



ESG Databook 2022

Bringing water to life, supporting the lives of people and the places they love for generations to come

Introduction

Pennon is one of the leading businesses in the UK water sector, providing clean water and wastewater services through our businesses across the Great South West. We believe the role of responsible business is one of stewardship for sustainable living, supporting communities, customers and the environment to thrive, now and into the future.

Our business model is shaped by our purpose, Bringing water to life – supporting the lives of people and the places they love for generations to come which means we are not only seeking to create value for our stakeholders today but to reinvest in our business in a carefully planned and sustainable way for the future.

We are passionate about the regions we serve and recognise that the resources we rely on today need protecting for the future. Our approach to ESG ensures everything we do supports our commitment to provide environmental stewardship, and to support our customers and local communities. As a responsible employer, we remain focused on employee development, alongside a robust health, safety and wellbeing programme. Our activities are underpinned by a strong governance framework that uphold our core values within the organisation and throughout our supply chain.

For more information on the Group's performance, see our Annual Report 2022 www.pennon-group.co.uk/investor-information/financial-reports-and-presentations.

Assurance

Our ESG Databook discloses Environmental, Social and Governance (ESG) data in a transparent way to our stakeholders. All of the data provided is verified to ensure it is as robust and transparent as possible. Where possible, we have sought external third party verification for our 2021/22 data, and the type of verification will be noted next to each individual datapoint.

Bristol Water acquisition

On 3 June 2021, Pennon acquired Bristol Water. As a result, we have included Bristol Water data where available. Bristol Water data is separated for the purposes of our 2022 reporting.

Materiality assessment

In 2021, we consulted more than 20 key stakeholders representing the customers and communities we serve, our people, our regulators, investors, lenders, and other regional interest groups. They told us which issues mattered most to them, allowing us to identify areas of highest importance to focus our future ESG targets. These findings were supplemented by desktop research, analysis of sector ESG best practice, and horizon scanning of issues likely to impact our sector in the coming years. The outcome of this analysis is our updated materiality assessment. Read more on page 30 of our Annual Report 2022.

Feedback

To support our commitment to continual improvement in our sustainability reporting, we welcome feedback. If there are further areas of disclosure our stakeholders would like to see provided, please contact ESGdata@pennon-group.co.uk with your suggestions.

Contents

Introduction	02
Assurance	03
Environmental	04
1.1 Greenhouse Gas Emissions	04
1.2 Energy	09
1.3 Biodiversity	10
1.4 Waste	11
1.5 Water	13
1.6 Environmental Management	15
Social	16
2.1 Communities & Customers	16
2.2 Health, Safety and Wellbeing	18
2.3 Diversity	19
Governance	20
3.1 Supply Chain	20
3.2 Responsible Business	20
External benchmarking	22
UN Sustainable Development Goals	23
Policies	24
ESG frameworks	25

Assurance

All data presented within the ESG Databook has undergone robust internal verification (first line and management review). Selected data and disclosures within this ESG Databook have been externally assured. The assured data is indicated at the appropriate point within our reporting.

DNV

Certain data has been assured by DNV, an independent management consultancy specialising in technical assurance in the utility sector. DNV's method of assurance includes testing the assumptions, definitions, methods and procedures that are followed in the development of data and the auditing thereof to ensure accuracy and consistency. DNV's independent limited assurance statement is available at www.pennon-group.co.uk/sustainability.

Other Disclosures

Other disclosures that relate to the regulated operational performance of South West Water and Bristol Water have been subject to an independent assurance of regulatory data conducted by consultants Jacobs and Turner & Townsend respectively as indicated. South West Water and Bristol Water's Assurance Reports are published each July alongside the regulated business Annual Performance Reports.

www.bristolwater.co.uk/about-us/our-performance/

www.southwestwater.co.uk/about-us/documents/Annual-reports/

B4SI

Our Community Impact data has been assured by Business for Community Impact (B4SI). This is the first year Pennon Group has applied the B4SI Framework and has been a part of the global B4SI Network, accessing full guidance and support for its application. B4SI's independent assurance statement is available at www.pennon-group.co.uk/sustainability

External Data

Certain data points relate to data and assessments reported by third parties e.g. ESG scoring and ratings.

Internal Verification

South West Water's integrated Assurance Plan ensures, utilising a risk based approach, that an appropriate balance of varied providers of assurance are deployed dependent on the assessed risk and complexity of assurance requirements. The integrated assurance approach includes:

- 1st line of defence – including performance reviews, local quality control as well as certification and 'sign off' of submitted data
- 2nd line of defence – including business management systems and ongoing data verification processes
- 3rd line of defence – including independent internal audit, technical audit, financial audit and other external assurance providers

External review and audit processes are utilised whenever significant data is provided by South West Water externally (such as within this ESG databook).

The allocation of assurance work between external providers (including financial and technical auditors) is based upon the content of the data submission and multiple providers of external assurance are frequently engaged on the same project. The professional credentials of the third party assurance providers are considered in detail to ensure they have the relevant knowledge and experience.

All data presented within the Databook has undergone robust internal verification (first line and management review).

The table below summarises the approach to assurance and verification of data disclosure within the ESG Databook. The references are reflected as footnotes throughout the Databook to indicate the assurance route for each data point.

Assurance / Verification method	Scope
a. DNV	Selected Group, South West Water and Bristol Water KPIs
b. Jacobs	South West Water operational data
c. B4SI	Group community impact reporting
d. Turner & Townsend	Bristol Water operational data
e. External data reported by third party	ESG scoring and ratings

Environmental

1.1 Greenhouse Gas Emissions (GHG)

Datapoint	Unit	2018/19 (inc waste business)		2019/20 (inc waste business)		2020/21		2021/22 Group (including Bristol Water)		2021/22 (South West Water)		2021/22 Group (excluding Bristol Water)	
		Market Based	Location Based	Market Based	Location Based	Market Based	Location Based	Market Based	Location Based	Market Based	Location Based	Market Based	Location Based
Scope 1 GHG emissions by source¹													
Direct emissions from burning of fossil fuels	tCO ₂ e	-	-	-	-	-	-	4,962	4,962	1,761	1,761	1,761	1,761
Process and fugitive emissions	tCO ₂ e	-	-	-	-	-	-	14,388	14,388	14,388	14,388	14,388	14,388
Transport: Company owned or leased vehicles	tCO ₂ e	-	-	-	-	-	-	5,052	5,052	3,953	3,953	4,094	4,094
Total Scope 1 GHG emissions	tCO ₂ e	1,572,996	1,572,996	2,042,672	2,042,672	21,080	21,080	24,403	24,402	20,102	20,102	20,243	20,243
Scope 2 GHG emissions	tCO ₂ e	100,472	101,661	83,535	96,846	65,685	72,436	80,279	80,847	59,061	66,590	59,061	66,590
Total gross Scope 1 & 2 GHG emissions	tCO ₂ e	1,673,467	1,674,657	2,126,207	2,139,518	86,765	93,517	104,682	105,249	79,163	86,692	79,304	86,833
Scope 3 GHG emissions (estimated) ²	tCO ₂ e	60,547	60,547	617,132	617,132	147,392	147,392	292,698	292,698	284,147	284,147	284,147	284,147
Total gross Scope 1, 2 & 3 GHG emissions	tCO ₂ e	1,734,015	1,735,204	2,743,339	2,756,650	234,157	240,909	397,380	397,947	363,310	370,839	363,451	370,980
GHG emissions removals through purchases of Renewable Energy Guarantees of Origin	tCO ₂ e	Included in Scope 2 above	(1,190)	-	(13,311)	Included in Scope 2 above	0	Included in Scope 2 above	(7,466)	Included in Scope 2 above	(7,466)	Included in Scope 2 above	(7,466)
GHG emissions saved by exporting self-generated electricity	tCO ₂ e	(100,472)	(100,472)	(2,218)	(2,218)	(2,277)	(1,903)	(1,428)	(1,494)	(1,428)	(1,494)	(1,428)	(1,494)
Total annual net GHG emissions	tCO ₂ e	1,633,543	1,633,543	2,741,121	2,741,121	231,881	239,007	395,952	388,988	361,882	361,879	362,022	362,020
Energy consumption used to calculate Scope 1 and 2 GHG emissions (see Energy usage section)	MWh			620,409	620,409	357,232	357,232	426,429	426,429	340,352	340,352	340,913	340,913
GHG emissions intensity measure: Scope 1+2 ³	tCO ₂ e/ £100,000 revenue			152.8	153.8	13.5	14.5	13.2	13.3	n/a	n/a	11.5	12.6
Operational intensity measure – Water	kgCO ₂ e/MI ⁴	-	-	-	-	198.7	211.3	See South West Water	174.6	n/a	n/a	See South West Water	See South West Water
Operational intensity measure – Wastewater	kgCO ₂ e/MI ⁴	-	-	-	-	216.2	234.5	See South West Water	244.4	n/a	n/a	See South West Water	See South West Water
Biogenic GHG emissions outside of Scopes	tCO ₂ e	1,588,882	1,588,882	1,756,029	1,769,365	2,583	2,583	See South West Water	2,521	2,521	2,521	See South West Water	See South West Water

Additional Information:

2018/19 and 2019/20 data includes Viridor Waste Management which was sold in 2020 and is no longer part of the Group. More information on our GHG emissions can be found on page 89-91 of our 2021/22 Group Annual Report

1. SWW total Scope 1 (20,102 tCO₂e) and Scope 2 market-based (79,163 tCO₂e) and Scope 2 location-based (86,692 tCO₂e) GHG emissions. These figures have been independently assured by DNV.
2. GHG emission figures are expressed in tonnes of carbon dioxide equivalents (tCO₂e) whereby emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), the fluorinated gases (HFC, PFC, SF₆) are shown in terms of the equivalent emissions from CO₂. A breakdown of emissions by GHG is available in our ESG databook available on our website.
3. Based on relevant Group revenue for 2021/22.
4. For 'Water' measure MI = measured water into supply. For 'Wastewater' measure MI = full measured flow treatment. Figures have been recalculated for 2021/22 in line with South West Water Net Zero 2030 boundary.

Scope 1 (direct GHG emissions): GHG emissions activities owned or controlled by our organisation that release emissions straight into the atmosphere. For Pennon, primary Scope 1 GHG emission sources during 2020/21 include GHG emissions from stationary plant, fugitive emissions from air conditioning plant and wastewater treatment and transport related GHG emissions from our own vehicles and fleet Scope 2 (indirect GHG emissions) GHG emissions released into the atmosphere associated with our consumption of imported electricity. Scope 3 (other GHG indirect emissions) GHG emissions that are a consequence of our actions, which occur at sources which we do not own or control. Estimated GHG emissions for relevant Scope 3 categories calculated in 2021/22 are provided in our ESG Databook available on our website www.pennon-group.co.uk/reportandpresentations. These include: Category 1 – Purchased goods and services; Category 2 – Capital Goods; Category 3 – Fuel-and energy-related (not Scope 1&2); Category 5 – Waste generated in operations; Category 6 – Business Travel; Category 7 – Employee Commuting; Category 9 – Downstream transportation and distribution.

Operational Pennon Group plc GHG emissions by business

	South West Water	Bristol Water	Group total*
Scope 1 GHG emissions	20,102	4,106	24,403
Scope 2 GHG emissions (market based)	59,061	21,218	80,279
Total gross Scope 1 & Scope 2 GHG emissions (tCO₂e)	79,163	25,378	104,682

The water business figure provided here includes the impact of emissions from our two hydroelectric power stations. This does not form part of our annual reporting to the water regulator Ofwat since these sites are outside of the Ofwat regulated contract.

* Group total includes 140 tCO₂e from Pennon Water Services and Group shared services.

Scope 3 Breakdown

Datapoint	Unit	2019/20 (inc waste business)	2020/21	2021/22 (excluding Bristol Water)	2021/22 (Bristol Water)	2021/22 (Total Group)	Additional Information (Group excluding Bristol Water)
Category 1 – Purchased goods and services	tCO ₂ e	112,179	62,460	192,367	6,509.13^d	198,876	Indirect emissions from goods and services purchased by the company were estimated using a combination of Ecoinvent 3.8 emission factors and the Comprehensive Environmental Data Archive (CEDA) 5.0. Ecoinvent emission factors allow weight-based emission calculations. CEDA is an economic input-output database, providing information about embodied lifecycle emissions per dollar spent on items used in over 400 sectors of the U.S. economy. Note: CEDA emission factors only account for embodied emissions, not use of the product, which may be accounted for in another part of the footprint. Chemicals wholesale expenditure was excluded from OPEX/CAPEX CEDA calculation as they were calculated using Ecoinvent weight based factors. Fuel supply and utility expenditure was also excluded as these were accounted for in scope 1 and 2 calculations.
Category 2 – Capital goods	tCO ₂ e	101,177	54,791	58,147	Data not assessed	58,147	Indirect emissions from goods and services purchased by the company were estimated using the Comprehensive Environmental Data Archive (CEDA) 5.0. CEDA is an economic input-output database, providing information about embodied lifecycle emissions per dollar spent on items used in over 400 sectors of the U.S. economy. Note: CEDA emission factors only account for embodied emissions, not use of the product, which may be accounted for in another part of the footprint. For purchases for which no CEDA category could be found, a weighted average of the other categories at within that category was used. Fuel supply and utility expenditure was also excluded as these were accounted for in scope 1 and 2 calculations.
Category 3 – Fuel- and energy-related (not Scope 1&2)	tCO ₂ e	37,235	18,511	26,163^a	1,864.15^d	28,027	This category includes emissions from three distinct activities: 1. Upstream emissions of purchased fuels (both stationary and mobile combustion); 2. Upstream emissions from purchased electricity; 3. Transmission & Distribution (T&D) losses from purchased electricity. For calculating (1), DEFRA 2021 Well to Tank (WTT) emission factors are used. These emission factors are applied to the relevant activity data type to account for upstream emissions of purchased fuels. For calculating (2), DEFRA 2021 WTT emission factors are used. For calculating (3), we calculated the T&D Line Losses using the relevant emission factor from DEFRA 2021. Actual consumption units were taken from the scope 1 and scope 2 calculations. No assumptions, all data based on Scope 1 and 2 consumption data.

a. DNV

d. Turner & Townsend

Scope 3 breakdown (continued)

Datapoint	Unit	2019/20 (inc waste business)	2020/21	2021/22 (excluding Bristol Water)	2021/22 (Bristol Water)	2021/22 (Total Group)	Additional Information (Group excluding Bristol Water)
Category 4 – Upstream transportation and distribution	tCO ₂ e	185,377	2,831	0 ^a	Data not assessed	0	No Cat 4 contractors identified this year.
Category 5 – Waste generated in operations	tCO ₂ e	18,502	619	1,212	178.14 ^d	1,390	This category includes emissions from third party disposal and treatment of waste generated in the company's operations. DEFRA 2021 emission factors were applied to contractor waste data. Due to limited availability of waste specific emission factors, a number of waste types including screenings and grit were categorised as commercial and industrial waste to match with Defra 2021 emission factors. All waste and emissions relating from sludge "recycled" to land has been excluded from the calculation to align with Water UK's net-zero target boundary. All non 2020-21 data was excluded from calculations.
Category 6 – Business travel	tCO ₂ e	1,817	50	469 ^a	0.05 ^d	469	Emissions from the transportation of employees for business-related activities in vehicles owned or controlled by third parties and hotel stays are included in this category. Emissions from rail, taxi and air travel are also included. Well-to-tank emissions for all business travel categories (except hotel stays) are also included. Emissions have been calculated using Defra 2021 emission factors.
Category 7 – Employee commuting	tCO ₂ e	Included in total	2,657	1,473	Data not assessed	1,473	In order to properly account for home working emissions, energy use from office equipment, home heating and cooling (where appropriate), which would not have occurred in an office-working scenario should be accounted for. Data taken from 2017 DALIA Research, which compiled an extensive transportation survey worldwide, covering 52 countries, in 2017. Data for the average speed of modes of transport was taken from a published paper, which has taken data from the Mobility in Cities Database. Assumed an average 77% of FTE working from home over the reporting period. EcoAct home working and commuting tool uses various data sources to understand the proportion of each transport method used in each continent or country. Assumptions are also made on transport speed and commuting time depending on location. The home working methodology uses a combination of office equipment, cooling energy and heating energy assumptions to calculate emissions using office occupancy data. See EcoAct Working From Home Whitepaper for further details.
Category 8 – Upstream leased assets	tCO ₂ e			-	-	-	Not relevant for Pennon as no additional upstream leased assets. All consumption is captured under Scope 1 and 2.

a. DNV

d. Turner & Townsend

Scope 3 breakdown (continued)

Datapoint	Unit	2019/20 (inc waste business)	2020/21	2021/22 (excluding Bristol Water)	2021/22 (Bristol Water)	2021/22 (Total Group)	Additional Information (Group excluding Bristol Water)
Category 9 – Downstream transportation and distribution	tCO ₂ e	133,314	5,473	4,316 ^a	Data not assessed	4,316	This category used contractor mileage and fuel consumption data for 3 rd party vehicles used for upstream transportation eg. cars (diesel, petrol and hybrid), vans and HGVs. DEFRA 2021 emission factors were applied for calculations. A contractor specific mapping provided by Pennon was used to categorise between upstream and downstream transportation.
Category 10 – Processing of sold products	tCO ₂ e			–	–	–	Pennon does not consider this category to be relevant. They provide a service rather than a product so it is assumed that emissions associated with heating water (cooking, heating, washing etc) would be captured under the use of the appliance instead.
Category 11 – Use of solid products	tCO ₂ e			–	–	–	Pennon does not consider this category to be relevant. They provide a service rather than a product so it is assumed that emissions associated with heating water (cooking, heating, washing etc) would be captured under the use of the appliance instead.
Category 12 – End of life treatment of sold products	tCO ₂ e	23,437	N/A	–	–	–	Water not considered as part of this category as South West Water and Bristol Water are service providers rather than product manufacturers.
Category 13 – Downstream Leased Assets	tCO ₂ e			–	–	–	Not relevant for Pennon as no additional downstream leased assets. All consumption is captured under Scope 1 and 2.
Category 14 – Franchises	tCO ₂ e			–	–	–	No joint ventures within the reporting period.
Category 15 – Investments	tCO ₂ e			–	–	–	Pennon does not operate any franchises and therefore this category is not relevant.
Total estimated Scope 3 GHG emissions	tCO ₂ e	617,133	147,392	284,147	8,551	292,698	No joint ventures within the reporting period.

a. DNV

d. Turner & Townsend

Additional Information:

2018/19 and 2019/20 data includes Viridor Waste Management which was sold and no longer part of the Group in 2020/21. More information on our GHG breakdown can be found on page 89-91 of our 2021/22 Group Annual Report. Bristol Water only calculate GHG emissions for selected Scope 3 categories with respect to their Net Zero 2030 plan. Now part of Pennon Group we'll be expanding the Bristol Scope 3 categories assessed in line with the Group's scoping methodology.

GHG Breakdown

Datapoint	Unit	2018/19 (South West Water)	2019/20 (South West Water)	2020/21 (South West Water)	2021/22 (South West Water)	2021/22 (Bristol Water)
Scope 1	tCO ₂	7,421	5,640	6,333	5,636.55 ^b	4,136.91 ^d
Scope 2	tCO ₂	85,083	79,274	71,758	65,912.25 ^b	14,111.30 ^d
Scope 3	tCO ₂	–	–	–	–	8,270.18 ^d
Scope 1	tCH ₄	221	292	5,106	4,739.21 ^b	4.33 ^d
Scope 2	tCH ₄	8	8	224	250.90 ^b	53.72 ^d
Scope 3	tCH ₄	–	–	–	–	100.51 ^d
Scope 1	tN ₂ O	17	19	9,473	9,539.65 ^b	18.74 ^d
Scope 2	tN ₂ O	2	1	429	429.67 ^b	91.99 ^d
Scope 3	tN ₂ O	–	–	–	–	141.94 ^d
Scope 1	tHFCs	13	20	8	186.67	–
Scope 3	tSF ₆	–	–	–	–	82.67

b. Jacobs

d. Turner & Townsend

Excluded Data:

The following datapoints were not disclosed due to them being N/A or 0:

- Scope 1&2: tPFC scope 1, tPFC scope 2, tSF₆ scope 1, tSF₆ scope 2

Other Climate Disclosures

Pennon Group (excluding Bristol Water)

Climate Risk Assessment

South West Water's latest Climate Change Adaptation Report can be found here: www.southwestwater.co.uk/siteassets/document-repository/environment/climate-change-adaption-2021.pdf and 2022 Pennon Task Force on Climate-related Disclosures (TCFD) response on pages 106-122 of the Annual Report 2022.

Additional GHG data

	Units	South West Water Regulated Reporting approach*		South West Water Non-regulated reporting approach	
		Market-Based		Market-Based	
		2020/21	2021/22	2020/21	2021/22
Scope 1	tCO ₂ e	20,920	20,102	20,920	20,102
Scope 2	tCO ₂ e	63,553	57,736	65,660	59,061
Scope 1&2 (Gross)	tCO ₂ e	84,473	77,838	86,580	79,163
Scope 1&2 GHG emissions reduction from 2020/21 to 2021/22	%	–	7.85% ^a	–	8.57%

a. DNV

Additional information

*Water industry regulated GHG emissions reporting varies slightly from GHG accounting rules followed by Group. The main impact on SWW emissions is with respect to the treatment of GHG emissions 'benefit' with respect to our two hydropower stations which are non-regulated assets meaning they sit outside of the regulated business being as they are unconnected to our operational sites. Under our regulated reporting, the REGOs generated and retained (or held) by the hydropower stations are used to directly offset gross Scope 2 market based GHG emissions. Under non-regulated reporting, used in Group GHG emissions reporting, the hydro power stations come within the accounting boundary within their own right and so the appropriate way to account for their contribution to emissions reduction (from their exported generation) is taken at the 'emissions removal' stage, i.e. contributing to 'net' market based emissions and having no effect on gross market based scope 1 and 2 emissions. Hence gross Scope 2 emissions for SWW are slightly higher for non-regulated reporting than regulated.

1.2 Energy

Energy Usage

	Units	2018/19 (inc waste business)	2019/20 (inc waste business)	2020/21	2021/22 (South West Water) ¹	2021/22 (Bristol Water)	2021/22 (Total Group) ³	Methodology (South West Water)	Methodology (Bristol Water)
Imported grid electricity [#]	MWh	355,026	374,091	310,688	313,629	65,251	378,880	Metered data except some NHHM supply which is estimated by electricity supplier (see note ²)	Verified Metered data
Imported private wire electricity (renewable)	MWh	4,202	4,734	4,786	4,874	0	4,874	Metered data	
Self-supplied renewable electricity	MWh	11,982	101,819	8,885	10,727	1,132	11,859	Metered data	Verified Metered data
Self-supplied heat	MWh	7,524	6,946	5,935	5,780	0	5,780	Estimated that 60% of heat generated by sewage gas CHP is beneficially used, the rest (40%) is released to atmosphere	
Natural gas [#]	MWh	13,255	15,717	2,432	2,285	15,502	17,787	Metered data – from billing (some element of estimates)	Verified Metered data, except March which has been estimated
Liquid fuels (for stationary applications) [#]	MWh	83,925	119,495	7,023	6,334	464	6,798	Estimated based on fuel use/spend data	Bulk delivery invoice data
Energy used by fleet transport [#]	MWh	232,882	111,106	17,551	18,104	4,299	22,963	Estimated based on fuel use/spend and mileage data (see note ⁴)	Fuel card data
Total energy usage	MWh	708,738	733,908	357,320	361,733	86,648	448,941		
Intensity measure: MWh/£100,000 Revenue ⁵	MWh	–	52.75	55.4	52.59	–	56.66		

Energy usage data notes:

1. South West Water energy use (361,733 MWh) by has been independently assured by DNV.
2. Estimated used for non-half hourly electricity supply (c.6% of total imported electricity) based on supplier renewal quotation estimate.
3. Includes small amount and transport related energy use for Pennon Water Services/Group shared services totalling an estimated 0.6 GWh or around 0.1% of Group total.
4. Hire car fuel usage and grey fleet (use of private vehicles on company business) are included in these SECR volumes – as per SECR guidance.
5. Based on relevant Group revenue for 2021/22.

Energy consumption used to calculate Scope 1 and 2 GHG emissions.

Energy Capacity

Datapoint	Unit	2020/21 (South West Water)	2021/22 (South West Water)
Hydro capacity	MW	5.7	6.3
Solar capacity	MW	8.2	3.0
Wind capacity	MW	0.1	0.1
Other renewables capacity	MW	1.6	1.6
Overall renewables capacity	MW	15.6	11.1

Electricity Production by type

Datapoint	Unit	2020/21 (South West Water)	2021/22 (South West Water)
Electricity production by energy type: Hydro	MWh	9,757,861	10,540,027
Electricity production by energy type: Solar	MWh	6,982,237	7,097,170
Electricity production by energy type: Wind	MWh	148,039	184,380
Electricity production by energy type: Other renewables*	MWh	4,946,149	4,816,317
Total energy production	MWh	21,834,286	22,637,894*
Percentage Renewable Energy	%		8.3***

a. DNV.

Additional Information:

*includes electricity production from CHP

**We are targeting an improvement renewable energy as a % of total energy use (excluding transport) towards our longer term 2030 target of 50% 'net' energy use from renewables.
 'Renewable energy' includes: Renewable electricity, heat and biogas generated or produced within our sites and network or associated direct private connection on a net basis (excl transport).

Excluded Data:

Energy capacity and production data is for South West Water assets only and exclude Bristol Water. The following datapoints were not included above due to being N/A for our South West Water for the periods stated: Gas, Biomass, Nuclear, Coal, Oil, CCGT and Geothermal for capacity and production.

1.3 Biodiversity

Datapoint	Unit	2021/22 (South West Water)	2021/22 (Bristol Water)	2021/22 (Total Group)
Number of sites with Environmental Management Plans	Number of sites	36	3	39
Biodiversity Enhancement	Hectares	10,053 (95,453 cumulative) ^b	–	–
Biodiversity Prevent Deterioration	Number of enhancements	70 ^b	–	–
Biodiversity Compliance	Number of incidents	0 ^b	–	–
Biodiversity Index			17,678.25 ^d	–

b. Jacobs.

d. Turner & Townsend.

1.4 Waste

Datapoint	Unit	2020/21 (excluding Bristol Water)				2021/22 (excluding Bristol Water) ^b				2021/22 (Bristol Water)	2021/22 (Total Group)	
		Generated	Recycled	Energy recovery	Landfill	Generated	Recycled	Energy recovery	Landfill			
Wastewater sludge	A solid product produced during the treatment of wastewater sludge at a Sludge Treatment Centre, measured in wet tonnes	tonnes	156,130	153,861	2,269		163,832	163,180	213	438	N/A	327,663
Construction	Waste generated by construction and demolition activities	tonnes	1,083	945	0	138	9,836	9,276	17	543	Not available	19,672
Network excavated material	Material that is excavated during engineering/construction activities and is not reused in the construction	tonnes	10,988	8,938	0	2,049	33,492	25,463	0	8,029	Not available	66,984
Water sludge	A solid product produced during the treatment of water sludge at a Water Treatment Works, measured in wet tonnes	tonnes	21,513	21,395	0	119	20,936	20,859	0	77	148,487	190,359
Grit and screening	Materials that contain inorganic sand and/or organic materials, collected from wastewater treatment plants	tonnes	713	79	199	435	2,376	77	277	2,022	Not available	4,752
Operational site	Waste produced on site. Within this figure plastics metals and electricals are also included.	tonnes	1,203	244	230	729	957	236	315	406	647	2,561
Office	Waste produced within offices, which also includes confidential and food waste.	tonnes		n/a			18	18	0	0	Not available	36

b. Jacobs

Waste (continued)

Datapoint	Unit	2020/21 (excluding Bristol Water)				2021/22 (excluding Bristol Water) ^b				2021/22 (Bristol Water)	2021/22 (Total Group)	
		Generated	Recycled	Energy recovery	Landfill	Generated	Recycled	Energy recovery	Landfill			
Hazardous waste	Waste which displays one or more of the hazardous properties listed: explosive; oxidising; flammable; irritant (skin or eye damage); specific target organ toxicity; acute toxicity; carcinogenic; corrosive; infectious; toxic for reproduction; mutagenic; release of an acute toxic gas; sensitising. As well as waste that displays signs of being ecotoxic are classified as hazardous. If the waste is categorised as being explosive, it is automatically hazardous. WEEE waste is included in this category	tonnes	36	28	8	0	115	58	17	40	6	236
Ash	Non-aqueous and non-gaseous residues that are collected after burning	tonnes	0	0	0	0	0	0	0	0	0	0
Total		tonnes	191,664	185,488	2,706	3,469	231,562	219,167	840	11,555	149,140	612,264

Additional Information:

This year we have worked to enhance our waste arisings reporting including expanding the scope of our waste data collected from our major waste contractors. Noting this change the 2021/22 figures reported are not directly comparable to the reported figures in 2020/21 particularly in construction and network extracted material. For more information on what the Group has done to minimise our resource use, visit the "Waste Management" tab here. <https://www.pennon-group.co.uk/sustainability/environmental>

Recycled waste includes waste that has gone through any recovery operation. This includes sludge to land and land restoration, but does NOT include energy generation.

b. Jacobs

1.5 Water

Leakage

Datapoint	Unit	2020/21 (excluding Bristol Water)	2021/22 (excluding Bristol Water)	2021/22 (Bristol Water)
Leakage target (3-year rolling average)	% reduction	3	7 ^b	–
Progress against leakage target (3-year rolling average)	% reduction	2.1	116.7 ^b	–
Leakage targets (3-year rolling average)	MI/d	126.8	–	36 ^d
Progress against leakage target (3-year rolling average)	MI/d	–	–	55 ^d

b. Jacobs

d. Turner & Townsend

Water Supply

Datapoint	Unit	2018/19	2019/20	2020/21	2021/22 (excluding Bristol Water)	2021/22 (Bristol Water)	Additional Information
Total water supply	MI/d	532.7	525.4	519.4	554.9 ^b	274.6 ^d	Water delivered (potable)

b. Jacobs

d. Turner & Townsend

Water Withdrawal

Datapoint	Unit	2018/19	2019/20	2020/21	2021/22 (excluding Bristol Water)	2021/22 (Bristol Water)	Additional Information
Water withdrawal: total MI/d	ML/d	654.470	657.851	683.981	695.634 ^b	275.087 ^d	Total abstraction
Water withdrawal: surface water from rivers, lakes, natural ponds: Proportion (0-1)	Proportion 0-1	0.912	0.914	0.916	0.920 ^b	0.843 ^d	
Water withdrawal: groundwater from wells, boreholes: Proportion (0-1)	Proportion 0-1	0.089	0.086	0.083	0.079 ^b	0.157 ^d	
Water withdrawal: municipal potable water: Proportion (0-1)	Proportion 0-1	–	–	–	0 ^b	–	
Water withdrawal: saline abstractions: Proportion (0-1)	Proportion 0-1	–	–	0.001	0.001 ^b	–	

b. Jacobs

d. Turner & Townsend

Water Efficiency

Datapoint	Unit	2018/19	2019/20	2020/21	2021/22 (excluding Bristol Water)	2021/22 (Bristol Water)
Per capita consumption	Litres/ Person/ Day	–	144	138.6	143.8^b	154.1^d
Per capita consumption (3-year rolling average) (ODI)	Litres/ Person/ Day (three year average total)	–	146.0	144.9	142.1	–
% of customers on a meter	%	82.80	83.30	82	82.7^b	61.4^d

b. Jacobs

d. Turner & Townsend

	Pennon Group (excluding Bristol Water)	Bristol Water
Water Efficiency Initiatives	Pennon Group is committed to reducing our own water consumption and assist our customers to reduce theirs too. You can find more information on our personal water efficiency initiatives by visiting: www.southwestwater.co.uk/save-water	Bristol Water works with its customers to help reduce their water use. This includes free water saving devices and advice which can be found www.bristolwater.co.uk/knowledge/how-to-save-water-in-the-home
Water Stress	<p>Water stress refers to the ability, or lack thereof, to meet the human and ecological demand for water (GRI 20181). The ratio of total annual water withdrawal to total available annual renewable water supply (i.e., baseline water stress) is high (40-80%) or extremely high (>80%) (WRI2). According to this definition none of our abstraction/withdrawal operations operates in water catchments of water stress.</p> <ol style="list-style-type: none"> GRI 303: Water and effluents 2018 www.globalreporting.org/standards World Resources Institute, Aqueduct Water Risk Atlas, www.wri.org/our-work/project/aqueduct/ 	
Excluded Data	The following datapoints are not included within the disclosures above due to being n/a or 0: water withdrawal: quarry water, water withdrawal: sea water, reclaimed water used for drinking, managed aquifer recharge supply, harvested rainwater, external wastewater	

1.6 Environmental Management

Compliance

Datapoint	Unit	2020 (South West Water)	2021 (South West Water)	Additional Information
EPA Star Rating	Star	**	* / *** ^e	A combination of a basket of measures, the EPA is the Environment Agency's assessment of environmental performance. With a planned strategy of achieving 4 star by 2024, there is much to focus on.
Datapoint	Unit	2020/21 (South West Water)	2021/22 (South West Water)	Additional Information
Numeric Compliance	Number	99.04	97.46 ^b	We measure the compliance of our discharges against our permits. This has reduced slightly this year as a result of Bournemouth Water discharges included (due to a change in reporting) and third-party incidents.

b. Jacobs

e. External

* EPA rating for calendar year 2021 is scheduled to be released in July 2022. For more information on our EPA performance, visit our South West Water APR www.southwestwater.co.uk/about-us/documents/Annual-reports/

Pollutions

Datapoint	Unit	2018 (South West Water)	2019 (South West Water)	2020 (South West Water)	2021 (South West Water)	2021/22 (Bristol Water)
Number of wastewater pollutions total	Number	250	287	225	151 ^b	20 ^d
Wastewater pollution incidents per 10km of pipeline	Number		106.44	130.87	86.58 ^b	N/A

b. Jacobs

d. Turner & Townsend

Effluent

Datapoint	Unit	2018/19 (South West Water)	2019/20 (South West Water)	2020/21 (South West Water)	2021/22 (South West Water)
Total effluent discharge	MI/y	211,444.50	246,537.60	232,039.15	224,742.5 ^b
Ocean total	MI/y	–	–	–	80,464.9
Surface water total discharge	MI/y	–	–	–	143,960.1
Sub-surface/well total discharge	MI/y	–	–	–	317.6
Off-site water treatment total discharge	MI/y	–	–	–	0
Beneficial/other use total discharge	MI/y	–	–	–	0

b. Jacobs

Environmental Certification

Datapoint	Unit	2021/22
Percentage of sites with environmental certification	%	100% of South West Water sites are certified with ISO14001 standard ^e

e. External

Social

2.1 Customers and communities

Datapoint	Unit	2018/19 (South West Water)	2019/20 (South West Water)	2020/21 (South West Water)	2021/22 (South West Water)	2021/22 (Bristol Water)
Number of customers on support tariffs	Number	–	25,584	30,565	32,255^b	21,209^d
Customer satisfaction	%	93	90	89	83^e	89^d
Value for money	%				73^b	77^d

b. Jacobs

d. Turner & Townsend

e. External



Community Investment

Datapoint	Unit	2018/19	2019/20	2020/21	2021/22 (excluding Bristol Water)	2021/22 (Bristol Water)	Additional Information
Type of Philanthropic Contributions: Charitable Donations	£				255,871 ^c	721	Amount excludes management cost in figures.
Type of Philanthropic Contributions: Community Investments	£				234,647 ^c	5,000	Amount excludes management cost in figures.
Type of Philanthropic Contributions: Commercial Initiatives	£				0 ^c	-	Amount excludes management cost in figures.
Philanthropic Contributions: Cash Contributions	£				478,375 ^c	5,721	
Philanthropic Contributions: Time (employee volunteering during paid working hours)	£				12,143 ^c	11,340	Calculated using the average fully costed salary at Pennon , then multiplied by number of hours spent on community projects.
Philanthropic Contributions: In-kind giving: product or services donations, projects/ partnerships or similar	£				0 ^c	4,383	
Philanthropic Contributions: Management overheads	£				89,629 ^c	-	
Total community investment (£)	£				580,147 ^c	21,444	
Philanthropic Contributions: Subject focus – Education	£				82,519 ^c	-	Amount excludes management cost in figures.
Philanthropic Contributions: Subject focus – Health	£				12,000 ^c	-	Amount excludes management cost in figures.
Philanthropic Contributions: Subject focus – Economic Development	£				12,000 ^c	-	Amount excludes management cost in figures.
Philanthropic Contributions: Subject focus – Environment	£				211,071 ^c	-	Amount excludes management cost in figures.
Philanthropic Contributions: Subject focus – Arts/Culture	£				43,500 ^c	-	Amount excludes management cost in figures.
Philanthropic Contributions: Subject focus – Social Welfare	£				129,428 ^c	-	Amount excludes management cost in figures.
Number of organisations helped	Number				121 ^c	-	
Number of individuals impacted	Number				752 ^c	-	
Total amount leveraged	£				842,881 ^c	-	

c. B4SI

2.2 Health, Safety and Wellbeing

Key Health & Safety Metrics

Datapoint	Unit	2018/19 (Inc Waste Business)	2019/20 (Inc Waste Business)	2020/21	2021/22 (excluding Bristol Water)	2021/22 (Bristol Water)	Additional Information
Total, lost time injuries: Employees	Number			29	22 ^a	10 ^a	Includes Pennon Group agency employees
Lost time injury frequency rate: Employees	Number/ 200khrs	1.37	0.9	1.41	1.22 ^a	1.93 ^a	
Lost time injury frequency rate: Employees	Number/ 100khrs	-	-	-	0.61 ^a	0.96 ^a	
Fatalities: Employees	Number	0	1**	0	0 ^a	0 ^a	
Total, lost time injuries: Contractors	Number	-	-	-	4 ^a	-	Contractor LTIs (actuals) and Contractor LTIFR relate to Pennon excluding Bristol Water. The stated Contractor LTIs and Contractor LTIFR relate to Tier 1 CAPEX Contracting partners for Pennon excluding Bristol Water. Pennon continues to track the number of additional contractor LTIs outside of this scope (10 actual) and will continue to work with these other partners to develop a broader LTIFR calculation in the future.
Lost time injury frequency rate: Contractors	Number/ 200khrs	-	-	-	0.70 ^a	-	
Lost time injury frequency rate: Contractors	Number/ 100khrs	-	-	-	0.35 ^a	-	
Fatalities: Contractors	Number	0	1**	0	0 ^a	0 ^a	
Unsafe Acts/Conditions Identified	Number				2,837 ^a	688 ^a	

** 2019/20 fatalities both took place within Viridor Waste Management which is no longer part of Pennon Group

a. DNV

Health & Safety training

Datapoint	Unit	2021/22 (excluding Bristol Water)	Additional Information
Number of employees trained on HomeSafe	% of Staff	79.30%	Average employee completion rate. Our HomeSafe training will be rolled out to Bristol Water.
Number of employee training days	Number of Days	4,376	

Wellbeing

Datapoint	Unit	2021/22 (excluding Bristol Water)
Number of wellbeing events	Number	We have had 10 events running from September 2021 to February 2022
Number of employees attended wellbeing events	Number	803
Number of employee led wellbeing/network groups	Number	9 Wellbeing Networks – Financial Wellbeing, Grief, Menopause, Women, New Parents, Carers, LGBTQ+, REACH and New Starters
% of employees on wellbeing platform	%	22

2.3 Diversity

Our Colleagues

Datapoint	Unit	2018/19	2019/20	2020/21	2021/22 (excluding Bristol Water)	2021/22 (Bristol Water)	2021/22 (Total Group)
Number of kickstarters recruited	Number	–	–	–	54	2	56
Number of apprentices recruited	Number	93	85	71	130	6	136
Number of graduates recruited	Number	–	–	–	28	0	28
Living wage accreditation					Pennon are proud to be a living wage accredited employer. More information on our living wage commitment please visit www.pennon-group.co.uk/sustainability/social/our-employees ⁵		

Datapoint	Unit	2018 (inc waste business)	2019 (inc waste business)	2020	2021 (excluding Bristol Water)	2021 (Bristol Water)
Gender Pay Gap	%	2.70%	4.10%	5.70%	9.2 ^e	11.18 ^d
Employee turnover rate	%		18.05	11.35	16.20	15.80 ^d
REACH recruitment (ESG)	%	–	–	–	8.9 ^a	–

a. DNV

d. Turner & Townsend

e. External

Workforce Diversity

Datapoint	Unit	2021/22 (excluding Bristol Water)
Percentage of men and women on the board of directors, including non-executive directors (ESG)	%	42.9% Female / 57.1% Male ^a
The percentage of male and female employees across the Group	%	29.5% Female / 70.5% Male ^a
The percentage of male and female employees across the Group senior management team	%	44.4% Female / 55.6% Male ^a
Gender	Number	665 Female / 1588 Male
<30 years old	Number	453
30-50 years old	Number	984
>50 years old	Number	816
White	%	97.52%
Permanent	Number	2,201
Temporary	Number	52

Additional Information:

Pennon Group received the ranking of 10th in the FTSE 250 Women's Leaders Review

a. DNV

Hiring

Datapoint	Unit	2021/22 (excluding Bristol Water)
Total number of new employee hires	Number	448

Governance

3.1 Supply Chain

Datapoint	Unit	2021/22 (excluding Bristol Water) ⁵
Total percentage of suppliers defined as “Key and Strategic” that have evidenced they have an established ESG policy (or equivalent) as at 31 March for target year	%	23*
Total percentage of suppliers defined as “Key and Strategic” that have evidenced they have policies and procedures in place that ensure the prevention of modern slavery as at 31 March 2022 for target year	%	17*
Total percentage of suppliers defined as “Key and Strategic” that have evidenced they are working towards a Net Zero carbon emissions target as at 31 March 2022 for target year	%	21*
Quarterly Credit Checks conducted on 100% of Strategic Suppliers	%	100% (since process in place)

* Excludes Bristol Water and Pennon Water Services. Strategic and Key suppliers defined as per Pennon Group supplier segmentation criteria. Data extracted from Risk Ledger System

3.2 Responsible Business

Datapoint	2021/22	Additional Information
Number of Executive Directors	2 – Susan Davy and Paul Boote	Additional information on Pennon Group’s directors and executive management including expertise and mandated, visit: www.pennon-group.co.uk/about-us/leadership
Number of Independent Directors	4	
Number of Non-Executive Directors	4 – all our Non-Execs except the Chair are classed as independent	
Total Board Size	5	
Board Average Tenure	5 years – calculated by the year they were appointed to Board to current	
Board Diversity	3 Female – 2 hold highest positions of Chair and CEO 4 Male	
Number of non-executive/ independent directors with 4 or less other mandates	5	
Directors Expertise	All have appropriate skills and experience to enable them to effectively carry out their role – all have their own relevant experience in business, finance and other areas.	
Information on board meetings	Hold at least 6 throughout the financial year and each board members attendance is marked – found in the Annual Report. Before the meetings, reports are circulated and during the meetings there is often presentations.	
Information on Audit Committee	Neil Cooper is Chair of the Audit Committee and in accordance with the UK Code and FCA Disclosure Guidance and Transparency Rule 7.1.1, has recent and relevant financial experience and competence in accounting and auditing (as set out in his biography on page 131). The Board is satisfied that the Audit Committee as a whole has competence relevant to the sector in which the Group operates. More information can be found on page 142 of our 2022 Annual Report.	
Remuneration details	The UK Corporate Governance Code also sets out principles of good governance relating to directors’ remuneration, and this report on page 160 of our 2022 Annual Report describes how these principles are applied in practice.	For additional information on Pennon Groups Board Committees, including the Audit and Remuneration Committee, go to: www.pennon-group.co.uk/about-us/board-committees Alongside the meetings, a strategy day is held in September and ad hoc board meetings are arranged when required e.g. the acquisition of Bristol Water lead to a number of extra conference calls and in person meetings

Environmental & Social Impact Assessments

Datapoint	2021/22
Environment and Social Impact Assessment Results	Pennon Groups impact assessments are made available through our website and through local Government websites for consultation. An example can be found here: https://planning.bournemouth.gov.uk/ : Application number:7-2021-16166-P Alderney Water Treatment Works

Shareholders

Datapoint	2021/22
Shareholders rights to vote and recent outcomes	Shareholders have the right to vote on how the Board oversees and exercises business activities at the AGM. One of the things shareholders can vote on is the remuneration policy for the Board. The right to vote annually is explicitly covered in company policy Special Dividend: passed at 97.75% Share consolidation: passed at 97.72% Share buyback programme: approved at 97.20%

Finance

Datapoint	2021/22	Additional Information
Fair Tax Mark	In 2021/22 Pennon Group continued to achieve the "Fair Tax Mark" ^e	For more information on our tax strategy and information on our tax please read our Tax Strategy Report www.pennon-group.co.uk/about-us/governance-and-remuneration .

e. External

External Benchmarking

Our ESG strategy and capitals framework has driven positive change in the business as we continue to embed sustainability in everything we do. During the year, we continued to show strong performance across external ESG ratings, demonstrating our commitment and management of risk across the ESG agenda.

Latest external assessment scores



16.5

ESG Risk
(Previous rating: 16.8)

78

ESG Rating
(Previous rating: 75)



AA

MSCI ESG Indexes
(Previous rating: AA)

Disclaimer

The use by Pennon Group of any MSCI ESG Research LLC or its affiliates ("MSCI") data, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement, recommendation, or promotion of Pennon Group by MSCI. MSCI services and data are the property of MSCI or its information providers, and are provided 'as-is' and without warranty. MSCI names and logos are trademarks or service marks of MSCI.

S&P Global Corporate Sustainability Assessment (CSA)

59/100

(Previous rating: 52/100)



B

CDP Climate Change
(Previous rating: B)

B

CDP Water security
(Previous rating: B-)



FTSE4Good

3.5/5

(Previous rating: 3.5/5)



B

ISS corporate rating
(Previous rating: Prime Status)



B

GRESB Infrastructure Public Disclosure
(Previous rating: B)

UN Sustainable Development Goals (SDGs)



We are focused on improving the South West region that we operate in. We understand that our actions can contribute to wider sustainable initiatives so we have worked to align our targets and strategies to the United Nations Sustainable Development Goals. Our alignment and contribution to our most material SDGs are summarised below.

	WHY	WHAT		HOW								
SDG												
SDG Alignment to our business*												
Aligned SDG Targets	3.9 3.d	8.4 8.2 8.3	6.3 6.4 6.6 6.a 6.b	14.1 14.2	9.4 9.2 9.5	15.1 15.3	13.1 3.2 13.3	12.2 12.5 12.6	1.5 1.3	11.3 11.6	7.1 7.2 7.3 7.a	5.1 5.4 5.5 5.c
ESG area of focus	Health, Safety and Wellbeing (S)	Sustainable Finance (G); Trust & Transparency (S)	Drinking Water Quality (S)	Amenity & Recreation including Bathing Water Quality (S)	Freshwater Stewardship (E)	Biodiversity (E)	Climate Resilience (E)	Circular Economy (E) & Supply Chain Resilience (G)	Vulnerable Customers (S)	Customer and Community Engagement (S)	Net Zero (E)	Diversity & Skills (S)
Examples of current activities that support the targets	HomeSafe Water Aid	Green Recovery Initiative Acquisition of Bristol Water	WRMP Mayflower Water Treatment Works	Pollution Incident Reduction Plan WaterFit	Innovation In Practice Centre for Resilience Environment Water and Waster (CREWW)	Downstream Thinking Upstream Thinking	Climate Change Adaption Strategy South West Peatland Partnership	Leakage Reduction Environmental Management ISO 14001 & Energy Management ISO 50001 Certification	WaterCare' Support Tariff Levelling Up Strategy	Neighbourhood Fund WaterShare+ and Customer AGM	Net Zero 'Our Promise to the Planet' Efficient Energy Management	Gender Pay Gap Reporting Diverse Emerging Talent Recruitment
2022/23 Targets	<ul style="list-style-type: none"> Reduce LTI below 22 across the group Nomination on the Inside Out Leaderboard for Mental Health £7.55 million raised for Water Aid since 1993 £7.3 million raised in 2022 	<ul style="list-style-type: none"> Sustainalytics ESG Rating Score > 75 / 100 55% of finance raised within the Pennon Sustainable Financing Framework (SFF) Maintain the Great Place to Work accreditation 	<ul style="list-style-type: none"> Number of customer contacts for taste, smell, and colour per 1,000 population: <ul style="list-style-type: none"> 1.15 (SWW) 0.63 (appearance) 0.32 (taste and smell) Share and implement best-practice in Bristol Water's Drought Plan. 	<ul style="list-style-type: none"> 100% of beaches achieve bathing water quality standard Reasons for Not Achieving Good Ecological Status (RNAG) in rivers due to SWW reduced to 18% 4 beach improvement schemes 	<ul style="list-style-type: none"> Reduce water use within our operations by 6ML per day Implement 4 OFWAT Innovation Fund Projects 	<ul style="list-style-type: none"> Manage > 100,000 ha of land for biodiversity enhancement (SWW) 148,200 trees planted (cumulative number for Pennon) 	<ul style="list-style-type: none"> Population served at risk to flooding reduced to 28.23% (SWW) 2,460 hectares peatland restored since 2010 External sewer flooding incidents reduced to 1,530 	<ul style="list-style-type: none"> 6% leakage reduction from 2019/20 baseline 100% sludge compliance Maintain 100% of our supply chain engaged with our Code of Conduct 	<ul style="list-style-type: none"> CMEx SWW: 12th place Bristol Water: 6th place PWS: Trust Pilot Score 4.9 	<ul style="list-style-type: none"> 85% year on year increase in our Community Impact as measured by the B4SI methodology 65 Neighbourhood Fund allocations in the year Increase community investment by 10% each year 	<ul style="list-style-type: none"> Increase our energy use from renewable energy generation (MWh) to 8% Reduce Scope 1 & 2 (market based) emissions by 3% 53 electric vehicles launched in pilot phase 	<ul style="list-style-type: none"> Increase female participation to 31% Achieve an overall score over 65% in the Bloomberg Global Gender Equality Index Maintain 10th place or above in the FTSE Women Leaders survey
2024/25 Targets	<ul style="list-style-type: none"> LTI at 11 across the group Increased employee engagement in the Wellbeing Strategy Continue to raise significant funds for Water Aid 	<ul style="list-style-type: none"> 80 / 100 60% 	<ul style="list-style-type: none"> 0.89 (SWW) 0.10 (appearance) 0.10 (taste and smell) Collaborative water resource management planning - West Country Water Resources & Water Resources South East 	<ul style="list-style-type: none"> 58% reduction in pollution incidents to 19.5 (category 1-3) per 10,000km of sewers 	<ul style="list-style-type: none"> Reduce water use within our operations by 10ML per day 6 Ofwat Innovation Projects 	<ul style="list-style-type: none"> 123,209 ha actively managed for biodiversity enhancement (SWW) 250,000 trees planted (cumulative number for Pennon) 	<ul style="list-style-type: none"> Achieve a 4-star rating on the Environmental Performance Assessment (EPA) carried out by the Environment Agency External sewer flooding incidents reduced to 1,123 	<ul style="list-style-type: none"> 15% leakage reduction (from PR14 levels) 	<ul style="list-style-type: none"> 50,000 customers on social tariffs 	<ul style="list-style-type: none"> 72 Neighbourhood Fund allocations in the year 	<ul style="list-style-type: none"> Increase our energy use from renewable energy generation (MWh) to 15% Substantial progress towards a carbon neutral fleet by 2030 	<ul style="list-style-type: none"> Female participation increased to 35% Continue to close the gender pay gap

* Based on internal analysis and assessment of group strategies and policies alongside the external Materiality Assessment (ARUP).

Policies and Statements

To ensure best practice, we have a number of ESG policies in place that are reviewed annually and approved by the Board. Read our policies at www.pennon-group.co.uk/about-us/policies.

Environment

- Environmental Policy
- Biodiversity Strategy
- Water Management Policy

Social

- Health, Safety and Security Policy
- Community Relations and Investment Policy
- Workplace Policy
- Substance Misuse Policy
- Diversity, Respect and Inclusion Policy
- Board Diversity Policy

Governance

- Sustainable Procurement Policy
- Code of Conduct for Supply Chain Partners
- Anti-Modern Slavery and Human Rights
- Privacy Policy
- Anti-Facilitation of Tax Evasion
- Conflicts of Interest
- Regulatory and Compliance
- Anti-Money Laundering
- Pennon Code of Conduct
- Gifts and Hospitality Policy
- Whistleblowing Policy
- Anti-Bribery and Corruption Policy

ISO Certifications

Pennon Group plc holds a number of ISO and other management systems standards, where they align to the objectives of operational sections of the Group as well as stakeholder interests.

A number of these have been held for many years, but the Group regularly reviews the standards to which it seeks certification. In 2021/22 Pennon was recommended for certification to ISO55001 – Asset Management for the first time. The following ISO certifications are currently held by our operating companies.

South West Water

- 14001 Environmental Management
- 50001 Energy Management
- 9001 Quality Management
- 27001 Information Security Management
- 55001 Asset Management

Pennon Water Services

- 9001 Quality Management
- 45001 Health and Safety Management

Bristol Water

- 9001 Quality Management

ESG Reporting Frameworks

Our reporting is aligned to best practice sustainability frameworks to help better communicate our ESG performance.



SASB

For the first time, we have aligned our non-financial disclosures to the Sustainability Accounting Standards Board (SASB) reporting framework. SASB provides a set of industry specific standards (Water Utilities and Services industry), which each contain topics which are material to our investors. Our latest reporting to the Water utility and services industry SASB standard can be found in our 2022 Annual Report page 93.



Task Force on Climate-related Financial Disclosures

The Task Force for Climate-related Financial Disclosures published its original recommendations in 2017. Pennon has been reporting against the recommendations since 2020. Our latest reporting against the TCFD recommendations can be found in our 2022 Annual Report page 106-122.