

PENNON GROUP PLC

WHISTLEBLOWING POLICY

1. INTRODUCTION

- 1.1 The Board of Pennon Group Plc (“the Board”) is committed to conducting its business with honesty and integrity and expects all staff to maintain high standards of business ethics (as set out in Pennon Group Policies - Ethics). However, all organisations face the risk of things going wrong from time to time, or of unknowingly harbouring illegal or unethical conduct.
- 1.2 The Board recognises that a culture of openness and accountability is essential to the interests of the Company and its subsidiaries to ensure that any instances of business malpractice are detected and appropriate corrective action is taken.

2. POLICY

- 2.1 The Board's policy is to encourage all staff whether full-time or part-time employees, officers, consultants, agency and casual workers, temporary staff, agents, contractors, and suppliers (“a concerned party”), to raise any concerns they may have regarding possible business malpractice within the Pennon Group without risk to themselves.
- 2.2 This policy applies in cases where a concerned party genuinely believes that business malpractice is occurring, has occurred, or may occur within the Group and that malpractice puts the interests of others or the Group itself at risk.
- 2.3 “Business malpractice” can be described as a reasonable suspicion that a concerned party has about suspected wrongdoing or danger at work; such as possible fraud, danger or other serious risk that threatens the Group's customers, colleagues, or shareholders; the public; or the Group's businesses, finances or reputation.
- 2.4 The Board recognises that an individual with a concern may wish to raise that concern in confidence to protect their identity. It is the policy of the Group that every effort will be made to maintain confidentiality and not disclose an identity of a concerned party unless required to do so by law.
- 2.5 Workers (including employees) who whistleblow with regard to wrongdoing at work have certain protections in accordance with the Employment Rights Act 1996. A worker has the right not to be dismissed or suffer any detriment if the disclosure being made in the reasonable belief of the worker making the disclosure is in the public interest and tends to show one or more of the following:
 - criminal activity;
 - a failure to comply with any legal or professional obligation or regulatory requirements;
 - a miscarriage of justice;
 - danger to the health and safety of an individual;

- damage to the environment;
- the use of deception to obtain an unjust or illegal financial advantage for the business or personally;
- a fundamental breach of internal control, intentional misrepresentation directly or indirectly affecting financial statements;
- serious unprofessional or non-ethical behaviour;
- intentional misreporting to a regulatory body;
- the deliberate concealment of information relating to any of the above.

(Please note this is not a definitive list of possible business malpractice).

- 2.6 All cases of Whistleblowing will be reported to the Pennon Group Audit Committee in line with the UK Corporate Governance Code (September 2014) so as to enable the Committee to ensure that arrangements are in place for the proportionate and independent investigation of such matters and for appropriate follow-up action.

3. PROCEDURE

The procedure to be followed by a concerned party in respect of any matter concerning a Group company is set out separately in each Group company's procedure. Employees in Pennon Group Plc should raise a concern in accordance with the procedure set out in Pennon Group Procedures.