
Environmental Policy

Pennon is one of the leading businesses in the UK water sector, providing clean water and wastewater services. Our environmental purpose is to protect and enhance the environment for generations to come.

PURPOSE

Our Environmental Policy sets out our commitments to minimising our impact on the environment (both locally and globally) ensuring our communities in the greater South West can enjoy nature for generations to come.

The purpose of the policy is to share and communicate our commitment to the environment, by being a responsible and sustainable business, complying fully and where possible exceeding the requirements of our stakeholders and wider society.

In addition, this policy sets out the specific commitments of our subsidiary South West Water, complying with their ISO 14001.

SCOPE AND APPLICATION

This policy is managed by the Group ESG Director, approved by the Pennon Group Board and enforced without discrimination across the Pennon Group and its subsidiary companies ("Group") and applies to Pennon Group and all its subsidiary companies and is reviewed and, if necessary, revised and updated annually by the board.

GOVERNANCE

- Ensuring compliance with all environmental legislation, regulatory requirements, and codes of practice so that our conduct is of the highest possible standard, through implementation of our environmental management systems and processes.
- Acting to minimise the environmental impact of our operations while taking steps protect and enhance the natural environment. We remain committed to quality habitat creation, land restoration, minimising pollution to air/land/water, maintaining sustainable abstraction procedures and environmental protection (including Upstream Thinking).
- Ensuring sustainability best practice throughout our operations by maximising the efficiency of our natural and manmade resource use; effective project and programme delivery; minimising waste and maximising recycling.
- Achieving a biodiversity net gain across all relevant sites with biodiversity management plans in place in line with our Group Biodiversity Strategy.
- Fostering an understanding of key environmental issues amongst our employees, suppliers, contractors, customers, and the public in line with priorities identified in our ESG strategy and business plans and then consulting with relevant stakeholders on those issues through the Annual Report and elsewhere.
- Procuring goods and services through suppliers and contractors whose products and services meet the Group's requirements and whose quality and environmental practices, correspond with our Code of Conduct for Supply Chain Partners and Sustainable Procurement Policy.
- Undertaking longer-term strategic assessments of our activities and services and adopting whole life assessment methods (utilising circular economy models where practicable) for our services and activities

which are designed to benefit society, customers, suppliers, partners, other stakeholders, and the environment.

- The implementation of our Net Zero Plans to reduce greenhouse gas emissions, Climate Change Adaptation Plans and implementing the recommendations of the Task force for Climate related Financial Disclosures (TCFD).
- Reporting openly and transparently on Group environmental performance, setting targets for continuous improvement, and monitoring progress, addressing risks, and adopting policies related to wider sustainability considerations in relation to our key activities of water supply and wastewater treatment.
- Complying with all the relevant legal requirements and standards including Environmental Permitting Regulations 2016, Operator Self-Monitoring, MCERTS Self-Monitoring of Flow ISO 14001:2015 for South West Water and Bournemouth Water.
- Creating appropriate procedures and internal policies which reflect best environmental practice and are suitable for implementation in all areas of the organization
- Making non-operational land accessible to the public where practicable to satisfy, as a minimum, the Group's obligations under the Countryside and Rights of Way Act. Wherever possible additional opportunities for conservation, access and recreation are provided, subject to health and safety and environmental considerations.
- Implementing an Energy Policy and complying with South West Waters' ISO 50001 and ISO 55001 accreditations.

The policy compliments the Group Strategy and Business Plans and existing policies and should be read in conjunction with the ESG strategy and targets determined from time to time as set out in the Group's annual report.

VERSION HISTORY

VERSION	STATUS	AREA OF CHANGES	DESCRIPTION OF CHANGES	APPROVED BY	DATE OF RELEASE DD/MM/YYYY
0.1	Final	All	Final version	CEO	30/3/20
0.2	Final	All	Updates to reflect new Group strategy and remove certain 'social' clauses which are covered elsewhere	Group ESG Director	10/6/22