

# Sustainability reporting

## Streamlined Energy and Carbon Report (SECR)

Pennon Group emissions now includes SES Water. Following the acquisition, SES emissions were reported separately and only reflected the period post acquisition. As a result, scope 1 and 2 emissions have increased to reflect this, but we continue to target improvements across all of our regions.

### Pennon Group plc GHG emissions

	2024/25		2023/24 <sup>4</sup>	
	market based	location based	market based	location based
Scope 1 GHG emissions by source (tCO <sub>2</sub> e) <sup>1</sup>				
Direct emissions from burning of fossil fuels	<b>8,859</b>	<b>8,859</b>	5,467	5,467
Process and fugitive emissions	<b>14,562</b>	<b>14,562</b>	16,170	16,170
Transport: Company owned or leased vehicles	<b>6,382</b>	<b>6,382</b>	5,100	5,100
Total Scope 1 GHG emissions (tCO <sub>2</sub> e)	<b>29,803</b>	<b>29,803</b>	26,737	26,737
Scope 2 GHG emissions (tCO <sub>2</sub> e)	<b>26,975</b>	<b>89,432</b>	25,662	83,575
Total gross Scope 1 & 2 GHG emissions (tCO <sub>2</sub> e)	<b>56,778</b>	<b>119,235</b>	52,399	110,312
Scope 3 GHG emissions <sup>2</sup> (estimated) <sup>5</sup>	<b>299,297</b>	<b>299,297</b>	316,295	316,295
Total gross Scope 1, 2 & 3 GHG emissions (tCO <sub>2</sub> e) <sup>5</sup>	<b>356,076</b>	<b>418,533</b>	368,694	426,607
GHG emissions removals through purchases of Renewable Energy Guarantees of Origin (tCO <sub>2</sub> e)	Included in scope 2 above	-	Included in scope 2 above	-
GHG emissions saved by exporting self-generated electricity (tCO <sub>2</sub> e)	<b>0</b>	<b>(1,837)</b>	0	0
Total annual net GHG emissions (tCO <sub>2</sub> e) <sup>5</sup>	<b>356,076</b>	<b>416,696</b>	368,694	426,607
Energy consumption used to calculate Scope 1 and 2 GHG emissions (MWh) (see Energy usage section)	<b>535,621</b>	<b>535,621</b>	459,736	459,736
GHG emissions intensity measure: tCO <sub>2</sub> e (gross Scope 1+2/£100,000 revenue) <sup>3</sup>	<b>5.4</b>	<b>11.4</b>	6.0	12.7
Biogenic GHG emissions outside of Scopes (tCO <sub>2</sub> e)	<b>2,871</b>	<b>2,871</b>	3,076	3,076

#### Notes:

Pennon Group plc total Scope 1 (29,803 tCO<sub>2</sub>e), Scope 2 market-based (26,975 tCO<sub>2</sub>e), Scope 2 location-based (89,432 tCO<sub>2</sub>e) GHG emissions, market-based GHG emissions intensity measure (5.4 tCO<sub>2</sub>e) (gross Scope 1 + 2/£100,000 revenue), and location-based GHG emissions intensity measure (11.4 tCO<sub>2</sub>e) (gross Scope 1 + 2/£100,000 revenue). These figures have been independently assured by Jacobs.

Scope 1 (direct GHG emissions): GHG emissions activities owned or controlled by our organisation that release emissions straight into the atmosphere. For Pennon, primary Scope 1 GHG emission sources during 2024/25 include GHG emissions from stationary plant, fugitive emissions from air conditioning plant and wastewater treatment, transport-related GHG emissions from our own vehicles, and fleet Scope 2 (indirect GHG emissions) GHG emissions released into the atmosphere associated with our consumption of imported electricity. Scope 3 (other GHG indirect emissions) GHG emissions are a consequence of our actions, which occur at sources which we do not own or control.

1. GHG emission figures are expressed in tonnes of carbon dioxide equivalents (tCO<sub>2</sub>e) whereby emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and the fluorinated gases (HFC, PFC, SF<sub>6</sub>) are shown in terms of the equivalent emissions from CO<sub>2</sub>. A breakdown of emissions by GHG is available in our ESG Databook available on our website: [www.pennon-group.co.uk/reportsandpresentations](http://www.pennon-group.co.uk/reportsandpresentations)
2. Estimated GHG emissions for relevant Scope 3 categories calculated for 2024/25 are provided in our ESG Databook available on our website: [www.pennon-group.co.uk/reportsandpresentations](http://www.pennon-group.co.uk/reportsandpresentations)
3. Based on relevant Group revenue for 2024/25.
4. 2023/24 figures are reported excluding SES Water, with SES Water's SECR figures reported separately within the 2023/24 Annual Report and Accounts.
5. 2023/24 Scope 3 category 5 GHG emissions have been restated to correctly account for waste generated in operations.

### Operational Pennon Group plc GHG emissions by business

	South West Water	Bristol Water	SES Water	Group total <sup>1</sup>
Scope 1 GHG emissions (tCO <sub>2</sub> e)	19,373	8,691	895	29,803
Scope 2 GHG emissions (market based) (tCO <sub>2</sub> e)	503	25,900	2	26,975
Total gross Scope 1 & Scope 2 GHG emissions (tCO <sub>2</sub> e)	19,876	34,592	897	56,778
Operational intensity measure (kgCO <sub>2</sub> e/MI) – Water <sup>2</sup>	30.68	358.82	32.19	n/a
Operational intensity measure (kgCO <sub>2</sub> e/MI) – Wastewater <sup>3</sup>	120.29	n/a	n/a	n/a

1. Group total includes 1,414 tCO<sub>2</sub>e (total gross scope 1 & 2 GHG emissions) from Pennon Water Services and Group shared services.
2. For 'Water' measure MI = measured water into supply.
3. For 'Wastewater' measure MI = full measured flow treatment.

### Change in GHG emissions

Operational Scope 1 and 2 emissions (market-based) for the Group increased by c. 8% from 2023/24. This is largely due to SES Water being included in the Group figures for the first time this year which has led to an increase in our Scope 1 emissions from vehicle transport as their transport fleet was included in our emissions for the first time as well as their emissions from the burning of diesel fuel for standby generation to ensure operational resilience at their sites. The revenue-based intensity metric has continued to reduce for the Group and the "market-based" value now stands at 5.4 tCO<sub>2</sub>e/£100,000 turnover compared to a value of 6 tCO<sub>2</sub>e/£100,000 turnover in the previous year, continuing the trajectory of emissions reductions relative to revenue earned.

### Scope 3 GHG emissions

Scope 3 categories were evaluated for relevant categories in line with the reporting guidance. The assessment, carried out by carbon consultants Eco Act on behalf of Pennon, is based on 2024/25 activity data for the Group. The estimated Scope 3 GHG emissions for 2024/25 for the Group are 299,297 tCO<sub>2</sub>e compared to the equivalent figure in 2023/24 of 316,295 tCO<sub>2</sub>e.

SES Water's Scope 3 activities have been calculated and reported within the Group figures for the first time.

A breakdown of our estimated Scope 3 GHG emissions is provided in our ESG Databook, published on our website ([www.pennon-group.co.uk/sustainability](http://www.pennon-group.co.uk/sustainability)).

### GHG Reporting Methodology

Our approach follows the UK Government's Environmental Reporting Guidelines, including Streamlined Energy and Carbon Reporting guidance (2019) and the Greenhouse Gas Protocol Corporate Standard including the Scope 3 Calculation Guidance (collectively referred to here as the reporting guidelines). In calculating our emissions, we have used the 2024 UK Government conversion factors for GHG reporting.

### Organisational boundary and scopes

The GHG emissions listed here cover 100% of the Group's companies, each of which uses the financial control approach, except equity share for Bristol Water Holdings Companies, to report GHG emissions. We report our Scope 1, 2 and 3 GHG emissions where relevant. A breakdown of Scope 3 GHG emissions categories is provided in our supplementary ESG Databook online at [www.pennon-group.co.uk/sustainability](http://www.pennon-group.co.uk/sustainability).

### Market and location-based methodology

We report both market-based and location-based Scope 2 GHG emissions. Where our supply is backed by Renewable Energy Guarantees of Origin (REGOs), this qualifies as zero carbon market-based emissions. Where supply is not REGO backed, in accordance with the reporting guidelines, we have used our electricity suppliers' specific published Fuel Mix Disclosure emissions factors to report our Scope 2 market-based emissions. Where Fuel Mix Disclosure emissions factors are not available, we have used the residual grid mix emissions factor.

### Self-generated renewable energy export

In accordance with the reporting guidelines, we may report an emissions reduction in our reported net CO<sub>2</sub>e figure for any renewable electricity we have generated and exported to the national grid or a third party.

### External assurance statement

Group Scope 1 and 2 GHG emissions and energy use, together with selected Scope 3 GHG emissions, have been independently assured by Jacobs. The assumptions, methods and procedures that are followed in the development of the reported data have been tested and the data audited for accuracy and consistency. Assurance statements can be found at [www.pennon-group.co.uk/sustainability](http://www.pennon-group.co.uk/sustainability).

### Offshore Emissions

All of Pennon Group's energy usage is within the UK, and Pennon Group had no offshore GHG emissions or energy usage in the reporting period.

### Energy usage

Including self-supplied energy, the Group used 535,621 MWh of energy in 2024/25, compared to 484,374 MWh in 2023/24. This increase in energy has been driven by the inclusion of SES Water in the Group's figures for the first time. When excluding SES Water, our energy usage has gone down since the previous year due to the more favourable weather conditions which meant we were able to reduce our strategic water pumping program this year, reducing the amount of energy used to pump water, as reservoirs were recharged using natural means. A breakdown of Group energy usage and associated data assessment methodologies is shown below. Further details and previous years' data are provided in our ESG Databook, which can be found at [www.pennon-group.co.uk/sustainability](http://www.pennon-group.co.uk/sustainability).

## Energy usage

	2024/25 (MWh)	2023/24 (MWh) <sup>5</sup>	Methodology
Imported grid electricity <sup>4</sup>	<b>431,305</b>	404,426	Metered data except some NHHM supply which is estimated by electricity supplier
Imported private wire electricity (renewable)	<b>6,138</b>	5,804	Metered data
Self-supplied renewable electricity	<b>10,841</b>	10,656	Metered data
Self-supplied heat	<b>6,625</b>	7,068	Estimated that 60% of heat generated by sewage gas CHP is beneficially used, the rest (40%) is released to atmosphere
Natural gas <sup>4</sup>	<b>43,018</b>	25,407	Metered data – from billing (some element of estimates)
Liquid fuels (for stationary applications) <sup>4</sup>	<b>6,739</b>	6,375	Estimated based on fuel use/spend data. Reported totals calculated based on raw data provided by the supplier
Energy used by fleet transport <sup>4</sup>	<b>30,955</b>	24,639	Estimated based on fuel use/spend and mileage data <sup>2</sup>
Total energy usage <sup>1</sup>	<b>535,621</b>	484,374	
Intensity measure: MWh/£100,000 revenue <sup>3</sup>	<b>51.17</b>	55.53	

Energy usage data notes:

1. Total energy usage (535,621 MWh) by has been independently assured by Jacobs.
2. Hire car fuel usage and grey fleet (use of private vehicles on company business) are included in these SECR volumes – as per SECR guidance.
3. Based on relevant Group revenue for 2024/25.
4. Energy consumption used to calculate Scope 1 and 2 GHG emissions.
5. 2023/24 figures are reported excluding SES Water, with SES Water's SECR figures reported separately within the 2023/24 Annual Report and Accounts.

## Energy efficiency action taken

Our energy efficiency interventions during 2024/25 are estimated to have avoided around c.3 GWh of additional energy use, or around 0.6% of our total energy consumption (excluding transport). We have focused this year on a metering program across our energy consuming assets to prioritise our work for the next Asset Management Period (AMP) according to where interventions would be best optimised for energy consumption along with improving the resilience of our sites across the water and wastewater businesses in the Group. We have yet again taken steps this year to focus on testing, repairing or replacing our largest rotating operational assets across the Group. We have been modernising and refurbishing our rotating assets, including the deployment of more efficient aeration equipment in the form of new blowers (air compressors) at our Brokenbury wastewater treatment works and pump refurbishments across several sites.

