



Modern Slavery Statement 2023

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Pennon Group

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This modern slavery statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 (the "Act") and constitutes Pennon's anti-slavery and human trafficking statement for the financial year 2022-2023. It is made on behalf of Pennon Group plc and its Group companies, including South West Water Limited, Bristol Water Holdings UK Limited and Pennon Water Services Limited and was approved by the Pennon Group plc Board on 27 September 2023.

This is our seventh statement and outlines our processes and procedures to mitigate the risk of slavery and human trafficking during the financial year ending 31 March 2023. To date, we have had no instances of modern slavery, or concerns raised, however we remain committed to keeping our approach under continual review.

Our previous statements can be found [here](#).

27 September 2023 – A message from our Chief Executive Officer Susan Davy

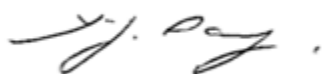
As a purpose driven organisation, our zero-tolerance stance against modern slavery is unwavering and clear. Within our organisation, we foster a dynamic culture that empowers individuals to champion the right course of action and stand against any wrongdoing.

With the evolving consequences of conflicts across the globe and the well documented concerns regarding the surge in people trafficking across Europe, there is good reason for additional vigilance in this area as traffickers and organised criminal gangs seek to exploit the vulnerable once in the UK. Our commitment to combat exploitation is ceaseless and this is underpinned by our focus on continuous improvement.

In the last year, our modern slavery continuous improvement programme has led to the creation of a new Ethics Management Committee and the extension of the access to our Speak Up facility to our supply chain partners and contractor base. We also continually benchmark our modern slavery programme through our collaboration with the Slave-Free Alliance (SFA) and our peers through the SFA Utilities against Slavery group.

In the next financial year, we shall be reflecting on the recommendations made by the SFA in August this year following the completion of the modern slavery audit we commissioned from them and building out an action plan.

Through our own endeavours and by collaborating with SFA and our industry peers, we are confident that we can adapt to emerging challenges and fortify our stance against the risks of modern slavery. Our resolve to combat this issue at Pennon remains unwavering, and I hold every confidence that we will play our part in developing a society free of slavery.



Susan Davy
Chief Executive Officer and
Director of Pennon Group plc


About Pennon Group

Pennon Group:


- was founded in 1989;
- its core business is centred on the UK Water sector;
- companies serve a population of approximately 3.5 million domestic customers in the Great South West of England;
- employs over 3,000 people;
- Group companies include:
 - **South West Water**, including **Bristol Water** and **Bournemouth Water**
 - **Pennon Water Services**

Pennon’s businesses are all UK based. A list of Pennon Group trading subsidiary companies can be found in our Annual Report found on our website.

Key Subsidiaries Snapshot



c. 1.8 million population served
450 million litres of drinking water per day
Wastewater services
Supplying Cornwall, Isles of Scilly, Devon and small areas of Dorset and Somerset



Bristol Water



c. 1.2 million population served
280 million litres of drinking water per day
Supplying the city of Bristol and surroundings

Bristol Water joined Pennon Group in June 2021. The merger was completed on 1 February 2023.

Bournemouth Water



c. 500,000 population served
140 million litres of drinking water per day
Supplying parts of Dorset, Hampshire and Wiltshire

Bournemouth Water joined Pennon Group April 2015.



Pennon Water Services
Pennon Water Services (PWS) is a joint venture between Pennon Group plc and South Staffordshire plc.

PWS operates under the trading brand Source for Business.

PWS provides water retail services to c.165,000 business accounts across England and Scotland.

Supporting documents and policies

Pennon has a number of policies to support its stance on modern slavery, which include:

- The Pennon Code of Conduct;
- Anti-Modern Slavery & Human Rights Policy;
- Code of Conduct for Supply Chain Partners;
- Anti-Bribery & Corruption Policy; and
- Whistleblowing Policy.

Review of Modern Slavery Programme 2022/2023

In brief

Management, Resources & Engagement

- Continuous review of core Group policies.
- Increase in size of the Legal Compliance team to enhance governance.
- Creation of the Pennon Ethics Management Committee.

Supply Chain and Procurement

- Initiation of supply chain assessments.
- Supply chain risk mapping aligned to our rationalised supply base.

Training

- Created a new LMS 365 Training hub to consolidate new joiner mandatory training including:
 - Code of Conduct Training
 - Modern Slavery Awareness Training
 - Whistleblowing Awareness Training.

Awareness

- Delivered Group wide communications programmes to raise awareness of anti-slavery week in October 2022 and whistleblowing awareness week in March 2023.

...and in more detail

Governance, Programme and Strategy

Accountability for our statement rests with our CEO, Group General Counsel and Company Secretary, and the Pennon Executive with regular updates and reports being provided to them throughout the year via the newly formed Ethics Management Committee, launched in February 2023.

We have reviewed relevant policies, conducted our yearly assessment, conducted new training and awareness initiatives.

The key progress we have made against last year's aims, are highlighted in detail below:

Group Policies

Although there have been no changes to the law, we have continued to review our core policies on an annual basis including our Code of Conduct and Anti-Modern Slavery & Human Rights Policy to ensure that they are fit for purpose.

Slave-Free Alliance (SFA)

We keep abreast of current trends and areas of concern within the utilities industries through Pennon's membership with the SFA.

In March 2023, Pennon commissioned SFA to undertake an independent audit to inform our modern slavery compliance improvement action plan. We shall be reflecting on the recommendations made this August and forming an action plan for the current financial year and beyond.

We have continued our membership of the SFA cross-sector utilities modern slavery group. At Pennon we are supporting this group by working with the engagement and collaboration subgroup, sharing knowledge and good practice which will inform our processes and procedures to both identify new emerging risks and protect against known risks.

Whistleblowing Helpline

We continue to investigate all disclosures reported to the Legal Compliance Team, the Head of Legal Compliance or the Group General Counsel and Company Secretary. We operate a whistleblowing service known as **"Speak Up"** which is accessible via a hotline and webform. Improvements this year meant that this service is not only accessible to all our employees but also externally to our contractors and supply chain.

Information on how to use this service is available in our Whistleblowing Policy, Anti-Modern Slavery & Human Rights Policy, Code of Conduct, Code of Conduct for the Supply Chain (all available on Pennon's website) and on related intranet pages available to all employees.

We are also pleased to report that there have been no internal or external reports of modern slavery through our Speak Up service during the last financial year.

Procurement

We continue to reinforce and enhance our processes to address and mitigate the risks of modern slavery within our supply chain. Multi-stage diligence processes continue to be implemented across a wide range of supply chain management activities. Supplier rationalisation and segmentation exercises continue to support greater governance in the supply chain, which directly impacts supply chain risk identification, including modern slavery.

2023 has seen the implementation of improved assessments and continuous due diligence of our supply base in accordance with our Code of Conduct for Supply Chain Partners.

Training and Awareness

We have now migrated our external training platform to a centralised training platform, LMS 365. Our new joiner training requires the reading and understanding of our Modern Slavery Statement, Code of Conduct and an online interactive training section helping staff recognise occurrences of modern slavery. We continue to explore additional sources of e-learning that will contribute to our staff's understanding and recognising occurrences of modern slavery and have offered advanced training for staff in higher risk areas.



Plans for Modern Slavery Programme 2023/2024

In brief

Management, Resources & Engagement

- Create an improvements action plan following consideration of the SFA recommendations made in their audit report finalised in August 2023.
- Continued commitment to SFA Cross Sector Utilities Working Group.

Procurement

- Continued review of the supplier assessment and due diligence process to mitigate risk from our supply chain.

Enhanced Targeted Training

- Enhanced face to face training with selected key members of Procurement and Commercial teams leading on supplier negotiations/contract management.

Awareness

- Review and refresh of Speak Up posters and awareness materials.

...and in more detail

Implement Improvement Action Plan

Working in tandem with Slave-Free Alliance, we shall formulate an action plan which covers the

following areas to map against their key recommendations for improvement:

- Continuous Improvement
- Future Proofing
- Strategy Development
- Policy Review
- Escalation Process
- Supplier Onboarding and DD
- Training

We will continue to share and understand best practice through participation in the following SFA Cross Sector Utilities working groups: the Supply Chain Group, the Training Group and the Engagement and Collaboration Group.

Supplier Assessment and Due Diligence

We will continue to enhance our approach on supplier assessment and due diligence and will seek to provide further guidelines on due diligence on higher risk projects.

Enhanced Training

There are roles in the business that may be of higher risk of exposure to modern slavery risk e.g. lead supplier negotiators and contract managers. We will therefore be supporting these individuals through face-to-face training in this financial year.

Review of Speak Up Awareness Materials

Following the relaunch of Pennon’s whistleblowing platform “Speak Up” in 2021, we are keen to ensure that continuous efforts are made to improve awareness of our whistleblowing

platform, with frequent promotional materials disseminated in various media that are easily accessed and, through the use of QR codes, make the process of reporting concerns of modern slavery easier and less conspicuous for the reporter.

Conclusion

While we reflect on positive progress this year, we will continue to plan and implement further recommendations and preventative measures.

We believe that our approach is proportionate to our risk but remain committed to continuing to review, develop and improve on our activities to safeguard against the risk of modern slavery in our business and our supply chain.

