
Biodiversity Policy

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

Our policy is aligned to our Sustainability (ESG) Strategy and United Nation's Sustainable Development Goal 14: Life below Water and 15: Life on Land.

PURPOSE

Our Biodiversity Policy supports our vision and purpose whilst providing a critical role towards our Net Zero Plans with respect to sequestering carbon emissions, including our commitment to plant 250,000 trees by 2025. Stakeholder engagement through our materiality assessment shows that biodiversity is also important to our customers and stakeholders.

BIODIVERSITY, NATURAL CAPITAL AND NATURED BASED SOLUTIONS

Biodiversity is the variety of all life on earth and includes all species of animal (such as mammals, birds, reptiles, amphibians, insects, fish, shellfish and microbes), all plant life, and all the genetic variety within each species as well as the habitats that all these species live in. Natural Capital meanwhile encompasses biodiversity and is the stock of renewable and non-renewable natural resources on earth (e.g. plants, animals, air, water, soils, minerals) that combine to yield a flow of benefits or "services" to people.

Biodiversity is vitally important for its own sake, and human survival and well-being depends on it whilst services Pennon provides are intrinsically linked to the responsible stewardship of natural capital. We rely heavily on the natural environment and natural cycles to maintain fresh water volumes and water quality.

Despite this, natural capital and biodiversity are still being degraded and lost at global, regional and local levels. Threats include habitat loss and poor management, invasive non-native species, pollution and climate change.

Our work on natural capital and catchment-based planning for both water and wastewater services is pivotal to the sector moving away from traditional end-of-pipe solutions to those that deliver multiple benefits to both customers and the natural environment.

Working with partners, farmers and landowners to deliver nature-based solutions we can provide multiple environmental benefits whilst potentially offering value for money over traditional solutions.

We have also developed our approach to incorporate the measurable impacts of Pennon's activities on habitats, which enables Pennon to focus on delivering measurable gains.

SCOPE AND APPLICATION

We have a duty to protect and enhance biodiversity and the natural environment where we have influence and where we operate as catchment management partners in the greater South West.

There are significant areas rich in wildlife and biodiversity across and adjacent to Pennon's operational sites, on our landholdings, in the river catchments we operate in, on the land included in our development projects, in and near to coastal waters and across wider nature recovery networks, including a number protected by law.

We are therefore committed to the protection, enhancement, sensitive management and stewardship of our landholdings and further aim to deliver improvements across the range of landscapes and catchments in and adjacent to our operational areas, for the benefit of biodiversity and wider environmental outcomes.

GOVERNANCE - OUR BIODIVERSITY COMMITMENTS

- **Responsible and sensitive site management** – We will screen all of our landholdings for biodiversity value and develop a register of significant biodiversity assets.
- We adopt the mitigation hierarchy with respect to managing our impacts on biodiversity
- Where we have significant biodiversity assets, we will create, maintain and sensitively manage good quality habitats to deliver net biodiversity gain through the development and delivery of **Biodiversity Management Plans**.
- We will conduct engineering and construction projects in a sensitive and responsible manner, protecting, and where possible enhancing, biodiversity during and after projects.
- We will support our Net Zero commitments through delivery of carbon sequestration or emission reduction solutions including peatland restoration and planting trees in a way that delivers both carbon benefits and biodiversity gains.
- **Compliance** - We will ensure compliance with (and, where appropriate, go beyond) relevant legislation including the Ramsar Convention (1971), Habitats and Birds Directives (1992), Conservation of Habitats and Species (2017), Natural Environment and Rural Communities Act (2006) and the Wildlife and Countryside Act (1981).
- We commit to the avoidance of negative impacts on threatened and protected species, to respect legally designated protected areas and to no trade of CITES listed species
- **Partnerships** - We will maintain and strengthen partnerships with relevant experts, wildlife trusts and conservation organisations, regulators and communities to protect and improve biodiversity on key operational sites and other areas of joint interest.
- **Colleague and customer engagement** - We will communicate and engage with our colleagues and customers on the importance of biodiversity and good habitat management and actively encourage and enable them to participate in local biodiversity and habitat enhancement projects.
- **Catchment and landscapes** - We will actively support and enable catchment and landscape-scale initiatives to enable responsible stewardship programmes aimed at protecting and enhancing biodiversity in our relevant service areas.

- **Invasive Non-Native Species (INNS)** – We aim to manage and control INNS through a range of biosecurity measures working in partnership with key stakeholders in our areas of operation.
- **Best Practice** – We will maintain a portfolio of best practice biodiversity case studies and look to share expertise and experience of our approach to nature based solutions.
- **Monitoring and Evaluation** – We will assess and evaluate the outcomes and report annually on our performance against our strategic objectives and relevant policies.

VERSION HISTORY

VERSION	STATUS	AREA OF CHANGES	DESCRIPTION OF CHANGES	APPROVED BY	DATE OF RELEASE DD/MM/YYYY
0.1	Approved	All	Final Version	Regulatory Director	July 2022