducing the risk of drought restrictions
- Horizon-scan emerging developments in water quality chemical pollutants and public health matters
- Deploy new and innovative techniques to locate and fix water leaks; reducing the number of leaks from our pipes by more than a quarter by 2030 (from a 2017-2020 baseline), and by half by 2040
- Deliver our demand reduction programme in conjunction with customer engagement and water efficiency initiatives, across our entire region by 2033.

Energy Management and Transport

- Upgrade office and operational sites to minimise waste, comply with recycling legislation and upgrade the energy efficiency of our lighting, heating and pumping equipment
- Install solar and battery technology at operational sites to support on-site renewable generated energy; and increase locally-sourced green renewable energy
- Support the transition towards a low carbon fleet strategy; including the conversion of HGVs and generators to hydrogenated vegetable oil and increase our use of electric vehicles across our company-owned fleet.

Water Catchment Management

- Work to improve catchment water quality to reduce the need for intense treatment processes in the long-term; reducing chemical and energy use
- Protect water sources by working with farmers and land owners to reduce the risk of rising water quality levels and reduce environmental pollution in our catchments
- Assess the quality and health of our river catchments through the statutory Water Industry National Environment Programme (WINEP) to understand if our abstractions are adversely impacting the environment.

Suppliers

We will require all of our suppliers to have the same outlook on the environment that we do. In order to satisfy ourselves of this shared ethos, we will require commitments to ensure alignment with our environmental and climate focus. Below are examples of third-party supporting documentation.

- Documented environmental management or sustainability policies.
- ESG, environmental, climate change or sustainability reports.
- Metrics related to ESG governance and measurement of Greenhouse Gas (GHG) Protocol standards.
- Plans to achieve net zero carbon emissions (and targets through time).

Performance

We will share our environmental plans and progress within our annual financial, performance, and sustainability reports; including the publication of our journey to net zero and our annual GHG emissions data (Scopes 1, 2 and 3) as we progress towards becoming a carbon neutral business.

As a water-only supply company, regulated by Ofwat, our performance against environmental and biodiversity ODIs (Outcome Delivery Incentives) continue to be measured and reported. Performance commitments relating to the environment include serious pollution incidents, discharge permit compliance, leakage, PCC, biodiversity, and operational Greenhouse Gas (GHG) emissions.

Reporting Concerns

Our Whistleblowing policy was updated in 2024 to incorporate an external reporting function for our people; allowing for anonymity, in line with Ofwat best practice.

Roles and Responsibilities

The Chief Executive Officer holds ownership and overall responsibility for this Environmental policy. The Board of Directors ensures oversight of this policy, reviewing it on at least an annual basis, and providing formal approval. The ESG board-sub-committee oversees the development of the company's ESG strategy goals, science-based targets and metrics, which it reports up to the Board of Directors, for formal approval. The CEO, ESG Committee and Board of Directors are supported by the Company Secretarial team.

Policy Review

We recognise that climate and environmental impacts are changing rapidly, and that adaptive planning is important, and will review this policy periodically in light of new knowledge, changing legislation and stakeholder views.