

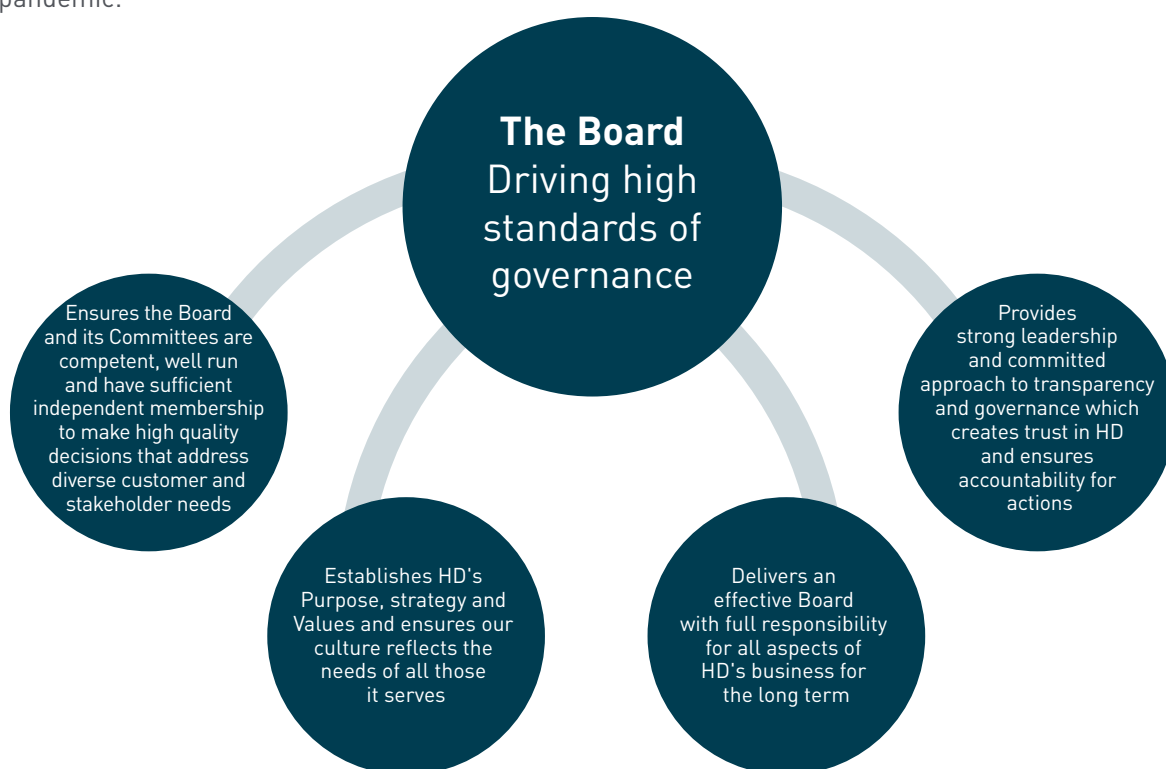
# Our approach to Board leadership, transparency and governance

# Our approach to Board leadership, transparency and governance

Our Board is committed to Ofwat's principles for Board leadership, transparency and governance, with its emphasis on the importance of strong Board leadership and the special responsibilities attached to regulated monopoly companies providing an essential public service. As such, this chapter has been formulated to fully articulate how we apply the principles and provide direction to additional published information where relevant.

As the COVID-19 pandemic unfolded, the Board increased its interactions to maintain continual dialogue around the potential impact on our customers, communities and colleagues and ensure effective Board oversight of the Company's response to the pandemic.

The Board adopted the approach implemented for non-key workers across the business, with Board meetings being held virtually whilst restrictions were in place. Significant effort was applied to ensure that all matters on the Board's forward plan were considered during the year and external stakeholders continued to attend virtual Board events throughout the pandemic. The Board values the insight gained from stakeholder engagement and places significant importance on maintaining close relationships with them, taking account of, and responding to, their views.



Throughout this section we reference a number of different documents where you can find more detailed information on both our Hafren Dyfrdwy and Severn Trent Group policies, which are available on our websites.

#### Documents available at [hdcymru.co.uk](http://hdcymru.co.uk)

- Detailed information about the Hafren Dyfrdwy Cyfyngedig Board, Charter of and Matters Reserved to the Board
- Articles of Association
- Charter of Expectations
- Our Assurance Summary
- **Hafren Dyfrdwy Code of Practice**

#### Documents available at [severntrent.com](http://severntrent.com)

- Group Company Structure
- Our Code of Conduct, Doing the Right Thing
- Group Conflicts of Interest Policy

## 1. Purpose, Values and culture

### Our Purpose and Values

The Board recognises the importance of the Company's Purpose, Values and culture in delivering long-term success and building and maintaining trust in its activities. As such, the Board reserves responsibility for establishing Hafren Dyfrdwy's Purpose, Values and strategy, and continuously seeks to satisfy itself that our culture is aligned to these.

Our Purpose and Values set the cultural tone of our organisation, guide our behaviours and express the intent behind what we do. We believe that if we are united by a clear social purpose we will deliver better outcomes for all our stakeholders – our customers, our colleagues, the society we live in and the environment we depend on. We are first and foremost driven by our Purpose '**Gofalu am un o hanfodion bywyd**' / '**Taking care of one of life's essentials**' and we are guided by our Values:

- Bod yn ddewr / Having courage;
- Cofleidio chwilfrydedd / Embracing curiosity;
- Dangos gofal / Showing care; and
- Ymfalchïo / Taking pride.

Our refreshed Purpose and Values were launched during 2019/20, following extensive consultation with our people – from the front line of our operations to our Board – to rearticulate our Purpose and Values in a way that would be meaningful and inspiring for everyone.

Once our new Purpose and Values had been launched, the focus shifted to taking the Values beyond just statements, to ensure that they were embedded and brought to life through our everyday ways of working, in order to continue to create the right environment for our teams to be successful. The rollout of our updated Behaviours Model and Leadership Expectations was a critical part of this, as was refreshing our Code of Conduct, Doing the Right Thing, and making sure that the Company's workforce policies and practices remained consistent with our Values.

Questions around Purpose, Values and strategy were posed to the workforce in our most recent employee engagement survey, QUEST. It is clear from the results that our Purpose and Values strongly resonate with our employees as demonstrated by the overall employee engagement score of 8.6 out of 10 – placing us in the top quartile of all UK businesses and in the top 5% of energy and utility companies globally. Employees agree that our Values provide a good fit with the things they consider important in life and they feel inspired by the Purpose of our Group. The positive impact our new Purpose and Values has had on the workforce will serve to hold us – collectively and individually – to account in making sure our actions always align with our Purpose and Values.

Our Purpose reflects why we do what we do

## Gofalu am un o hanfodion bywyd Taking care of one of life's essentials

Our strategy provides us with what we do

The Board considers progress against the Company's strategy at every meeting, taking into consideration our Purpose and the potential impact on a wide range of stakeholders.

Our Values determine how we deliver our Purpose and strategy – they are the principles that guide our behaviour and they are what makes us Hafren Dyfrdwy



## Culture

To support the creation of long-term value for the mutual benefit of our employees, customers and communities, the Board recognises the importance of building and promoting a culture of integrity and openness, where inclusion and diversity are valued.

As set out above, at the heart of our culture is a closely held set of Values. Doing the Right Thing, our Code of Conduct, helps us put our Values into practice. Our Values and Code of Conduct embody the principles by which the Group operates and provide a consistent framework for responsible business practices.

Our Code of Conduct sets out clear guidance on the standards of behaviour that we expect from everyone who works for us including our supply chain partners. Our Values apply to how we report information just as much as any other service we provide for our customers. The Board and Executive Committee also recognise the importance of their roles in setting the tone for the Company's culture and that is why they complete a Doing the Right Thing e-learning course every year together with all employees.

The Board also has oversight of a number of accompanying policies. These policies, together with Doing the Right Thing, explain how to identify and deal with suspected wrongdoing, fraud or malpractice; how to ensure that the highest standards of safety are maintained; and how to apply good ethics and sound judgment.

During the year, the Board has focused on deepening its understanding of the Company's culture even further, through a dedicated Culture and Engagement session in January 2021. The session was centred on the results of our employee survey, QUEST, and the Board considered the positive and more challenging aspects revealed by the survey and discussed the Company's approach to addressing areas of employee focus. The session also charted the development of Hafren Dyfrdwy's culture, which now reflected many aspects of the Group's culture, but also maintained a distinct and positive individual identity.

Members of the Board also attend the Company Forum, to listen directly to what employees have to say and for our employees to observe at first hand matters that the Board is reviewing and considering.

Whilst national lockdown restrictions permitted, a number of socially distanced COVID-secure site visits were undertaken by Board members. The Board also sent a personal message of thanks to all employees in recognition of their outstanding dedication throughout the pandemic. Site visits enable the Board to observe the true culture of the Company and understand first hand the key issues identified by our workforce, and provide an opportunity to feedback specific personal insights.

We do not see corporate governance as something we do because we have to. We choose to see it as something that should be ingrained in the way we behave, how we make decisions, how we run our business and ultimately, how we build trust. We believe that our strong culture is a unique strength and we see the benefits in employee engagement, retention and productivity.

Our Board continually monitors, assesses and reinforces our Values and culture to satisfy itself that the behaviours throughout the business are aligned with the Company's Purpose. Where misalignment is identified by our Board, appropriate corrective action is taken. Additional detail can be found on pages 48-49 in our **Annual Report and Accounts ('ARA')**.

## Setting aspirations and performing for all those we serve

As a provider of an essential public service, the importance of delivering for all our customers is constantly being considered by the Board. Details on how we have set our aspirations in regards to this, and how we have performed against our aspirations, can be found in the dedicated chapter of this report from page 8.

### Whistleblowing

Our Whistleblowing Policy 'Speak Up' sets out the ethical standards expected of everyone that works for, and with us and includes the procedure for raising concerns in strict confidence. Our workforce can raise concerns through their line manager, senior management and through our confidential and independent whistleblowing helpline, 'Safecall'.

All investigations are carried out independently with findings being reported directly to both the Group Audit and Corporate Sustainability Committees. The Board as a whole monitors and reviews the effectiveness of the whistleblowing arrangements annually, to ensure that it has sufficient oversight of whistleblowing to support its work on culture, risk and stakeholder engagement and all significant whistleblowing matters are reported directly to the Board.

The Board has reviewed these arrangements again this year, noting the proposed improvements to the process, and is satisfied that they are effective, facilitate the proportionate and independent investigation of reported matters and allow appropriate follow-up action to be taken.

## 2. Standalone regulated company

The differing interests of stakeholders are considered in the business decisions we make across the Company, at all levels, and are reinforced by our Board setting the right tone from the top. Our Board's role is to ensure the long-term success of Hafren Dyfrdwy. Responsibility to all our stakeholders for the approval and delivery of the Company's strategy and for creating and overseeing the framework to support its delivery sits with our Board.

Maintaining the highest standards of governance is integral to the effective delivery of our strategy and requires that our Board takes decisions that create sustainable long-term value for the mutual benefit of our customers, employees and the communities we serve. The operation of our Board is supported by the collective experience of the Directors and the diverse skills and experience they possess. Details of the experience of our Board can be found on pages 52-53 in the [ARA](#). Our Board's collective experience enables it to reach decisions in a focused and balanced way, supported by independent thought and constructive debate between our Directors. Trust and mutual respect are the cornerstones of relationships between our Directors, with a Board dynamic that supports open and honest conversations to ensure decisions are taken for the benefit of the Company in full consideration of the impact on all stakeholders.

As at the date of this report, six members of our Board and Board Committees are independent Non-Executive Directors and there is a clear division of responsibilities between the roles of Chair and Managing Director. To allow these responsibilities to be discharged effectively, our Chair and Managing Director maintain regular dialogue outside the Boardroom, to ensure an effective flow of information. The requirements of our Board are clearly documented in the Hafren Dyfrdwy Articles of Association, Schedule of Matters Reserved to the Board and Charter of Expectations. The Board reviewed and approved the Schedule of Matters Reserved to the Board and Charter of Expectations in March 2021. All of these documents are available on our website.

### Management of Conflicts of Interest

Severn Trent Plc has a Conflicts of Interest Policy in place for all Group companies, including Hafren Dyfrdwy. Our Board and its Committees consider potential conflicts at the outset of every meeting and the Board formally reviews the authorisation of any potential conflicts of interest every six months with any conflicts being recorded in the Conflicts of Interest Register.

The Conflicts of Interest Register sets out any actual or potential conflict of interest situations which a Director has disclosed to the Board in line with their statutory duties and the practical steps that are to be taken to avoid conflict situations. When reviewing conflict authorisations, the Board considers any other appointments held by the Director as well as the findings of the Board Effectiveness evaluation. The Policy continues to be applied practically throughout the year, such as considering the potential conflict presented by Directors having roles on other Group companies.

## 3. Board leadership and transparency

### Board membership

As at 31 March 2021, the following individuals were Directors of Hafren Dyfrdwy Cyfyngedig.

John Coghlan	Chair
Ann Beynon	Independent Non-Executive Director
Christine Hodgson	Independent Non-Executive Director (Appointed 1 April 2020)
James Jesic	Executive Director (Appointed 15 July 2020)
Sally Jones-Evans	Independent Non-Executive Director
Mohammed Mehmet	Independent Non-Executive Director
Helen Miles	Executive Director (Appointed 15 July 2020)

There were a number of changes to the membership of the Board during 2020/21 and following year end:

James Bowling	Executive Director (Resigned 14 July 2020)
Liv Garfield	Executive Director (Resigned 14 July 2020)
Christine Hodgson	Independent Non-Executive Director (Appointed 1 April 2020)
Sharmila Nebhrajani	Independent Non-Executive Director (Appointed 1 April 2021)

As set out above, independent Non-Executive Directors form the majority of the Board, with six out of eight Directors (75%) being independent Non-Executive Directors (including the Chair) as at 1 April 2021. Further details on each of the Directors, including Committee membership and meeting attendance, are available within pages 41-53 of the [ARA](#).

### Group structure

Hafren Dyfrdwy is an operating subsidiary of the FTSE100 listed company Severn Trent Plc, which means we operate at the high standards expected of a publicly listed company.

The ownership structure of Hafren Dyfrdwy Cyfyngedig within the Severn Trent Group can be found on the [Severn Trent Plc](#) website.

### Dividend policy

The Severn Trent Plc dividend policy is set out in the Regulatory Statements chapter from page 35, alongside information about the dividends Severn Trent Plc has paid and how these take account of delivery for customers and obligations to other stakeholders.

Severn Trent Plc also publishes its own ARA and a history of dividend payments by Severn Trent Plc going back to 1990 is available on the [Severn Trent Plc](#) website. Severn Trent Plc's [dividend policy](#) is disclosed in its ARA to ensure clarity about how its investors are rewarded based on performance through the Group's activities. Further information can be found in the [Severn Trent Plc ARA](#).

### Executive pay policy

The Group's Remuneration Policy is aligned to our Purpose and strategy, thereby incentivising great customer service and the creation of long-term value for all our stakeholders.

Details of the Group's Remuneration Policy are set out within the Regulatory Statements chapter from page 35. This section explains how the criteria for awarding short and long-term performance elements are substantially linked to stretching delivery for customers and are rigorously applied.

### Our approach to risk

We think of risk as those things that could prevent us delivering our strategic objectives. Risk manifests itself in both negative and positive impacts. In identifying and categorising risk we consider the causes, including people, processes, assets, external factors and the control environment. The successful delivery of our strategic objectives depends on the effective identification, understanding and mitigation of risk.

### Overseeing risk

Our approach to risk management is designed to enable the business to deliver its strategic objectives while managing the inherent uncertainty that can manifest itself as both opportunities and threats to these outcomes.

The well-established Severn Trent Plc Enterprise Risk Management ('ERM') approach has been implemented within Hafren Dyfrdwy to manage and mitigate risks.

Our approach cannot eliminate all risk entirely, but ensures we have the right structure to effectively navigate the challenges and opportunities we face, and only accept risk that is appropriate to achieving our strategic objectives.

We operate a top down and bottom up model of risk management, that ensures both a clear articulation of risk appetite and a comprehensive process of risk identification.

### Risk reporting

The ERM process is operated by the Central ERM Team and underpinned by a standardised methodology to ensure consistency.

ERM Champions and Co-ordinators operate throughout Hafren Dyfrdwy, with support and challenge from the Central ERM Team, continually identifying and assessing risks and reporting on a quarterly basis. Standardised criteria are used to consider the likelihood and velocity of occurrence and potential financial and reputational impacts.

The potential causes, impact and mitigating controls related to each risk are well documented. This assessment allows us to put in place effective strategies to remediate defective controls or implement additional controls.

Our significant risks form our Group risk profile which is reported to the Executive Committee for review and challenge. This is then reported to the ST Plc Audit Committee, ST Plc Board and HD Board on a six-monthly basis. The report provides an assessment of the effectiveness of controls over each risk and action plans to improve controls where necessary.



## Our Principal Risks

The Directors have carried out a robust assessment of the Principal Risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity, to identify risks that could:

- Adversely impact the safety or security of the Company's employees, customers and assets;
- Have a material impact on the financial or operational performance of the Company;
- Impede achievement of the Company's strategic objectives and financial targets; and/or
- Adversely impact the Company's reputation or stakeholder expectations.

This list does not comprise all the risks that the Company may face, and they are not presented in order of importance. The nature and profile of these risks is updated each year to reflect the changing risk landscape.

There may be additional risks that emerge in the future and we undertake regular horizon scanning to identify and report these to the Board. Risks can present significant value-creation and possibilities for innovation.

The Principal Risks, what they mean for us and what we are doing to manage them are set out on pages 16-19 of our [ARA](#).

## 4. Board structure and effectiveness

### Board structure

The Hafren Dyfrdwy Cyfyngedig Board comprises a majority of Independent Non-Executive Directors. The Chair of the Board also serves as an Independent Non-Executive Director on the Severn Trent Plc Board to ensure that the highest standards of corporate governance are applied at the regulated subsidiary level and to promulgate greater visibility and supervision of Hafren Dyfrdwy Cyfyngedig by the Severn Trent Plc Board. As a subsidiary of a FTSE100 Company, Hafren Dyfrdwy Cyfyngedig has chosen to apply the principles of the 2018 UK Corporate Governance Code (the 2018 Code) to its governance arrangements where appropriate and reasonably practicable to ensure the highest standards of governance. The two companies operate as distinct legal entities.

Subsidiary company Boards are managed through designated governance processes. In particular, the relationship between Hafren Dyfrdwy Cyfyngedig and Severn Trent Water Limited, and indeed any of our other businesses such as our Green Power business, are monitored and controlled to ensure that regulatory requirements and obligations under competition law are complied with in respect of all transactions between them, or with third parties.

The needs of our different stakeholders as well as the consequences of any decision in the long term are well considered by the Board and our stakeholder engagement processes enable our Board to understand what matters to stakeholders and carefully consider all the relevant factors and select the course of action that best leads to the success of Hafren Dyfrdwy in the long term. Further detail can be found in our dedicated Section 172 Statement on pages 35-37 within the [ARA](#).

### Our Governance Framework

The Board is supported by the Hafren Dyfrdwy Governance Framework, which is set out on the next page. The Governance Framework comprises the Board, Executive Committee and their respective Committees.

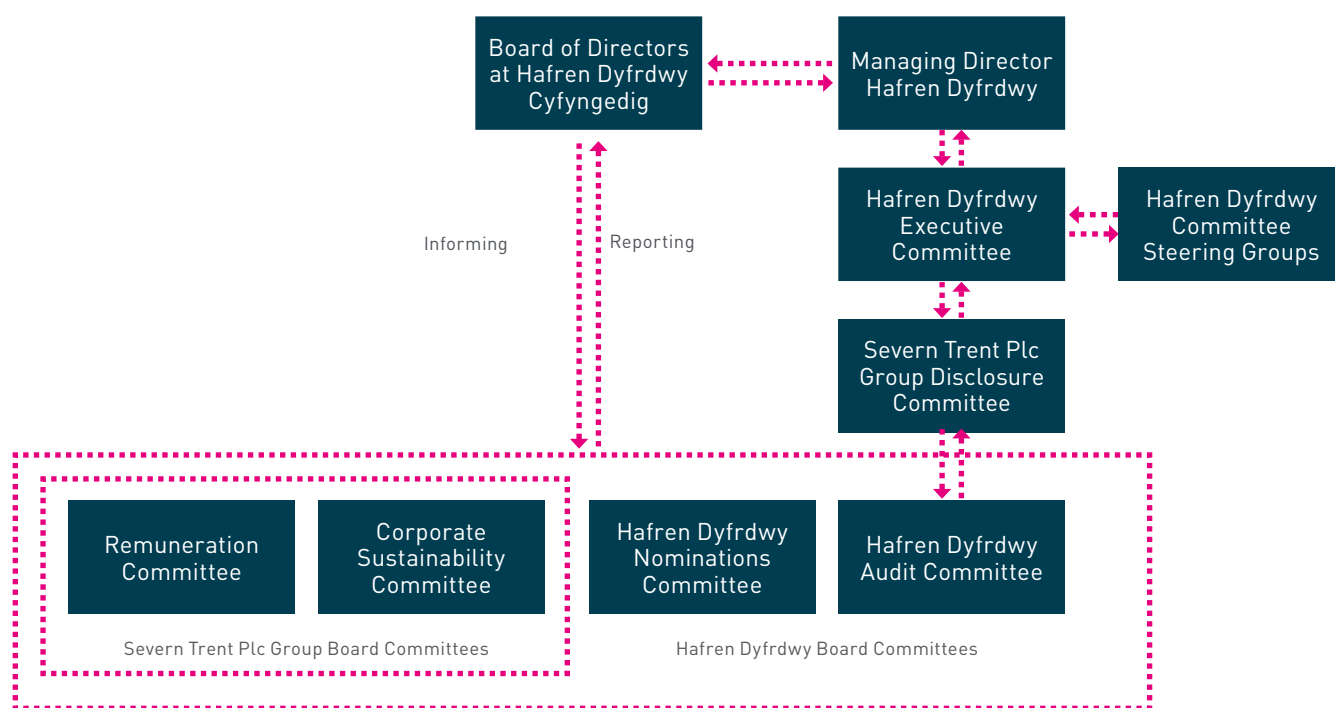
In line with the 2018 Code, the Board delegates certain roles and responsibilities to its various Committees. The Committees assist the Board by fulfilling their roles and responsibilities, focusing on their specific activities, reporting to the Board on decisions and actions taken, and making any necessary recommendations to the Board in line with their respective Terms of Reference. The Board regularly reviews the Terms of Reference of each Committee. The Governance Framework is also subject to periodic review to ensure that it remains appropriate.

During the year, the Board decided to establish a dedicated Hafren Dyfrdwy Audit Committee, which will be constituted for the reporting year 2021/22. Membership of the Committee will comprise Independent Non-Executive Directors only (excluding the Chair, in line with the 2018 Code). Sharmila Nebhrajani has been appointed to Chair the Audit Committee as her existing membership of the Severn Trent Plc Audit Committee will ensure that the Severn Trent Plc high standards of supervision are also applied to Hafren Dyfrdwy. Sharmila will also provide the link needed for the Severn Trent Plc Audit Committee to discharge its responsibilities in respect of Group companies, whilst also ensuring that the Hafren Dyfrdwy Audit Committee retains oversight for matters applicable to Hafren Dyfrdwy.

Cooperation between the two Committees will also be supported by John Coghlan, in his capacity as Chair of the Severn Trent Plc Audit Committee, and Christine Hodgson, who attends all Severn Trent Plc Audit Committee meetings on an invitation basis.

The dedicated Hafren Dyfrdwy Audit Committee will operate on behalf of Hafren Dyfrdwy in providing advice, assurance review and recommendations only, ahead of the Board making final decisions. The Directors remain responsible for the discharge of the Company's legal and regulatory obligations and the content of any financial statements and regulatory submissions.

## Governance Framework



The Severn Trent Plc Disclosure Committee oversees the Group's reporting obligations under the Companies Act 2006, the 2018 Code, and the Company's annual and continuing regulatory reporting requirements, considering the materiality, accuracy, reliability and timeliness of information disclosed and assessment of assurance received.

### Board appointments

As at 1 April 2021, the Board comprised six independent Non-Executive Directors (including the Chair) and two Executive Directors.

There is clear division between Executive and Non-Executive responsibilities which ensures accountability and oversight. The roles of Chair and Managing Director are separately held and their responsibilities are well defined, set out in writing and regularly reviewed by the Board.

The Chair and the other Non-Executive Directors meet routinely without the Executive Directors, and individual Directors meet often outside formal Board meetings in order to gain first hand experience of our operations and engage with our workforce.

As was the case during the year, any new appointments to the Board result from a formal, rigorous and transparent procedure, responsibility for which is overseen by the Nominations Committee (although decisions on appointments are a matter reserved to the Board). All Nominations Committee members are also Directors of Hafren Dyfrdwy Cyfyngedig. Further details of the activities of the Nominations Committee during the year can be found within pages 54-57 of our [ARA](#).

All proposed appointees meet with Ofwat as part of the appointment process. Sharmila Nebhrajani met with Ofwat as part of her appointment process during the year. Ofwat contacted the Chair following this meeting and confirmed that they did not have any specific areas to highlight for her Hafren induction following this meeting.

The Board and the Nominations Committee also spent a significant amount of time considering Board succession during the course of the year to ensure that the Board has the right mix of skills and experience, as well as the capability to provide effective challenge and promote diversity. Additional detail can be found in pages 41-53 of our [ARA](#).

### Board induction

We develop a detailed, tailored induction for each new Non-Executive Director. This includes one-to-one meetings with the Chair and each of the existing Non-Executive Directors. One-to-one meetings are also arranged with the Managing Director, Chief Financial Officer and the Company Secretary, along with other members of senior management. New Directors also meet members of the operational teams and visit our key sites and capital projects to ensure they get a first hand understanding of the water and waste water businesses and have a chance to experience our unique culture. We provide briefings on the key duties of being a Director of a regulated water company and proposed appointees meet with Ofwat as part of the appointment process.

We continually enhance the Board's induction programme, building in feedback from new Directors and the Board Effectiveness evaluation.



## Board skills and experience

An effective Board requires the right mix of skills and experience. Our Board is a diverse and effective team focused on promoting the long-term success of the Company. The matrix below details some of the key skills and experience that our Board has gained across a range of comparably sized companies. These are particularly valuable to the effective oversight of the Company and execution of our strategy. Full biographies for each Director can be found on pages 41-45 in our [ARA](#).

Board skills	John Coghlan	Ann Beynon	Sally Jones-Evans	Mohammed Mehmet	Christine Hodgson	James Jesic	Helen Miles	Sharmila Nebhrajani
Strategy	✓	✓	✓	✓	✓	✓	✓	✓
M&A	✓				✓		✓	
Corporate finance/ treasury	✓				✓		✓	✓
Accounting	✓		✓		✓		✓	✓
Regulation	✓	✓	✓	✓	✓	✓	✓	✓
Technology/ innovation	✓	✓	✓	✓	✓	✓	✓	✓
Customer		✓	✓	✓	✓	✓	✓	
Brands		✓	✓	✓	✓			
Engineering						✓		
Utility sector	✓	✓		✓	✓	✓	✓	✓
Climate change		✓			✓	✓	✓	✓
People management	✓	✓	✓	✓	✓	✓	✓	✓
Commercial procurement	✓	✓	✓	✓	✓		✓	
Construction/ Infrastructure delivery	✓	✓		✓		✓	✓	
Large capital programmes	✓			✓	✓	✓	✓	
Political affairs		✓	✓	✓	✓			✓

## Board effectiveness

The effectiveness of the Board is reviewed at least annually and conducted according to the guidance set out in the 2018 Code, Ofwat's principles and Financial Reporting Council ('FRC') Guidance on Board Effectiveness.

Our annual Board evaluation provides the Board and its Committees with an opportunity to consider and reflect on the quality and effectiveness of its decision making, the range and level of discussion and for each member to consider their own contribution and performance.

This year's review concluded that the Board is well established and operating effectively, with positive feedback received from both within and outside the Board. The review highlighted that Boardroom dynamics are excellent and all Directors are highly engaged and committed. Each individual brings their own skills and experience to Board debates, which are characterised by a mutual sense of trust and respect between Executives and Non-Executives. In addition, Board dialogue outside of formal meetings has vastly improved with Directors regularly interacting informally, both on a one-to-one and group basis.

The review concluded that, whilst the Board was operating well, there was scope for minor areas of further improvement and more information on the Board's action plan for 2021/22 can be found on pages 50-51 in the [ARA](#).

## Board Diversity Policy

When undertaking any recruitment, the Board ensures that the recruitment processes are in line with the Severn Trent Group Board Diversity Policy (the 'Policy', available on the [Severn Trent Plc](#) website) to include candidates from diverse backgrounds and those with non-listed company experience. The Board believes diversity in its membership is vital for ensuring the Company is well equipped to make decisions that meet the needs of the Company's wide range of employees, customers and other stakeholders. As such, the Board remains focused on promoting broader diversity and creating an inclusive culture in line with the recommendations of the Parker and McGregor-Smith reviews.

A diverse organisation benefits from differences in skills, regional and industry experience, background, race, gender, sexual orientation, religion, belief and age, as well as culture and personality. The Board is focused on ensuring that the diversity of our employee base reflects the diversity of our region – including the gender, social and ethnic background, skills and experience amongst our customers and the communities that we serve.

In reviewing the Policy during 2021, recognition was given to the importance and benefits of greater diversity, including gender diversity, social and ethnic background and cognitive and personal strengths throughout the organisation, including on the Board itself. The objectives and targets of the Policy, and an update against each of them in respect of Hafren Dyfrdwy, are set out overleaf.

## Policy objectives

Policy objectives	Implementation	Progress against objectives
Ensure the Board comprises an appropriate balance of skills, experience and knowledge required to effectively oversee and support the management of the Company.	Annual review of the Board's composition with particular consideration being given to the balance of skills, experience and independence of the Board. The Board Effectiveness evaluation specifically considers the composition of the Board and the contribution, commitment and independence of individual Directors.	A formal review was undertaken in May with regards to the composition of the Board and the performance, contribution and commitment of individual Directors in the context of the Board Effectiveness evaluation. No concerns were raised in relation to the composition of the Board.
Ensure consideration is given to candidates for Non-Executive Director Board appointments from a wide pool.  Ensure Board appointment 'long lists' include diverse candidates, including diversity of social and ethnic backgrounds and cognitive and personal strengths.	The Board recognises the importance and benefits of greater diversity, including gender diversity, social and ethnic background and cognitive and personal strengths, throughout the organisation, including on the Board itself.	All recommendations in respect of Board appointments will be conducted in full consideration of the Policy, 2018 Code and additional relevant guidance. Board appointments made during and following the year end as follows; <ul style="list-style-type: none"> <li>• 1 April 2020 – Non Executive Director – Christine Hodgson</li> <li>• 15 July 2020 – Executive Director – James Jesic</li> <li>• 15 July 2020 – Executive Director – Helen Miles</li> <li>• 1 April 2021 – Non Executive Director – Sharmila Nebhrajani</li> </ul>
Ensure the Board only engages executive search firms that have signed up to the voluntary code of conduct on gender diversity and best practice.	The Company only engages with executive search firms that have signed up to the Voluntary Code of Conduct for Executive Search Firms.	We continue only to engage with executive search firms that have signed up to the Voluntary Code of Conduct for Executive Search Firms.
Ensure focus is given to the development of a pipeline of diverse high calibre candidates for Board level roles and report annually on the diversity of the Executive pipeline as well as the diversity of the Board.	Regular Board consideration of the importance and benefits of greater diversity including gender diversity, social and ethnic background and cognitive and personal strengths. This includes representation of these cohorts in the Company's talent pipeline and on the Board itself.	Consideration was given during the year to diversity and inclusion within the Company.

## Policy targets

Policy Targets for 2020/21	Progress against Target
33% female representation on the Board by 2020.	62.5% female representation on our Board as at 1 April 2021.
Minimum of one Board Director from an ethnic minority background by 2021.	Two Directors from an ethnic minority background on our Board as at 1 April 2021.

# Gosod dyheadau a pherfformio i bawb yr ydym yn eu gwasanaethu

## Setting aspirations and performing for all those we serve

We recognise how important our natural environment is to the wellbeing of our employees and customers and are fully committed to playing our part in the vision to create a better future for Wales in full consideration of the Well-being of Future Generations (Wales) Act 2015. We are committed to environmental leadership and embrace the new approach to sustainable management of natural resources in Wales.

We serve a comparatively small area of Wales, but 60% of that area is on land that is protected as either Sites of Special Scientific Interest ('SSSI') or Special Areas of Conservation ('SAC'). Legislation looks to us to actively enhance the environment, not simply to prevent deterioration, and we are fully committed to this. That's why our PR19 business plan focuses on how we can add value and align our long-term plans to drive towards these goals.

This is our first year of AMP7 reporting, and our opportunity to share how we are progressing against our deliverables. Our business plan focuses on nine outcomes that were designed to meet the needs of our customers and wider society. These have a long-term perspective, looking up to 25 years ahead, and are underpinned by the performance commitments designed to hold us to account to our customers. Our Purpose, Values and culture are absolutely essential in delivering long-term success and building and maintaining trust as a public service provider. It was with this in mind, that we launched our new Purpose and Values last year – setting out a clear statement of direction that is representative of who we are, why we do what we do, and how we do it.

Our Purpose, '**gofalu am un o hanfodion bywyd**' / '**taking care of one of life's essentials**', unites everyone at Hafren Dyfrdwy. A large number of our employees were involved in its development, making it a Purpose made by our people, for our people. It included feedback from a range of stakeholders too, including from customer engagement undertaken when developing our business plan, to ensure that our Purpose aligns with our company strategy, which considers short and long-term goals. These goals are focused on driving long-term sustainable performance for the benefit of all those we serve. Our framework of Values, '**bod yn ddewr**' / '**having courage**', '**cofleidio chwilfrydedd**' / '**embracing curiosity**', '**dangos gofal**' / '**showing care**' and '**ymfalchio**' / '**taking pride**', support our long-standing Code of Conduct, Doing the Right Thing, and drives delivery of our strategy.

Our social purpose was developed in full consideration of the Well-being of Future Generations (Wales) Act 2015 and is aligned to its ambitions to improve social, cultural, environmental and economic wellbeing in the region we serve. Through actively thinking about, and considering, the long-term impact of our decisions on our employees and communities, we can make a long-lasting positive change to current and future generations. Through having a social purpose at the heart of our decision making, we can make decisions for the long term; adding value for our customers, the communities we serve and the environment; and treating all of our employees and other stakeholders fairly.





Stakeholder engagement is central to the formulation and execution of our strategy and is critical to achieving long-term sustainable success. The needs of our different stakeholders, as well as the consequences of any decision in the long term, are well considered by the Board. The Board also ensures the Company's Purpose and Values are embedded and integrated to provide a strong foundation on which to successfully deliver our strategy.

It is not always possible to provide positive outcomes for all stakeholders and the Board sometimes has to make decisions based on the competing priorities of stakeholders. Our stakeholder engagement processes enable our Board to understand what matters, consider all the relevant factors and select the course of action that best leads to the high standards of business conduct and long-term success of our company.

#### **How the Board oversees the delivery of our strategy:**

- Delivering the outcomes and social purpose our customers want from our five-year business plan.
- Sharing our longer-term ambitions that go far beyond our business plan for 2020-2025, including our 30-year drought plan, Water Resource Management Plan and long-term leakage reduction targets.
- Fostering the engagement of employees to deliver our plans.
- Focusing on exceeding targets this year on lead pipe replacements.
- Focusing on our wider stakeholder commitments including diversity and equality opportunities in our workforce and supply chain.
- Focusing on supporting our local communities through our social tariffs and other charitable contributions.
- Participating in a strategy day specifically to consider our carbon and energy strategy.
- Monitoring and assessing the culture through regular meetings with the Executive Committee, senior management and direct engagement with employees.
- Considering updates in respect of river quality and the role the Company could play in driving the river quality agenda.

This section provides some insight into how the Board engages with our stakeholders to understand what matters to them and further inform the Board's decision making and the actions taken as a consequence.

### Community engagement

Our aim is to be a force for good in the communities we serve and, in doing so, create value for all our stakeholders.

- Employees who live and work in our communities met members of the Board during the year.
- Environmental matters are regularly considered by the Board.
- Members of the Board attended the North Wales Confederation of British Industry ('CBI') Annual event in respect of carbon reduction.
- Members of the Board engaged with CBI Wales in respect of the Company's COVID-19 Emergency Fund and grants made within the region to organisations most in need of support.

### Employee Engagement

Our greatest asset is our experienced, diverse and dedicated workforce. Our relationship with them is open and honest, and they are appropriately supported, developed and rewarded to be their best in all that they do.

- Employee voice and workforce engagement are discussed at Board meetings.
- Diversity and Inclusion considered by the Board.
- Company Purpose and culture discussed at Board meetings.
- Board considers QUEST survey results and steps taken to address feedback.

### Customer Engagement

In serving our customers, we want to provide both value and a great experience.

- Customer Delivery performance is discussed at every Board meeting.
- Customers are kept informed on progress on delivery of our AMP7 business plan.
- The Board met with members of Powys County Council to discuss Welsh Language Standards and the associated benefits to customers.

### Regulators and the Government

We work closely with our regulators to shape our industry to help ensure the right outcomes for customers and the environment.

- Regulatory matters are regularly considered by the Board, including Water Resources Management Plan and Scheme of Wholesale Charges.
- Regulatory stakeholders attended Board meetings and events during the year, including from Welsh Government and Natural Resources Wales.
- Regulatory consultation updates are considered by the Board.
- The Board met with Natural Resources Wales and representatives from CCW, Ofwat and the Welsh Government to discuss future collaborative working relationships.
- Annual attendance at the Wales Water Forum with representatives from the Welsh Government as well as stakeholders from CCW, Natural Resources Wales and Drinking Water Inspectorate.
- The Board engaged with Local Authority representatives, regulatory stakeholders and charities during the year.



A happy and motivated workforce is vital to securing the trust of our customers and stakeholders and we continuously adapt how we listen, and respond to, the views of the people. We're delighted with our QUEST employee engagement score of 8.6 which places us in the top quartile of all UK businesses and in the top 5% of energy and utility companies globally. Our score is up by 0.6 from the previous year and when we review the 14 specified drivers of engagement, all 14 are up year-on-year and above benchmark.

We believe our Purpose makes all the difference. Our workforce lives and breathes our social purpose. This also includes our supply chain, who are part of our community. We continue to work closely with them to ensure our culture and Values are aligned. Through our Sustainable Supply Chain Charter we encourage all suppliers to sign up to the same commitments as ourselves; for example, becoming accredited real Living Wage employers and sharing our zero tolerance to modern slavery.

Our Value, 'Showing Care', is central to how we keep our people and communities safe in all that we do. It's how we start every shift and every meeting and our Goal Zero policy clearly sets out our target that no one should be injured or made unwell by what we do. We experienced no major safety incidents and no fatalities in the last 12 months, with a 20% improvement in Lost Time Incidents ('LTIs') this year.

We strive to do the right thing for all of our stakeholders. Our Purpose has shaped our decision making and this year has focused on creating value beyond the commitments in our AMP7 business plan. COVID-19 has had a global impact and we are acutely aware that some of our customers and supply chain will continue to experience affordability pressures for some time. We have provided extra support for customers in financial need through our vulnerability schemes including WaterSure, Here2Help and our Priority Services Register.

Our wonderful employees went above and beyond and donated and delivered essential items to DASU, a Wrexham-based domestic violence charity, and Wrexham Foodbank. We have also been working closely with Xplore! in Wrexham town centre and have sponsored two bespoke interactive exhibits that highlight the importance of water in our lives.

In terms of performance, everyone in the Company plays a key part in delivering our business plan. Our Purpose and Values are translated and embedded into company objectives through each management level. These are focused on improving performance for the customers and communities we serve, in line with our overall strategic objectives. This is also reflected in our employee bonus scheme, where 51% of measures are non-financial, customer-focused targets. Despite this being a year like no other, as a result of the COVID-19 pandemic, we have continued to focus on delivering for our customers and some of our fantastic achievements are explained later in this report from page 41.





# Risk and Compliance Statement



Having taken into consideration the information contained within the chapters titled 'Our approach to Board leadership, transparency and governance' and 'Our approach to regulatory reporting', the Board approves the Annual Performance Report ('APR'), the associated APR data tables, and the noted departures. The Board confirms that:

- We have a full understanding of, and we meet all of our relevant statutory, licence and regulatory obligations in all material respects, except where indicated on page 29.
- We have taken appropriate steps to understand and meet customer expectations.
- We have sufficient processes and internal systems of control to fully meet our obligations.
- We have appropriate systems and processes in place to identify, manage, mitigate and review our risks.
- We meet the Ofwat objectives on Board leadership, transparency and governance and ensure that we explain clearly how we meet those objectives.
- We have reviewed our governance to ensure we conduct the regulated company as if it were a public limited company separate from any other business.
- COVID-19 impacts have been considered when making our declaration.

Signed for and on behalf of the Board.

**James Jesic**  
Managing Director  
Hafren Dyfrdwy Cyfyngedig

**John Coghlan**  
Chair  
Hafren Dyfrdwy Cyfyngedig

**Ann Beynon**  
Independent Non-Executive Director  
Hafren Dyfrdwy Cyfyngedig

## Departures from the Statement

There are three departures proposed for inclusion in this year's Risk and Compliance Statement relating to areas where we will be re-stating data previously submitted. In all cases, the impact materiality has been assessed as low with reference to financial or wider customer impact. However, in accordance with our internal procedures we have chosen to include these to ensure the highest levels of transparency. All departures regardless of materiality are reviewed and scrutinised by our Disclosure Committee before it is endorsed by our Board prior to publication - ensuring that all levels of the business are made aware of any significant risks or issues.

Description of Duty/Obligation	Purpose of Duty/Obligations	Disclosure	Customer Impact	Action Taken
Non-financial Cost Assessment Tables (RAG 4.09): 3E.5 & 3I.1: Risk of sewer flooding in a storm.	Additional regulatory information which forms part of the Annual Performance Report.	During our preparation for the APR21 assurance for this obligation, we identified that, whilst the risk modelling was undertaken in accordance with the required methodology, some catchment risks had not been included in the data input used to calculate the reportable number. As a result we have identified the need to restate the shadow reporting of this obligation for 2019 and 2020.	<p>This is a reputational only ODI and as such there is no impact on the ODI reward/penalty position.</p> <p>There is no increased risk of flooding to customers as the risk was correctly modelled in accordance with the requirements. The issue solely relates to the collation of calculation of the reported risk.</p>	<p>The reporting on this commitment will be restated with commentary to support.</p> <p>Economic modelling and financial modelling will not be impacted.</p> <p>The associated process description template ('PDT') has been updated to ensure additional checks are in place which ensure modelled risk is correctly collated and included in the reported risk.</p>
Non-Financial - Cost Assessment Tables (RAG4.09) Table 8A Lines 2 and 3.	Additional regulatory information which forms part of the Annual Performance Report.	<p>Re-stating lines for APR20 due to missing logger data Table 8A Lines.</p> <p>Line 2 Total sewage sludge produced, treated by 3rd party sludge service provider.</p>	<p>This data is provided to inform potential market entrants of sludge treatment opportunities.</p> <p>The quantities of sludge involved are not material.</p>	<p>This is being resolved as part of this year's APR assurance round.</p> <p>Further data checks have been introduced to the process for preparing the submission.</p>
Bioresources Market Monitoring Information and Market Information.		Line 3 Total sewage sludge produced. Market Monitoring Information lines D1, D2, E1 and E3. Market Information WwTW columns B1 and B3 & small WwTW column B1.		
Volumetric data relating to bulk supplies between HD & STW covering 2020/21 and 2021/22 (estimated data) as reported in the bulk submission register data tables 1a & 1b.	Regulatory information which form part of the Bulk Submission data.	Upon receipt of more accurate logger data we undertook a reconciliation of data for bulk supplies submitted through the APR and bulk supply register; we have identified improvements relating to the data reported in 2020/21 and 2021/22 relating to bulk supplies between HD and STW.	There is no impact on invoices raised in respect of the bulk supplies as per the APR.	We propose to re-state data in table 1a and 1b covering 2020/21 and 2021/22 (estimated data) following the receipt of accurate metering and logger data.

# Statement from non-financial assurer - Jacobs

2020-21 Assurance Statement

**Jacobs**

## Independent Technical Assurance Statement – HDD

To the Hafren Dyfrdwy Cyfyngedig Board

Jacobs has been appointed by Hafren Dyfrdwy (HDD) to provide independent technical assurance of the data that feeds into their regulatory submissions. For the Annual Performance Report 2021 (APR21) submission we were asked to review the 2020-21 HDD performance commitments (Part 3) and non-financial data (within Parts 4-9) on a risk-based approach.

Through a series of meetings and information exchanges, we have reviewed and tested the methodologies and processes on which the relevant statements in the APR21 are based, and we have considered the material accuracy of the performance data presented. Our findings have been discussed with management and the ST Plc Audit Committee.

On the basis of our audit work, we are satisfied that the information we reviewed which supports, and is included within, the APR21 has been assembled using appropriate methodologies and processes and that the data provides a reliable representation of Company performance. There is also good evidence of engagement from the teams involved in producing the performance data and of governance and programme management. We note that the Board has included issues we noted during our review in the declared departures from compliance in its statement.

Yours sincerely



**Alexandra Martin**  
Director of Operations

# Accuracy and Completeness of Data and Information Statement

As a provider of one of life's essentials we understand that we must assure customers, regulators and wider stakeholders that we are doing the right things in the right way. We want customers to have confidence in what they get from us — be that the quality of water they drink from their taps, or the information we publish. The data in our publications provide transparent insight into our performance and critical information to direct and drive future improvements across the sector. With this in mind, the assurance process we apply to the information and data we publish is vital to ensure that it can be trusted by all.

We have an established, rigorous and robust assurance and performance reporting framework to support the Board when approving the publication of data and information contained within regulatory documents. Our assurance approach builds on best practice identified from external organisations. It ensures that managers, senior leaders and Directors are responsible and accountable for delivering high quality data through robust processes. We continue to develop our assurance approach to take account of evolving best practice and changing regulatory requirements.

## Board assurance approach

### Robust Assurance:

We operate an established and robust three lines of assurance model, which is explained in greater detail in our APR assurance approach from page 149, our **Risks, Strengths and Weaknesses Statement** and our **ARA**. Using a risk-based approach we provide an effective programme of assurance which ensures we can continually reassess our assurance activity as risk changes or new risks emerge. Data and information are approved by data owners, senior leaders and Directors. Following which, the Severn Trent Plc Audit Committee apply scrutiny and challenge ahead of publication.

### Effective Governance:

Hafren Dyfrdwy is an operating subsidiary of the FTSE100 company Severn Trent Plc, which means we operate at the highest standards expected of a publicly listed company. The Board is supported by the Severn Trent Plc Governance Framework, which comprises the Board, Executive Committee and their respective Committees. In line with the 2018 UK Corporate Governance Code, the Board delegates certain roles and responsibilities to its various Committees. The Committees assist the Board by fulfilling their roles and responsibilities, focusing on their specific activities, reporting to the Board on decisions and actions taken, and making any necessary recommendations to the Board in line with their respective Terms of Reference. The Governance Framework is also subject to periodic review every year to ensure that it remains appropriate. The Governance Framework is explained in greater detail on page 47 of the **ARA** and page 19 of the APR.

The Hafren Dyfrdwy Cyfyngedig Board is fully committed to Ofwat's principles for Board leadership, transparency and governance with its emphasis on the importance of strong Board leadership and the special responsibilities attached to regulated monopoly companies providing an essential public service. As Hafren Dyfrdwy is not a listed company, it is not required to comply with the 2018 UK Corporate Governance Code (the '2018 Code'). However, Hafren Dyfrdwy has elected to comply with the 2018 Code, where appropriate and reasonably practicable, to ensure the highest standards of governance.

During the year, the Board decided to constitute a dedicated Hafren Dyfrdwy Audit Committee to commence discharging its duties with effect from 14 July 2021, with membership comprising independent Non-Executive Directors only (excluding the Chair, in line with the 2018 Code) Membership of the Hafren Dyfrdwy Audit Committee:

- Sally Jones-Evans – Independent Non-Executive Director.
- Ann Beynon – Independent Non-Executive Director.
- Mohammed Mehmet – Independent Non-Executive Director.
- Sharmila Nebhrajani – Independent Non-Executive Director.

In line with the 2018 Code, the Chair will not act as a member, nor Chair the Committee, but he will be invited to attend these meetings. As the 2018 Code requires at least one member of the Committee to have recent and relevant financial experience it was decided to appoint Sharmila Nebhrajani (who is a member of the Institute of Chartered Accountants in England and Wales) to the Board as an additional Independent Non-Executive Director and as Chair of its Audit Committee.

Sharmila Nebhrajani's membership on both the Hafren Dyfrdwy Audit Committee and Severn Trent Plc Audit

Committee will ensure that the Severn Trent Plc high standards of supervision and assurance are also applied to Hafren Dyfrdwy. This will also ensure there is adequate cooperation within the Group, and between the two Committees, to enable the Severn Trent Plc Audit Committee to discharge its responsibilities in respect of Group companies, whilst also ensuring that the Hafren Dyfrdwy Audit Committee retains oversight for matters applicable to Hafren Dyfrdwy. Co-operation between the two Committees will also be supported by John Coghlan, in his capacity as Chair of the Severn Trent Plc Audit Committee, and Christine Hodgson, who attends all Severn Trent Plc Audit Committee meetings on an invitation basis.

The dedicated Audit Committee for Hafren Dyfrdwy will operate on behalf of Hafren Dyfrdwy in providing advice, assurance review and recommendations only, ahead of the Board making final decisions. The Directors will remain responsible for the discharge of Hafren Dyfrdwy's legal and regulatory obligations and the content of any financial statements and regulatory submissions.

Specific examples where the Board used individual Directors and committees in carrying out its activities are listed below but more information is provided on pages 48-49 of the [ARA](#).

Hafren Dyfrdwy Nominations Committee	Oversaw the internally conducted Board Effectiveness evaluation, which concluded that the Board continued to operate effectively.
Severn Trent Plc Group Audit Committee	<p>Reviewed the proposed audit plan for the 2020/21 statutory audit, including the key audit risks and level of materiality applied by Deloitte, audit reports from Deloitte on the financial statements and the areas of particular focus for the 2020/21 audit.</p> <p>Reviewed the integrity of the regulatory reporting process relating to the Annual Performance Reports, and other regulatory submissions.</p> <p>Reviewed the 2020/21 Annual Report and Accounts and provided a recommendation to the Board that, as a whole, they complied with the 2018 Code principle to be 'fair, balanced and understandable and provide the information necessary for stakeholders to assess the Company's position, performance, business model and strategy'.</p> <p>Reviewed the effectiveness of the Enterprise Risk Management processes and procedures and internal control systems, prior to making a recommendation to the Board.</p>
Severn Trent Plc Corporate Sustainability Committee	<p>Oversaw the approach of environmental standards, particularly those that relate to the activities where we have most significant environmental impacts in respect of energy management and climate change, water quality, resource productivity (including leakage and waste), biodiversity and land use.</p> <p>A dedicated Hafren Dyfrdwy Sustainability Strategy discussion took place at the Board strategy day in June 2021.</p>
Hafren Dyfrdwy Executive Committee	Reviewed and approved APR data ahead of publication.



## **Our Board engages and challenges the assurance approach taken**

For all regulatory publications we have a detailed regulatory forward plan and proof-point process that provides assurance to the Board and Severn Trent Plc Audit Committee that an appropriate level of assurance activity has been undertaken, and findings discussed with the Board. Throughout this activity, we ensure that high standards of governance, in line with our regulatory framework as well as market practice for audit committees, are maintained. A 12-month forward view of the plan and proof-point process is provided at every Severn Trent Plc Audit Committee Audit Committee meeting. The Severn Trent Plc Audit Committee ensure that regular updates are provided to the Board under its Terms of Reference.

For example the Board continue to monitor reservoir risk at Board and Severn Trent Plc Audit Committee meetings aligned with the funding secured to deliver improvements to reservoirs in AMP7. This year, the Board also completed a strategic deep dive relating to reservoir risk and scrutinised the processes, internal controls and resources in place to effectively manage reservoir risk, extend asset life and guarantee serviceability. This review concluded that the Company's approach to reservoir safety management was robust and comprised intensive and frequent site operator inspections, supported by regular monitoring by a team of qualified engineers, technicians and surveyors.

The Hafren Dyfrdwy assurance map will provide the Severn Trent Plc Audit Committee with an overview of the assurance undertaken across the Company, enabling it to discharge its duties. This is currently being reviewed by Hafren Dyfrdwy Board and Severn Trent Plc Audit Committee. The assurance map provides detail of the structure and types of assurance applied (including Internal Audit and external assurance providers), aggregated licence to operate and Enterprise Risk Management ('ERM') risks recorded, outputs of the effectiveness of assurance undertaken, and the findings of the assurance undertaken. The Board received a tailored presentation of the AMP7 assurance map in June 2021 and the Severn Trent Plc Audit Committee will be updated every six months. Following the appointment of Sharmila Nebhrajani as an Independent Non-Executive Director to the Board of Severn Trent Plc and Severn Trent Water Limited on 1 May 2020 and prior to her appointment as an Independent Non-Executive Director of the Hafren Dyfrdwy Board on 1 April 2021, a one-to-one briefing session providing a detailed review of our compliance and assurance processes, our corporate reporting requirements and an introduction to our third line external assurance providers was completed.





**The Board takes action to ensure exceptions and weaknesses in the assurance approaches have been addressed and is satisfied that the approaches have appropriately identified and addressed any risks to the provision of accurate and complete data and information in particular areas.**

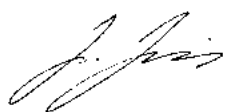
We also sought external assurance on our AMP7 assurance map by Ernst & Young in October 2020. They concluded that the approach was 'comprehensive and robust' We are confident the assurance map supports the identification of potential weaknesses using a holistic view of assurance activities and RAG status, and all areas at a minimum of satisfactory / yellow rating are targeted for improvement.

Furthermore, we also provide an annual **Risks, Strengths and Weaknesses Statement**. This is a key regulatory publication where we explain in detail our assurance and governance frameworks and link outputs of the assessments to the planned assurance activities and approach for the financial year ahead. It considers a range of factors to determine and shape our assurance plan and ensure that weaknesses in assurance approaches are improved. Customer and stakeholder engagement, internal assessments including Licence to Operate, ERM and emerging risks and trends across the sector help to determine where we need to focus the assurance we apply to our regulatory reporting. We also make sure that regulator feedback is incorporated, and we welcome feedback from stakeholders following publication on our website.

## Considerations of the Board

The Board considers that the Company has applied the governance and assurance frameworks described within this APR, the ARA, and the Risks, Strengths and Weaknesses statement. Following reasonable and relevant enquiries, our Board believe the processes and internal controls have been applied in a manner which has enabled it to satisfy itself, to the extent that it is reasonably able to do so, that the data and information provided to Ofwat in the reporting year, and information published in our role as a water and waste water undertaker is accurate and complete in all material respects, except where indicated on page 29.

Signed for and on behalf of the Board.



**James Jesic**  
Managing Director  
Hafren Dyfrdwy Cyfyngedig



**John Coghlan**  
Chair  
Hafren Dyfrdwy Cyfyngedig



**Ann Beynon**  
Independent Non-Executive Director  
Hafren Dyfrdwy Cyfyngedig