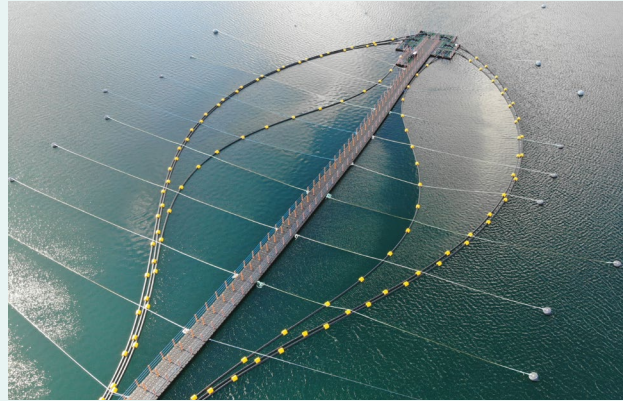


Bringing Water to Life



ESG Databook
2024



Supporting the
lives of people and
the places they
love for generations
to come

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Introduction

Pennon is one of the leading businesses in the UK water sector, providing clean water and wastewater services through our businesses across the communities we serve. We believe the role of a 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.

SES Water

Following Pennon Group plc's acquisition of SES Water in January 2024, we are working to incorporate their ESG performance and metrics into our databook and group ESG targets moving forwards. Pennon Group metrics published in this databook do not currently include SES Water unless explicitly stated.

Assurance

Our ESG Databook discloses contains supplementary Environmental, Social and Governance (ESG) data in a structured and transparent way to aid our stakeholders engagement with our ESG performance. 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 2023/24 data, and the type of verification will be noted next to each individual datapoint.

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 sustainability@pennon-group.co.uk with your suggestions.

Our reporting suite

Clear and transparent reporting is important to us and our stakeholders. Our annual report is supported by additional disclosures contained in our wider corporate reporting suite. These include:



Annual Report and Accounts 2024



Net Zero plan



Modern slavery statement



Gender and Ethnicity Pay Gap Report 2023

Our annual report and the other reports in our corporate reporting suite can be found on our website: www.pennon-group.co.uk/investor-information/financial-reports-and-presentations

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 datapoints have been assured by DNV, an independent external assurance provider 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 have been subject to an independent assurance of regulatory data conducted by consultants Jacobs and Turner & Townsend as indicated within the data tables. 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).

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 scores from external ESG rating agencies.

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 Metrics and KPIs
b. Jacobs/Turner & Townsend	Operational performance commitment data (Jacobs) and Operational technical data (T&T)
c. B4SI	Group community impact reporting
d. External data reported by third party	ESG scoring and ratings

Environmental

1.1 Greenhouse Gas Emissions (GHG)

Pennon Group plc GHG emissions

	2021/22 Group		2022/23 Group		2023/24 Group	
	Market Based ¹	Location Based ¹	Market Based ¹	Location Based ¹	Market Based ¹	Location Based ¹
Scope 1 GHG emissions by source (tCO ₂ e)						
Direct emissions from burning of fossil fuels (tCO ₂ e)	4,962	4,962	8,003	8,003	5,467	5,467
Process and fugitive emissions (tCO ₂ e)	14,388	14,388	15,389	15,389	16,170	16,170
Transport: Company owned or leased vehicles (tCO ₂ e)	5,052	5,052	5,381	5,381	5,100	5,100
Total Scope 1 GHG emissions (tCO₂e)	24,403	24,402	28,773^a	28,773^a	26,737^a	26,737^a
Scope 2 GHG emissions (tCO₂e)	80,279	80,847	31,321^a	77,217^a	25,662^a	83,575^a
Total gross Scope 1 & 2 GHG emissions (tCO₂e)	104,682	105,249	60,094^a	105,990^a	52,399^a	110,312^a
GHG emissions removals through purchases of Renewable Energy Guarantees of Origin (tCO ₂ e)	Included in Scope 2 above	–	Included in Scope 2 above	–	Included in Scope 2 above	–
GHG emissions saved by exporting self-generated electricity (tCO ₂ e)	-1,428	-1,494	0	0	0	0
Total annual net GHG emissions (tCO₂e)²	400,968	397,904	299,747	345,643	367,397	425,310
Energy consumption used to calculate Scope 1 and 2 GHG emissions (MWh) (see Energy usage section) ⁴	426,429	426,429	461,783	461,783	459,736	459,736
GHG emissions intensity measure: tCO ₂ e (gross Scope 1+2/£100,000 revenue) ³	13.2	13.3	7.3	12.9	6.0^a	12.7^a
Biogenic GHG emissions outside of Scopes (tCO ₂ e)	2,521	2,521	3,148	3,148	3,076	3,076
Scope 3 GHG emissions ² (tCO ₂ e) ⁵ (estimated) ⁶	297,714	297,714	239,653	239,653	314,999	314,999
Total gross Scope 1, 2 & 3 GHG emissions (tCO₂e)	402,396	402,963	299,747	345,643	367,397	425,310

Group total Scope 1 (26,737 tCO₂e) and Scope 2 market-based (25,662 tCO₂e) and Scope 2 location-based (83,575 tCO₂e) GHG emissions. These figures have been independently assured by DNV.

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 2023/24 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.

1. 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.
2. Estimated GHG emissions for relevant Scope 3 categories calculated in 2023/24 are provided on page 5.
3. Based on relevant Group revenue for 2023/24.
4. Renewable Energy Guarantees of Origin (REGOs) certificate assured by DNV for electricity consumption in period April 2023 to March 2024 for South West Water electricity consumption.
5. Total scope 3 figure differs from as reported in the 2024 Group Annual Report. The Databook contains updated figures. A full breakdown of Scope 3 emissions by category can be found on page 5.
6. Scope 3 Category 5 historical figures have been restated to include emissions from sludge disposal to land, to align with our Science Based Targets.

	2021/22			2022/23			2023/24			
	South West Water ^b	Bristol Water ^b	Group total	South West Water ^b	Bristol Water ^b	Group total	South West Water ^b	Bristol Water ^b	SES Water ^a	Group total ⁷
Scope 1 GHG emissions	20,102	4,160	24,403	23,317	5,310	28,773 ^a	20,870	5,548	928.14	26,737^a
Scope 2 GHG emissions (market based)	59,061	21,218	80,279	48	31,273	31,321 ^a	72	25,238	0	25,662^a
Total gross Scope 1 & 2 GHG emissions (market based) (tCO ₂ e)	79,163	25,378	104,682	23,364	36,583	60,094 ^a	20,942	30,787	928.14	52,399^a
Operational intensity measure (kgCO ₂ e/MI) - Water	174.87	270.96	–	59.72	201.79	–	38.77	209.42	–	–
Operational intensity measure (kgCO ₂ e/MI) - Wastewater	244.4	–	–	128.45	–	–	111.15	–	–	–

7. Group total includes 670 tCO₂e from Pennon Water Services and Group shared services, but excludes SES Water figures in-line with our DNV assurance metric definition for 2023/24.

8. SES Water's GHG Emissions figures have been assured by NQA, in line with ISO14064-1. SES Water's Streamlined Energy and Carbon Report (SECR) can be found on page 71 of the Annual Report 2024.

Historic GHG Data

Datapoint	Units	2019/20 (including waste business)		2020/21 (excluding Bristol Water)		2021/22 Group (including Bristol Water)		2022/23 Group		2023/24 Group (Excluding SES Water)	
		Market Based	Location Based	Market Based	Location Based	Market Based	Location Based	Market Based	Location Based	Market Based	Location Based
Total Scope 1 GHG emissions	tCO ₂ e	2,042,672	2,042,672	21,080	21,080	24,403	24,402	28,773 ^a	28,773 ^a	26,737^a	26,737^a
Scope 2 GHG emissions	tCO ₂ e	83,535	96,846	65,685	72,436	80,279	80,847	31,321 ^a	77,217 ^a	25,662^a	83,575^a
Total gross Scope 1 & 2 GHG emissions	tCO ₂ e	2,126,207	2,139,518	86,765	93,517	104,682	105,249	60,094 ^a	105,990 ^a	52,399^a	110,312^a
Scope 3 GHG emissions ² (estimated) ¹	tCO ₂ e	617,132	617,132	147,392	147,392	297,714	297,714	239,653	239,653	314,999	314,999
Total gross Scope 1, 2 & 3 GHG emissions	tCO ₂ e	2,743,339	2,756,650	234,157	240,909	402,396	402,963	299,747	345,643	367,397	425,310

1. Total scope 3 figure 2023/24 differs from as reported in the 2024 Group Annual Report. The Databook contains updated figures.

2. Scope 3 Category 5 historical figures have been restated to include emissions from sludge disposal to land, to align with our Science Based Targets.

Scope 3 Breakdown

Datapoint	Unit	2021/22 (South West Water)	2022/23 (South West Water)	2023/24 (Total Group)	Additional Information
Category 1 – Purchased goods and services	tCO ₂ e	198,876	82,415	99,839^a	The change in reported emissions is due to better interrogation of the spend data used to drive Category 1 purchased goods and services calculation. This figure is in addition to 23,323 tCO ₂ e emissions relating to chemicals.
Category 2 – Capital goods	tCO ₂ e	58,147	106,990	167,886^a	Group capital investment up c.80% versus 2022/23.
Category 3 – Fuel- and energy-related (not Scope 1&2)	tCO ₂ e	28,027	33,013 ^a	29,586^a	Well-to-tank emissions from Business Travel are included within the reported total.
Category 4 – Upstream transportation and distribution	tCO ₂ e	0	3,480	3,717	
Category 5 – Waste generated in operations	tCO ₂ e	10,722	10,018	10,078	Waste generated in operations has seen a significant increase between 2022/23 and 2023/24, since the addition of emissions from sludge disposal to land, to align with our Science Based Targets.
Category 6 – Business travel	tCO ₂ e	469	852 ^a	1,154^a	
Category 7 – Employee commuting	tCO ₂ e	1,473	2,885	2,739	
Total estimated Scope 3 GHG emissions	tCO ₂ e	297,714	239,653	314,999	Bristol Water's Scope 3 activities have been calculated and reported within the Group figures for the first time.

Category 8, 9, 10, 11, 12, 13, 14 and 15 are not considered relevant to Pennon.

GHG Breakdown

Datapoint	Unit	2021/22		2022/23		2023/24	
		Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2
CO ₂	tonnes	9,733.46	80,023.55	13,248.5	76,350.38	10,469	82,723
CH ₄	tonnes	4,743.54	304.62	5,944.15	319.44	7,449	362
N ₂ O	tonnes	9,558.39	521.66	9,557.99	547.04	8,793	492
HFCs	tonnes	186.67	-	19.77	0	14	0

Excluded Data:

The following datapoints were not disclosed due to being N/A or 0: Scope 1&2: tPFC scope 1, tPFC scope 2, tSF6 scope 1, tSF6 scope 2. Scope 3 data has been excluded as the available data does not cover all categories.

Air Pollution

Datapoint	Unit	2021/22	2022/23	2023/24
SO ₂	tonnes	2.0	3.4	3.6
NO _x	tonnes	75.1	107.5	89.7
VOCs	tonnes	3.5	4.3	4.4
PMs	tonnes	3.7	5.6	4.6
Total Pollution	tonnes	84.2	120.8	102.3

Other Climate Disclosures

Pennon Group. See TCFD Statement on pages 78-109, Group Annual Report.

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 Pennon Group plc's 2023/24 Task Force on Climate-related Disclosures (TCFD) statement on pages 78-109 of the Annual Report 2024.

1.2 Energy

Energy Usage

	Units	2021/22 (Total Group)	2022/23 (Total Group)	2023/24 (Total Group)	Additional Information
Imported grid electricity ⁴	MWh	378,880	399,301	404,426	Metered data, except some NHHM supply which is estimated by electricity supplier ²
Imported private wire electricity (renewable)	MWh	4,874	4,819	5,804	Metered data
Self-supplied renewable electricity	MWh	11,859	12,079	10,656	Metered data
Self-supplied heat	MWh	5,780	7,141	7,068	Estimated that 60% of heat generated by sewage gas CHP is beneficially used, the rest (40%) is released to atmosphere
Natural gas ⁴	MWh	17,787	23,471	25,407	Metered data – from billing (some element of estimates)
Liquid fuels (for stationary applications) ⁴	MWh	6,798	14,904	6,375	Estimated based on fuel use/spend data . Reported totals calculated based on raw data provided by the supplier
Energy used by fleet transport ⁴	MWh	22,963	24,107	24,639	Estimated based on fuel use/spend and mileage data ²
Total energy usage	MWh	448,941	485,823	484,374^a	
Intensity measure: MWh/£100,000 Revenue ³	MWh /£100,000 Revenue ³	56.66	58.97	55.53	

Energy usage data notes:

1. Total energy usage (MWh) (484,374 MWh) by has been independently assured by DNV.
2. Hire car fuel usage and grey fleet (use of private vehicles on company business) are included in these SECR volumes – as per SECR guidance.
3. Based on relevant Group revenue for 2023/24.
4. Energy consumption used to calculate Scope 1 and 2 GHG emissions.

Electricity Production and Capacity by type

Datapoint	Unit	2021/22 (South West Water only)	2022/23	2023/24
Electricity production by energy type: Hydro	MWh	10,540	9,625	13,002^a
Hydro capacity	MW	6.3	6	5.8
Electricity production by energy type: Solar	MWh	7,097	3,033 ^a	2,106^a
Solar capacity	MW	3.0	4.2	3.5
Electricity production by energy type: 3 rd Party Solar	MWh	-	5,119 ^a	5,998
3 rd Party Solar capacity	MW	-	5.6	7.1
Electricity production by energy type: Wind	MWh	184	215 ^a	234^a
Wind capacity	MW	0.1	0.1	0.1
Electricity production by energy type: Gas	MWh	-	5,951 ^a	8,746
Gas capacity	MW	-	-	3
Electricity production by energy type: Other renewables*	MWh	4,816	13,092 ^a	12,959^a
Other renewables capacity	MW	1.6	1.5	1.5
Total energy production	MWh	22,637	31,084 ^a	34,480^a
Overall renewables capacity	MW	11.1	17	18.5
Percentage Renewable Energy**	%	8.3	6.731 ^a	7.50^a

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:

The following datapoints were not included above due to being N/A for the Group the periods stated: Biomass, Nuclear, Coal, Oil, CCGT and Geothermal for capacity and production.

1.3 Biodiversity

Datapoint	Unit	2021/22	2022/23	2023/24
Number of sites with Environmental Management Plans	Number of sites	39	52	85
Biodiversity Enhancement ¹	Hectares	95,819 cumulative	111,515 cumulative	126,733
Biodiversity Prevent Deterioration ¹	Number of enhancements	70	98 ^b	121^b
Biodiversity Compliance ¹	Number of incidents	0	0 ^b	0^b
Biodiversity Index ²	-	17,678.25	17,692.96	17,706.92
Trees Planted (since 2019 Water UK Commitment)	Number of Trees	147,789	220,187 ^b	304,014^b

1. South West Water Only

2. Bristol Water Only

1.4 Waste

Datapoint	Detail	Unit	2021/22				2022/23				2023/24			
			Generated	Recycled	Energy recovery	Landfill	Generated	Recycled	Energy recovery	Landfill	Generated	Recycled	Energy recovery	Landfill
Wastewater sludge		tonnes	163,832	163,180	213	438	160,804	159,017	1,748	39	172,278	171,139	1,139	0
Construction		tonnes	9,836	9,276	17	543	7,426	3,100	5	4,320	77,740	6,507	11,592	59,641
Network excavated material		tonnes	33,492	25,463	0	8,029	49,303	40,389	0	8,914	1,200	0	0	1,200
Water sludge		tonnes	20,936**	20,859	0	77	25,484**	25,484	0	0	27,611	27,611	0	0
Grit and screening		tonnes	2,376	77	277	2,022	6,329	3,907	190	2,232	3,194	1,933	21	1,239
Operational site		tonnes	1,604*	236	315	406	1,768	634	522	612	1,015	251	665	99
Office		tonnes	18	18	0	0	70	44	27	0	1,212	272	838	103
Hazardous waste		tonnes	121*	58	17	40	54*	34	1	7	625	541	68	16
Ash	Non-aqueous and non-gaseous residues that are collected after burning	tonnes	0	0	0	0	0	0	0	0	364	182	0	182
Total		tonnes	232,214**	219,167	840	11,555	251,238**	232,608	2,493	16,124	285,239	208,436	14,323	62,480

* Bristol Water have been unable to provide destination and so their "generated" has been incorporated into the total, however this will mean the combined destinations do not equal the total generated.

** Water Sludge data for Bristol Water in 2021/22 and 2022/23 has been excluded, and the historical figures have been restated as South West Water only.

Our 2023/24 Waste data captures a wider scope of contractors waste than in previous years, explaining the increase in waste generated. We have also seen crossover in contractor reporting between Construction and Network excavated material categories, helping to explain the fluctuation in figures reported against each of these categories.

1.5 Water

Leakage

Datapoint	Unit	2021/22 South West Water ^b	2021/22 Bristol Water ^b	2022/23 South West Water ^b	2022/23 Bristol Water ^b	2023/24 South West Water ^b	2023/24 Bristol Water ^b
Leakage (3-year average – Megalitres Per Day)	MI/d	116.7	36.0	113.0	36.9	107.0	37.8
Leakage Target (3-year average – Megalitres Per Day)	MI/d	116.7	36.1	112.9	34.3	109.3	33.0

Water Withdrawal

Datapoint	Unit	2021/22		2022/23		2023/24	
		(South West Water)	(Bristol Water)	(South West Water) ^b	(Bristol Water) ^b	(South West Water) ^b	(Bristol Water) ^b
Water withdrawal: total MI/d	ML/d	695.634	275.087	704.22	294.36	701.16	285.07
Water withdrawal: surface water from rivers, lakes, natural ponds: Proportion (0-1)	%	92	84	92	86	92	86
Water withdrawal: groundwater from wells, boreholes: Proportion (0-1)	%	8	16	8	14	7	14
Water withdrawal: municipal potable water: Proportion (0-1)	%	0	–	0	0	0	0
Water withdrawal: saline abstractions: Proportion (0-1)	%	<1	–	<1	0	<1	0

Water Use

Datapoint	Unit	2021/22		2022/23		2023/24	
		(South West Water)	(Bristol Water)	(South West Water)	(Bristol Water)	(South West Water)	(Bristol Water)
Total water supply (indirect water use)	MI/d	554.9	274.6	554.8	246.54	542.5	245.5
Direct water use	MI/year	-	-	6,428	-	6188.1	-
Per capita consumption	Litres/ Person/ Day	143.8 ^b	154.7	152.6	148.7	147.1	144.7
Per capita consumption (3-year rolling average) (ODI)	Litres/ Person/ Day (three year average total)	142.1	154.1	144.9	154.8	147.8	149.4

b. Jacobs/Turner & Townsend

Pennon Group (excluding 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 and <https://www.bristolwater.co.uk/our-blogs/how-to-save-water-at-home>

Water Stress

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.

1. GRI 303: Water and effluents 2018 www.globalreporting.org/standards
2. 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

Environmental Management

Compliance

Pollutions (South West Water)

Datapoint	Unit	2021	2022 ^a	2023 ^b
Number of pollution's (Water)	Number	8	28	29
Number of pollution's (Waste Water)	Number	151	108	194
Wastewater pollution incidents per 10km of pipeline	Number	86.58	61.93	111.24

Effluent

Datapoint	Unit	2020/21	2021/22	2022/23 ^b	2023/24 ^b
Total effluent discharge	MI/y	232,039.15	224,742.5	214,751.8	264,754.2
Ocean total	MI/y	–	80,464.9	80,485.2	99,626.4
Surface water total discharge	MI/y	–	143,960.1	134,084.8	164,868.0
Sub-surface/well total discharge	MI/y	–	317.6	181.8	259.7
Off-site water treatment total discharge	MI/y	–	0	0	0
Beneficial/other use total discharge	MI/y	–	0	0	0
Tertiary treatment	MI/y	–	–	162,850.4	200,177.5
Secondary treatment	MI/y	–	–	50,837.7	63,219.0
Primary treatment only	MI/y	–	–	1,063.7	1357.7
Discharge to the natural environment without treatment	MI/y	–	–	0	0
Discharge to a third party without treatment	MI/y	–	–	0	0

Social

2.1 Customers and communities

Datapoint	Unit	2021/22		2022/23		2023/24	
		(South West Water)	(Bristol Water)	(South West Water) ^b	(Bristol Water) ^b	(South West Water) ^b	(Bristol Water) ^b
Number of customers on support tariffs	Number	32,255	21,209	43,239	22,723	62,297	26,806
Customer satisfaction with Priority Services	%	83	89	91	88	93	80
Value affordability	%	93.3	99.0	96.9	100	98.1	100

Community Investment

Datapoint	Unit	2021/22 ^c	2022/23 ^c	2023/24 ^c	Additional Information
Type of Philanthropic Contributions: Charitable Donations	£	256,592	314,057	311,556	Amount excludes management cost in figures.
Type of Philanthropic Contributions: Community Investments	£	239,647	270,245	265,193	Amount excludes management cost in figures.
Type of Philanthropic Contributions: Commercial Initiatives	£	0	0	0	Amount excludes management cost in figures.
Philanthropic Contributions: Cash Contributions	£	484,096	561,943	544,796	
Philanthropic Contributions: Time (employee volunteering during paid working hours)	£	23,483	22,360	31,954	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	£	4,383	0	0	
Philanthropic Contributions: Management overheads	£	89,629	121,415	130,322	
Total community investment (£)	£	601,591	705,717	707,072	
Philanthropic Contributions: Subject focus – Education	£	82,519	107,394	116,749	Amount excludes management cost in figures.
Philanthropic Contributions: Subject focus – Health	£	12,000	11,250	27,250	Amount excludes management cost in figures.
Philanthropic Contributions: Subject focus – Economic Development	£	12,000	18,746	0	Amount excludes management cost in figures.
Philanthropic Contributions: Subject focus – Environment	£	211,071	229,351	223,594	Amount excludes management cost in figures.
Philanthropic Contributions: Subject focus – Arts/Culture	£	43,500	71,000	66,000	Amount excludes management cost in figures.
Philanthropic Contributions: Subject focus – Social Welfare	£	129,428	146,561	143,156	Amount excludes management cost in figures.
Number of organisations helped	Number	121	214	129	
Number of individuals impacted	Number	752	3,549	4,311	
Total amount leveraged	£	842,881	647,559	585,405	
Number of partner/beneficiary organisations. How many:					
Were able to improve existing or provide new services / products	Number	-	38	28	
Improved their management systems (e.g. IT, HR, finance)	Number	-	27	23	
Were able to spend more time with clients	Number	-	37	27	
Could employ more staff / take on more volunteers	Number	-	25	17	
Increased their profile	Number	-	35	28	
Total number of beneficiary organisations where results measured	Number	-	38	28	

c. B4SI

2.2 Health, Safety and Wellbeing

Key Health & Safety Metrics

Datapoint	Unit	2021/22 (South West Water)	2021/22 (Bristol Water)	2022/23 (Group)	2023/24 (Group)	Additional Information
Total, lost time injuries: Employees	Number	22	10	28 ^a	15 ^a	Includes Pennon Group agency employees
Lost time injury frequency rate: Employees	Number/ 100khrs	0.61	0.96	0.59 ^a	0.30 ^a	
Fatalities: Employees	Number	0	0	0 ^a	0 ^a	
Total, lost time injuries: Contractors	Number	4	–	14	12	
Lost time injury frequency rate: Contractors	Number/ 100khrs	1.29 (group)	1.29 (group)	0.93	0.63	
Fatalities: Contractors	Number	0	0	0 ^a	0 ^a	
Unsafe Acts/Conditions Identified	Number	2,837	688	2,783	3,107	

Additional Information: Definitions can be found in ESG Metric Definitions document for DNV's 2023/24 assurance here: <https://www.pennon-group.co.uk/sustainability>

Wellbeing

Datapoint	Unit	2021/22	2022/23	2023/24
Number of wellbeing events	Number	10 events running from September 2021 to February 2022	15	14
Number of employees attended wellbeing events	Number	803	2,110	1,859
Number of employee led wellbeing/network groups	Number	9 Wellbeing Networks – Financial Wellbeing, Grief, Menopause, Women, New Parents, Carers, LGBTQ+, REACH and New Starters	6 new networks with an additional 2 in the pipeline	8
% of employees on wellbeing platform	%	22	26	16

Skills

	Unit	2021/22	2022/23	2023/24
Number of employee training days	Number	14,540	15,458 ^b	19,984 ^b
Average training days per employee	Days	–	5 ^b	7 ^b
Total number Health and Safety training days completed	%	4,376	6,625	7,143

2.3 Diversity

Our Colleagues

Datapoint	Unit	2021/22	2022/23	2023/24
Number of apprentices recruited	Number	136	141 ^b	154
Number of graduates recruited	Number	28	28 ^b	30
Staff covered by Collective Bargaining Agreements	%	-	-	20
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			

Datapoint	Unit	2021 (South West Water)	2021 (Bristol Water)	2022/23	2023/24
Gender Pay Gap	%	9.2	11.18	8.41 ^d	8.51
Employee turnover rate	%	16.20	15.80	13	11.39
REACH recruitment: Applications (excluding Bristol Water)	%	8.9	-	25.60 ^a	30
REACH recruitment: Recruits (excluding Bristol Water)	%	-	-	-	9^a
Ethnicity Pay Gap	%	-	-	10.3 ^d	11.87

Workforce Diversity

Datapoint	Unit	2021/22 (excluding Bristol Water)	2022/23	2023/24
Percentage of men and women on the board of directors, including non-executive directors ¹	% Male / % Female	57/43	44/56 ^a	38/62^a
The percentage of men and women employees across the Group ¹	% Male / % Female	70/30	69/31 ^a	68/32^a
The percentage of men and women employees across the Group senior management team ¹	% Male / % Female	56/44	64/36 ^a	62/38^a
Gender ¹	# Male / # Female	1,588/665	-	1246/2664^a
<30 years old	Number	453	665	744
30-50 years old	Number	984	1,411	1626
>50 years old	Number	816	1,067	1073
Permanent (including part-time roles)	Number	2,201	3,059	3,290
Temporary (fixed term roles)	Number	52	84	153
White	%	97.52	97.08	96.53
Asian	%	-	0.96	1.93
Black or African American	%	-	0.48	1.54
Total number of employee hires	Number	448	672	640

Additional Information: Pennon Group ranked 1st in the FTSE 250 Women's Leaders Review for the utilities section

1. Group figure is including SES Water.

Governance

3.1 Supply Chain

Datapoint	Unit	2021/22	2022/23	2023/24
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	55	76
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	65	75
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	50	51
Quarterly Credit Checks conducted on 100% of Strategic Suppliers	%	100	89	100

* Key suppliers defined as per Pennon Group supplier segmentation criteria. Data extracted from Risk Ledger System

3.2 Responsible Business

Datapoint	2023/24	Additional Information
Number of Executive Directors	2	
Number of Independent Directors	6	
Number of Non-Executive Directors	6	
Total Board Size	8	
Board Average Tenure	3.5 Years	
Directors Expertise	All have the skills and experience from their relevant disciplines and each year there is a review as to whether any further training is needed to be provided to the board as a whole, or just to individual members - skills matrix can be found in 'Governance at a Glance' in our 2024 Annual Report and Accounts.	
Information on board meetings	6 official board meetings throughout the year along with several ad-hoc meetings	
Information on Audit Committee	4 official audit committee meetings, 3 members, with Loraine Woodhouse as Chair (Neil Cooper Chair until 1 st September 2023)	

Environmental & Social Impact Assessments

Datapoint	2023/24
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	2023/24
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

Finance

Datapoint	2023/24	Additional Information
Fair Tax Mark	Pennon have been recredited with the Fair Tax Mark. More information can be found here: https://www.pennon-group.co.uk/sites/default/files/attachments/pdf/pennon-2023-tax-strategy-report.pdf	
Sustainable Finance Framework	82% of funding in 2023/24 has been raised under the Sustainable Finance Framework.	

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



12.0

ESG Risk

(Previous rating: 13.8)

S&P Global
Corporate
Sustainability
Assessment (CSA)

57/100

(Previous rating: 60/100)



FTSE4Good

3.7/5

(Previous rating: 3.9/5)

82.5

ESG Rating

(Previous rating: 80)



B

CDP Climate Change

(Previous rating: B)



B+

ISS corporate rating

(Previous rating: B)



AA

MSCI ESG Indexes

(Previous rating: AA)

B

CDP Water security

(Previous rating: C)



A

GRESB Infrastructure
Public Disclosure

(Previous rating: A)

Disclaimer

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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	Bristol Water	Bournemouth Water	Pennon Water Services	% of group covered		
					Revenue	Customers	Asset Base
9001 Quality	✓	✓	✓	✓	100%	100%	100%
14001 Environmental	✓		✓		79.9%	61.7%	86%
27001 Information Security	✓		✓		79.9%	61.7%	86%
45001 Health and Safety	✓	✓	✓	✓	100%	100%	100%
50001 Energy	✓		✓		79.9%	61.7%	86%
55001 Asset Management	✓		✓		79.9%	61.7%	86%

ESG Reporting Frameworks

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



SASB

For the third year running 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 2024 Annual Report page 74-77.



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 2024 Annual Report page 78-109.



Science Based Targets

As a Group we have committed to near-term Science Based Targets (SBTs). Our targets were validated and approved by the Science Based Targets Initiative in May 2024 and we will now focus on delivering our targets. SBTs provide a clearly defined pathway for companies to reduce greenhouse gas emissions. Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to 1.5°C above pre-industrial levels. Our SBTs can be found in our 2024 Annual Report page 70.

UN Global Compact

This year we have built on our support for the UN SDGs, by becoming a signatory of the world's largest corporate sustainability initiative, The UN Global Compact. Becoming a participant affirms our commitment to our ESG targets, as we work to embed the ten principles of the United Nations Global Compact covering human rights, labour, environment and anti-corruption into our ESG approach, whilst communicating our progress against these principles annually.