

**SES Water**  
**Minutes of a Meeting of the Board Meeting**  
**Wednesday 26 July 2023**

**Held in the Boardroom, Redhill and via MS Teams**  
**commencing at 10.15 hours**

**Present:**

D Shemmans	DS	(Chair)
M Legg	ML	
J Woods	JW	
R Wiles	RW	
K Kageyama	KK	
K Oida	KO	
I Cain	IC	
P Kerr	PK	

**In attendance:**

T Kelly	TK
N Houlahan	NH
K Thornton	KT
S Brown	SB
D Lamb	DL
E Prince	EP
J Omura	JO

**Absent:**

**2023 30. Declaration of Interests**

DS reminded the Board to continue to update PK of any changes to the register of directors' interests.

**2023 31. Minutes of Previous Meetings (including website minutes)**

The minutes of the meetings held on 14 June 2023 were agreed and signed by the Chair, with summarised Board minutes approved for publication on website.

**2023 32. Matters Arising including DWI year-end reporting**

PK reviewed the matters arising with the Board, noting in particular:

- Publication of the APR 2023 following review and approval by the Board in July.
- TK confirmed continued compliance with SES Water's environmental obligations, including confirming no pollution incidents.
- TK provided an update on the progress of the reservoir cleaning programme, noting that a formal update would be provided at the November Board (post PR24 submission)
- NH reviewed the DWI status paper as contained with the Board papers, including her summary of the annual DWI inspectors' report. The Board noted the positive results for SESW in this report in terms of our industry leading water quality performance, and NH/TK discussed the challenging areas of customer contract and reservoir cleaning, the latter of which would be updated in November with the Board as noted above.

**2023 33. Board Committee Reports**

PR24 Board

ML reviewed with the Board the following key discussion items from the recent PR24 Board meeting noting:

- The challenge by the Board on PCC and outcomes – especially with respect to the level of ambition and the potential reliance on customer behaviour change matters. TK noted that a separate deepdive session would be held with the Board on this and other outcomes.
- The status of key elements of the PR24 BP process – including key Board choices, customer engagement, cost and financial modelling and assurance – which were proceeding to plan.

Governance Committee

ML reviewed with the Board the following key discussions items from the recent Governance Committee meeting noting:

- The finalization and issuance of a high-quality APR – with thanks from the Board to EP and PK for the considerable efforts in this regard. ML noted the need to consider PwC and Motts recommendations and areas for improvement associated with the audits.
- The status of pending Ofwat governance matters associated with customer-based licence conditions and whistleblowing matters.
- The need for continued high levels of governance throughout the Project Wentworth work.

Financing Committee

ML reviewed with the Board the following key discussion items from the recent Financing Committee noting:

- The management of cash balances in the business in line with recent cash budgets and forecasts.

RW also noted the recent Health, Safety and Wellbeing (HSW) Committee (minutes included in Board Packs) citing the positive feedback from recent HSW roadshow and campaigns implemented by management. RW also noted her attendance at the recent internal Company HSW meeting, with strong membership and interaction noted.

**2023 34. Regulatory and Performance update**

IC reviewed with the Board his summary performance as noted in his accompanying CEO report, noting the continued focus of management on:

- Delivery of performance commitments – maintaining strong performance in green areas whilst having clear plans to improve performance
- Delivery of the financials - further embed the commercial focus, deliver strong cash management following through on opportunities to reduce opex and working within our capex parameters
- Continuing the Smart Utility journey - asset health, smart metering, single source of truth (data)
- Concluding the discussions on letter of support and financial resilience
- PR24/LTDS – agreeing our plans and commitments for submission
- Supporting Wentworth process to successful conclusion (including ESH Group accounts submission)
- Taking care of the well-being of a busy ELT/SLT

Following questions from the Board, IC discussed his views on the recent media attention on Thames Water (with minimal impact to SES Water to date).

TK/KT expanded on certain key operation focus areas for the business at present, including softening operations, recent CMEX results and improvement plans, cash collection work via South African outsourced operations and the continued stability of water resources.

TK also reviewed with the Board the pending work on the A22 in respect of the Company's resilience plans noting the considerable planning work involved and expected completion dates. The Board requested an update at the September meeting.

**2023 35. Shareholder Update**

KK thanked the Board and management for the continued work on Project Wentworth, which was proceeding to schedule.

The Board thanked both FM and JO for their considerable contribution over recent years while on secondment from Osaka and Sumitomo Corporation respectfully. Both FM and JO reciprocated, passing on their thanks to management for the support and opportunities provided during their secondment.

**2023 36. CEO/NEDs private session**

A private session was held with IC, PK and the NEDs

**2023 37. Date of Next Meeting**

Wednesday 27 September 2023

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(Chair)