

Icosa Water Services Limited

Risk and Compliance Statement

General

The Company is a new market entrant that competes to win new appointments and variations under sections 6-8 of the Water Industry Act 1991 (as amended).

The following risk and compliance statement has been developed to satisfy Ofwat's annual reporting requirements and is subject to review at least every 12 months.

Risk and Compliance Approach

- i. The Company has implemented appropriate business systems and processes to monitor, manage and review risk and compliance.
- ii. The Company applies risk management procedures to identify, monitor and manage risks.
- iii. The Company has implemented an appropriate structure and appointed key staff with clear lines of responsibility to manage its risk and compliance.

Risk and Compliance Controls

- Risks and control measures are recorded on a central risk register. This register is subject to continuous review.
- The Company uses Water Industry Registration Scheme "WIRS" accredited contractors for the construction and maintenance of its networks.
- The Company performance is continually monitored and reported monthly or immediately if necessary to management.
- The Company has developed and implemented a computerised customer service system to monitor, record and control the delivery of services to customers.
- The Company regularly meets with upstream incumbents to identify any current, ongoing or future risks.
- The Company has systems in place to help ensure compliance with Water Supply (Water Quality) Regulations 2016. These systems include monitoring of:
 - customer enquiries,
 - network performance e.g. failure rates, leakage & pressure
 - quality
- The Company also has a comprehensive suite of policies and procedures which cover the life cycle of its assets from design through installation, commissioning and operation to end of life and decommissioning.
- The Company develops Drinking Water Safety Plans (DWSPs) for each new area it is appointed when Ofwat varies its license. These plans are risk assessments which cross reference management plans to establish then mitigate the risk of supplying unwholesome water to consumers. DWSPs are required under Regulation 27 of the Water Supply (Water Quality) 2016 Regulations to be submitted to the Secretary of State and kept under continual review.
- The Company uses accredited third parties for water quality sampling.
- The Company has a drought plan which outlines how customers will be provided with an adequate supply of wholesome water in the event of drought. The plan is subject to review and/or revision in the event of any of the following circumstances:

- If directed to do so by the Secretary of State
- In the event of any material change in circumstances
- In any event, three years after the date of publication.

Compliance Statement

The Board of Directors of the Company confirm that, in the opinion of the Board:

- i. The Company has a full understanding of, and is meeting, all its relevant statutory, licence and regulatory obligations and has taken steps to understand and meet customer expectations;
- ii. The Company has satisfied itself that it has sufficient processes and internal systems of control to fully meet its obligations;
- iii. The Company has appropriate systems and processes in place to allow it to identify, manage, mitigate and review its risks.

Dated: 13 July 2018

A handwritten signature in black ink, reading "R A Bradley". The signature is written in a cursive, flowing style.

Rob Bradley