

Making Headway

Regional leadership in place | ESG plans coming to life | On track for growth





Thoughts from the Group CEO

“As the updates in this issue of Employee News@Severn show, Severn Group is making good progress in many areas. There have been some turbulent times over the past two years, but we have successfully navigated some big changes and growing pains.”

Regional vice presidents ready for action

Our regional vice presidents are implementing strategies tailored to the specific needs and priorities of their markets. They bring valuable expertise and knowledge to foster customer-centric approaches across the Middle East and Africa, Europe, and Asia Pacific. Representing Severn Glocon and ValvTechnologies, their work dovetails with Strategic Project Pursuit (see next page) and wider activity in the Americas, China, and India, ensuring global efforts are focused and coordinated.

David Birks, Middle East and Africa (MEA)

David took on the Severn Group role of Vice President MEA in July, having joined ValvTechnologies as Regional Director MEA in 2020. He has a clear growth vision, and emphasises the importance of team spirit.

“We have an excellent, highly skilled MEA team, and my aim is to nurture and build on that talent, and to strengthen control and on-off valve expertise. For the business to grow, our people need to grow too. Training and skills development is one aspect of this; by enhancing our subject matter expertise across the business we can help solve customers’ pain points across the different industries.

“We must be knowledgeable about critical and severe service valve applications. Technical challenges vary between industries and markets, so we have to identify what customers need and reflect that in our interactions and conversations with them.”

While the Middle East remains a core focus, David is also looking to expand the Group’s presence in Africa, particularly Nigeria, Angola, and key French-speaking countries. David lives in Dubai with his family and makes the most of the city’s golf courses, playing golf with his son and the local expat societies in his spare time.

Andy Dunn, Europe

After starting out as an offshore valve technician, Andy held senior international sales and management positions with companies including Cameron and PetrolValves. He joined Severn Group as Vice President Europe in January.

“Right now, there is a lot of potential to extend and develop our customer base in Scandinavia and Southern Europe. Severn Glocon has a strong presence with oil and gas operators in the region, while ValvTechnologies has an excellent reputation in the power sector. We will use existing relationships as a starting point for the expansion of our Group presence in these markets.

“In Europe we’re seeing increased movement towards renewable energy and other environmentally sustainable industries which will demand severe service valve capabilities. These range from hydrogen production to carbon capture and plastics recycling. We are monitoring this evolving landscape very closely and taking steps to ensure Severn Group is in the right place at the right time.”

Andy now lives in the UK with his family, but until recently spent a lot of time living and working overseas. He enjoys learning about different cultures and exploring different parts of the world.

Severn Group is now entering early adulthood. We will always encounter challenges that are beyond our control, and like any business we have responsibilities which are not always easy to fulfil. However, today we are stronger and better equipped to overcome such obstacles. When they arise, we can adapt to handle them with maturity and confidence.

So, while several factors have impacted order intake recently, we remain sure of our strategy. In terms of financial performance, 2024 will be the Group's best year to date. Continued growth of topline and profits will not be easy, but it is achievable through continued development of business activities. One example of this is the new regional sales structure outlined below.

To support our current phase of development and growth, our attention must turn to the outside world. Part of this involves innovating to meet evolving customer requirements more cost-efficiently and effectively. Improving our capabilities in line with real needs will unlock new opportunities and enhance customer loyalty.

I have great confidence in the Group's future, and this is rooted in the many individual successes across all three businesses. Together, they indicate that we are on course to achieve our goals. Let's keep it up.

Thank you all for your good work. Perttu

“ Technical challenges vary between industries and markets, so we have to identify what customers need and reflect that in our interactions and conversations with them. ”

David Birks

HP Tan, Asia Pacific (APAC)

Hang Pheng (HP) has an impressive track record leading business strategy, sales management, and field services for companies including Metso and GE. An electrical engineer by training with an MBA from the University of Adelaide, he joined Severn Group in June as Vice President APAC. The region includes more than 13 countries with a diverse range of customer needs. HP's aim is to identify and act on opportunities across our traditional core and new customer industries, including renewable energy, to drive sustainable growth.

“One of my priorities is to review and define our go-to-market strategies for different APAC markets. It's important to embrace a value-based mindset which means pinpointing the regions and industry sectors with the greatest need for severe service valves.

“For the short term, we are focusing on six key markets where there is a good level of customer activity. These are Indonesia, Malaysia, Vietnam, Korea, Japan, and Australia. We're taking steps to gain the necessary insights and seize opportunities at an early stage.”

HP is based out of Malaysia, and he's a keen wildlife photographer.



Examples of HP's photography



Pursuing global projects

Severn Glocon is setting its sights on bigger valve projects that will deliver better long-term business value in a major strategic shift.

An initiative known as Strategic Project Pursuit is being led by Severn Glocon's Vice President Global Projects, Matthew Balderson, with support from the global project team. It's a tailored approach where colleagues from around the world work together to develop and deliver project-winning strategies.

Matthew builds and coordinates project teams on a case-by-case basis, channelling the optimum blend of skills and experience while ensuring we get closer to customers via our regional model. The pursuit of global projects requires close collaboration across multiple stakeholders including external and internal sales, engineering, legal and finance. This approach enables us to mitigate potential contracting risks and align as a team on common goals.

“ Strategic Project Pursuit brings more focus and purpose to our sales strategies. Through the support of our India Hub and collaboration with the wider team we're often able to identify opportunities at the earliest possible stage, gather intelligence, and build relationships with front end engineering and design contractors. This gives us better insights which means we can develop proposals that are more likely to hit the mark. It also allows us to forecast more confidently and accurately which aids business planning. ”

**Matthew Balderson, Vice President
Global Projects, Severn Glocon**

Key elements of Strategic Project Pursuit include:

- 1 A megaproject mindset** – In recent years the average value of mainstream projects has been falling due to reduced interaction with tier one EPCs. While projects of this nature are still important to us, we have the capacity and experience to handle much larger \$multi-million megaprojects. We're now focused on delivering what it takes to secure more projects of this size.
- 2 Diversification** – At present, most of our project sales relate to upstream oil and gas applications. Alongside this, we're looking to build on our proven track record in industrial gases and LNG, expanding our presence in these markets. We're also focused on valve opportunities in emerging categories such as hydrogen production and carbon capture.
- 3 Long-term revenue focus** – Most capital projects are aggressively pursued, so we are selective about which opportunities we go for. When we consider the new business funnel and decide where to invest time and resource, we always factor in our relationship with the end-user and the potential for longer-term maintenance repair and operations (MRO) and service revenue. This underlines the importance of a team approach across regions and the involvement of MRO and project sales teams in the decision-making process.



A new global outlook

Matthew Balderson was recently promoted to Vice President Global Projects having joined Severn Glocon in July 2022 as Vice President MEA.

"This is an exciting time for Severn Glocon as we look to leverage our collective expertise in new ways to secure interesting, profitable work. I'm proud to be part of the global project team and I know we will be successful together. One of the benefits of working for a dynamic company like ours is that there are always new opportunities for personal and professional development."

Originally from the UK, Matthew has been based in UAE for more than a decade. He lives with his wife Francesca and their rescue cat Molly, an Arabian Mau who was found in the desert.



Embracing change

Severn Glocon's Engineering Centre of Excellence has moved to new premises at the Dean Clough business park in Halifax. It's a light, modern space in an historic Victorian mill with cafes, bars, shops and a nursery nearby.

This relocation was a big undertaking, and the team celebrated the start of its exciting new chapter with a launch party at the end of July.

Enhancing value

Striking an effective balance between engineering excellence and competitive edge is not easy, but Severn Glocon has the necessary skills. Our Value Analysis and Value Engineering initiative is currently focused on two product areas: choke valves built to API specifications and valve design for challenging black powder applications in the Middle East.

Divisional Engineering Director Jonny Walker says changes in the market mean a more considered, cost-aware approach is needed, even for demanding severe service applications.

"For the API choke valves we're scrutinising historic records of erosion rates. Insights from this process are being used to expand and fine-tune selection guidelines, so valve trims and cages made from expensive raw materials are more precisely specified. With valves for black powder applications, we're conducting an holistic review of design, third party components, and manufacturing processes. In both cases, the goal is to reduce costs while maintaining high levels of performance."

New product development

Severn Glocon's expanded range of standardised butterfly valves for LNG and industrial gas projects is now undergoing finite element analysis (FEA) with cryogenic testing to follow. These valves are suitable for control and isolation applications, with sizes ranging from 3" to 24". Once physical testing of design specimens is complete, the range will be manufactured for application temperatures ranging from -196°C to 450°C.



Welcome to
The Engineering Centre of Excellence



Chennai's upward trajectory

Severn Glocon's India Hub is enjoying solid growth. Turnover increased from £28million in 2021 to £34million in 2022 and £38million in 2023, with £51million forecast for 2024. Profitability has also gone from single digits to more than 20%.

Mahendiran Selvaraj joined the Company in 2021 and became Senior Vice President of Severn Glocon's India Hub in January 2022. Under his leadership, the team is working more efficiently and effectively to achieve impressive results.

Employee wellbeing and engagement are important to Mahendiran. He encourages a healthy work-life balance, and a positive team spirit is evident in numerous employee clubs and activities, from chess and cricket to carrom and badminton.

Mahendiran also fosters employee-led Health, Safety, and Environment (HSE) measures. Every staff member raises one HSE idea per month, and many lead to change. Recently, office stairs were labelled with calorie-count stickers following a suggestion that this would encourage people to leave their desks and be more active.

A Lean-thinking leader

Chennai's success has been driven by the Lean principles championed by Mahendiran. A mechanical engineer by training, his first introduction to Lean came at a Thai factory where he handled the daily production of millions of ballpoint pen nibs. From here he moved to the US where he held various manufacturing roles and earned a master's in manufacturing systems engineering with a focus on Lean from the University of Kentucky.

This training saw Mahendiran move into Lean consultancy followed by more than eight years at SPX Flow Technology's New York facility as Director of Lean Systems. In 2015, he returned to India, spending six years working in Gujarat before joining Severn Glocon and moving to Tamil Nadu in 2021. During this time, he also completed a post graduate diploma in finance from NMIMS.

"Chennai is near to my hometown, so I was pleased to join Severn Glocon and be close to my family after many years away. However, the business was facing great uncertainty at that time. When I had the chance to instil the Lean mindset, I knew we could make big improvements."

Mahendiran introduced Hoshin Planning, A3 Thinking and Managing for Daily Improvement (MDI) with people given greater autonomy and responsibility for their specialist areas. Workers create a simple 'Glide Path' to success related to their job function, detailing steps required to deliver on longer term goals.

£51m

turnover forecast for 2024

“ All members of the team continually examine and improve the processes that are part of their role. Mistakes are fine if we learn and don't repeat them. And success can only be described as a 'win' if it is based on a process. With this foundation in place, I am confident that we will continue achieving exceptional growth. ”

**Mahendiran Selvaraj, Senior Vice President,
Severn Glocon India**



Taking customer relationships to new heights

Over the summer, LB Bentley's international salesforce underwent intensive training to help maximise performance with large customer organisations.

The team was introduced to Miller Heiman's Large Account Management Process (LAMP), a proven framework for strategic sales. They spent four days immersed in the process which ensures customer relationships are nurtured to unlock long-term business potential.

Before the training took place, existing customers were interviewed to gauge their expectations and benchmark LB Bentley's performance against that of other suppliers. Insights from this exercise have formed the basis of a plan to enhance performance at all touchpoints with bigger customers.

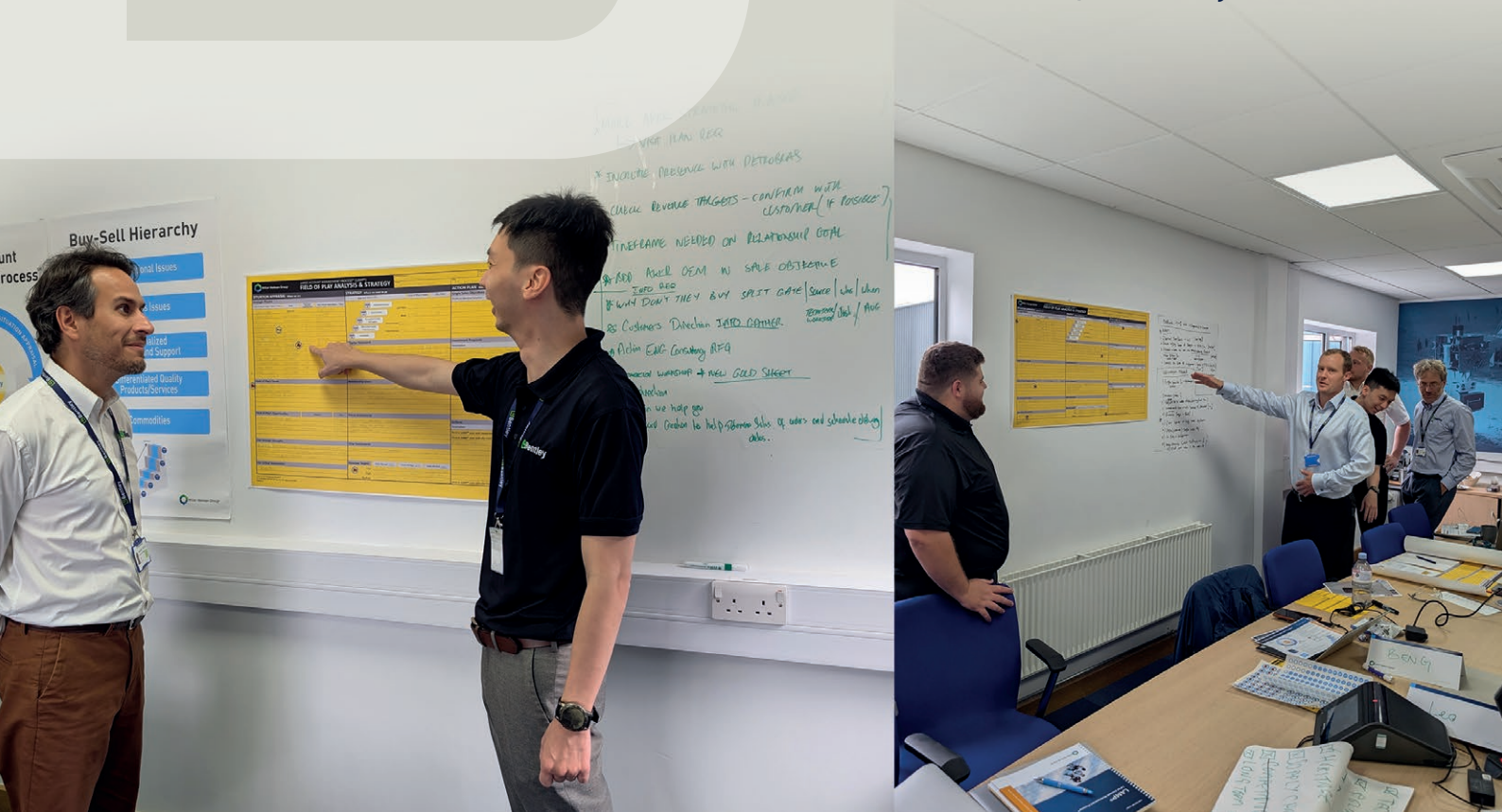
Divisional President Rhys Jones explains: "When it comes to customer experience, every interaction counts, whether we're dealing with engineering managers, purchasing teams, or accounts payable. Knowing what different people expect allows us to tailor processes so we add value at every stage. Replicating the success of our existing long-term relationships will increase the strength and resilience of the business."

Petrobras qualification on the cards

LB Bentley's R&D team is refining the technical capabilities of a 1 inch through conduit slab gate valve developed for Brazilian oil and gas company Petrobras. Intended for a demanding subsea application, it faces exacting requirements surrounding durability, reliability, and repeatability. Once this valve is qualified by the customer, other valves in the family will follow. These include ½" and 1" hydraulic gate valves and a ½" manual gate valve.

“ When it comes to customer experience, every interaction counts, whether we're dealing with engineering managers, purchasing teams, or accounts payable. Knowing what different people expect allows us to tailor processes so we add value at every stage. Replicating the success of our existing long-term relationships will increase the strength and resilience of the business. ”

Rhys Jones,
Divisional President, LB Bentley



Bringing ESG to life

In January, Rhys Jones, Divisional President at LB Bentley, pledged “to promote **social engagement** to benefit the **health and wellbeing** of LBB staff through a positive contribution across the local community by encouraging **activities, care days & charitable support work** that **improves the community** in which we reside.” Nine months on, multiple initiatives are underway.

Team activities

An employee-led sport and social committee has been established, with funding provided by the business. In July, the committee organised a whole team BBQ to follow the quarterly Town Hall meeting. The entire facility shut down at 1pm, and the team enjoyed a relaxed afternoon in the sun at The Star Inn, Stroud.

Volunteering day

At the July Town Hall, Rhys announced a new ‘volunteering day’ which is being trialled at LB Bentley ahead of possible rollout across the Group. All staff have been given an extra day of leave each year to spend supporting a charity of their choice. The idea has been warmly received by the team, and we’ll provide updates on their volunteering activities in future newsletters.

Workplace improvements

Recognising the benefits of a pleasant environment for work breaks, Rhys allocated investment for the staff canteen. A full refit has seen the space refreshed and brightened up with new furniture and appliances. There are also plans to provide a ladies’ changing room, to improve outdoor areas, and to allocate more rooms for training and meetings.

Insight on Group carbon emissions

A project aimed at collecting data on carbon emissions across the Group launched at the end of July. This aligns with the wider ESG commitment to reduce our environmental impact and positively contribute to the sustainability of society.

An important aspect of the project is understanding our emissions so we can take targeted steps to reduce them. This is a complex task, as some emissions are outside of our direct control. Carbon emissions are classified as follows:

Scope 1 – Generated from our own activities, e.g. on-site processes at our manufacturing facilities, and business travel.

Scope 2 – Indirectly caused by our activities, e.g. the generation of electricity used by our offices.

Scope 3 – All other emissions linked to our business value chain, such as customers’ use of our products or suppliers’ production of raw materials used in our products.

A specialist consultancy, Inspired plc, has been engaged to help us identify and manage our carbon emissions. More information will follow soon. If you have any questions, please reach out to Eleanor Sherry or anyone on the ESG Committee.



“I want everyone who works at LB Bentley to feel that they are part of something good. Social activities and workplace improvements are one part of this, showing the team how much they are valued. But we are also looking outward at how we can support our wider community. It was wonderful to see how the team responded to the volunteering day announcement. I can’t wait to hear about how they use their time.”

Rhys Jones, Divisional President, LB Bentley



Personal pledges made by our Executive Committee illustrate the diversity of environment, social, and governance (ESG) matters. Their chosen priorities range from health and safety to gender equality and carbon reduction to community support. We've included executive committee pledges below, and we'd love to receive more from across the Group. If you'd like to make an ESG pledge, send it to Eleanor Sherry, Head of ESG (eleanor.sherry@severnvalve.com).

PERTTU'S PERSONAL PLEDGE

To prioritise safety & well-being promoting proactive steps towards creating a culture of safety, ensuring that we live the values & commitments is our H&S Policy Statement, the H&S Framework is embedded & continuous improvement across Severn's global operations.

Indicators

H&S Framework embedded	Monthly reporting	Annual audit programme	Improvement in audit scores	Annual H&S report	Training & development	Injury rate
------------------------	-------------------	------------------------	-----------------------------	-------------------	------------------------	-------------

Specific action: Ensure H&S governance & a culture of safety is embedded across the Severn Group.

JOHN'S PERSONAL PLEDGE

To promote the importance of learning & development across the Severn Glocon Division, holding the DLT to account to focus on the learning & development of their Teams to enhance knowledge, influence behaviours & create opportunities. Creating the cultural conditions for strong accountability & performance and leading by example in everything we do.

Indicators

SMART, aligned objective setting by all	Select Individual Development Plans in place	Divisional Training Needs Analysis	Complete timely, quality half and full year appraisals	100% completion of EDI training initiatives	Equality in training opportunities
-----------------------------------------	----------------------------------------------	------------------------------------	--------------------------------------------------------	---------------------------------------------	------------------------------------

Specific action: Ensure all DLT members set **clear & stretching targets** for their Teams & provide **regular feedback** on performance. Thus, increasing the Division's people capabilities, strengthening the Division's talent pool & succession plan.

CHAD'S PERSONAL PLEDGE

To support our environmental strategy, focusing on research, development & diversification into clean & sustainable sectors.

Indicators

GE Project	Environmental R&D	Carbon footprint reduction	MSA compliance	Risk register implementation of mitigating actions	Training & Development	Reduction of waste generation
------------	-------------------	----------------------------	----------------	----------------------------------------------------	------------------------	-------------------------------

Specific action: Successful delivery of the GE Project.

KA'S PERSONAL PLEDGE

To promote gender equality across the Severn Group by providing equal opportunities, diverse representation, fair pay, & leadership roles for women. Delivering a positive and rewarding employee experience for all females in our ecosystem.

Indicators

Good recruitment practice	Menopause Policy	Equity in Family & childcare (Maternity & Paternity) provisions	Gender Pay Gap Reporting (UK)	Female leadership & representation	Training opportunities	Womens Network
---------------------------	------------------	-----------------------------------------------------------------	-------------------------------	------------------------------------	------------------------	----------------

Specific action: Mentoring females in our organisation.

Thriving in the face of adversity

ValvTechnologies has faced a host of challenges caused by hurricanes, heat waves and lack of power in recent months. Yet despite the unexpected costs and impact on schedules, the business met its financial goals for the first half of the year. The team is now working with determination and tenacity to continue its recovery and reach 2024 targets.

Divisional President Chad Bowers says the team's unified stance will be crucial to success: "We have a mountain to climb, but there's a robust gameplan in place to align and amplify our efforts. I have every confidence that the team will rise to occasion. By working together and striving for a common goal we can overcome obstacles, emerging fitter and stronger on the other side."

New patent on the horizon

Significant progress has been made on ValvTechnologies' valve coating innovation developed for a severe service mining industry application. RiBlock™ AC360, a corrosion and wear-resistant coating, was developed in partnership with the University of Houston. It is currently protected with a provisional patent, and the formal patent will be filed soon.

The target application is high pressure acid leaching (HPAL), a process involving the use of sulphuric acid to separate metals from rock and other organic formations. Recently, HPAL plants have increased the corrosive severity of temperature, pH level and pressure used. This has led to the failure of valves made from titanium or tantalum with the traditional titanium dioxide coating.

Todd McLemore, Vice President Product Development and Marketing at ValvTechnologies, explains: "We found out, firsthand, just how harsh the HPAL environment is when we partnered with University of Houston and began testing. We eventually discovered that titanium dioxide was not the answer to acid resistance. The results showed that titanium dioxide reacts with sulphuric acid, which pointed us in a new direction. Since then, we have conducted several hundred experiments leading to the development of RiBlock™ AC360 and several other coating innovations that hold commercial potential."

This exciting development is the result of ongoing collaboration between multiple business areas including R&D, production, thermal spray, supply chain, process engineering, and sales and marketing. A more detailed public announcement will be made once the patent has been filed.

“ RiBlock™ AC360, a corrosion and wear-resistant coating, was developed in partnership with the University of Houston. It is currently protected with a provisional patent, and the formal patent will be filed soon. ”

Todd McLemore, Vice President Product Development and Marketing, ValvTechnologies



RiBlock™
AC360

Delivering on your expectations

Our last employee engagement survey revealed five areas where you expect more from Severn Group. We've listened to your hopes and concerns, introducing new measures to improve workplace experiences. Some are fully embedded; others are still at an early stage. All are subject to the same continual improvement ethos we apply to other aspects of the business.

Leadership, vision and strategy

High levels of change had resulted in high levels of uncertainty for many people. To address this, we've introduced regular Town Halls where divisional leaders share plans, progress, and personal goals. Our new performance management system ensures every team member understands their individual responsibilities, and their valued role in the bigger business picture.

Culture and team spirit

Survey findings showed people were feeling detached from the business and weren't sure what it stood for anymore. So, we reinvigorated the Group's shared values, encouraging everyone to recognise and celebrate colleagues who embody them via peer-to-peer nominations. We've also invested in team building and social events.

Communication

Internal communications were not working effectively to keep people informed and engaged. They also lacked empathy and inclusivity. This newsletter is part of the solution. We hope it provides a useful and friendly overview of what's happening across the business – but please let us know how it can be improved!



Training and development

New challenges should be energising and exciting, but without proper guidance they can become exhausting. We've introduced twice-yearly performance reviews so everyone receives regular support and constructive feedback. We're also looking at an ambitious global mobility programme so employees can benefit from career development opportunities in other Group locations.

ESG

In the last survey, many called for increased focus and consistency on ESG matters. Good progress has been made here, and it's encouraging to see people get behind new ESG initiatives. We will keep up this positive momentum, pushing ourselves to achieve more.

“ Thank you for your candid feedback in the last employee survey, and your willingness to embrace the new measures that have been introduced. Please take part in the next survey so we can learn what has worked for you, and what hasn't. Being open and honest is the best way ensure things keep getting better. ”

Karen Ann Josephides,
Chief People Officer, Severn Glocon



Insights Discovery

Our internal practitioners for Insights Discovery, a psychometric tool that aids collaboration and team building, have profiled the business leaders. Insights are being used to shape their personal development and professional relationships. We can't wait to start rolling the process out across the entire Group in due course.

Championing Group values

An incredible 263 nominations have been made under the peer-to-peer scheme recognising people who bring Group Values to life in their daily work. Special mentions go to:

- **Myttre Shanmugam (Severn Glocon Chennai)** who invited an inspirational YouTuber to hold a team session during Tamil New Year celebrations.
- **Jakub Zbikowski (Severn Glocon Gloucester)** who voluntarily worked through his break to ensure a witness testing procedure went ahead as planned.
- **Gabriel Earle-Davis (LB Bentley)** who has embraced new planning methodologies and challenged the organisation to focus on meeting targets.



Employee referral scheme

Don't forget about our generous employee referral scheme. You can check out live vacancies at www.severnvalve.com/about/careers

Mentoring set to go live

Are you ambitious, eager to learn, and open to different perspectives that will help you develop personally and professionally? If so, why not sign up for our mentoring scheme? We've got some wonderful mentors willing to share their time and experience to support colleagues' growth. Contact anyone on the people team to discuss what's involved, and we'll take care to match you with someone who's a good fit.



Severn & LB Bentley nominations

If you've been impressed by one of your colleagues at **Severn or LB Bentley**, you can nominate them here using the QR code



ValvTechnologies nominations

If you've been impressed by one of your colleagues at **ValvTechnologies**, you can nominate them here using the QR code

An incredible 263 nominations have been made under the peer-to-peer scheme recognising people who bring Group Values to life in their daily work

263



Customer



Integrity



Accountability



Excellence