# Modern Slavery Statement

September 2026

This modern slavery statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 (the "**Act**") and constitutes Pennon's anti-slavery and human trafficking statement for the financial year 2025-2026. It is made on behalf of Pennon Group plc and its Group companies, including South West Water Limited, Bristol Water Holdings UK Limited ("**Bristol Water**"), Bournemouth Water, Sutton and East Surrey Water PLC ("**SES Water**"), Pennon Power Limited, Sutton and East Surrey Water Services Limited ("**SES Business Water**") and Pennon Water Services Limited and was approved by the Pennon Group plc Board on 24 September 2026.

This is our tenth statement and outlines our processes and procedures to mitigate the risk of slavery and human trafficking during the financial year ending 31 March 2026. To date, we have had no instances of modern slavery, or concerns raised, however we remain committed to keeping our approach under continual review. Our previous statements can be found here: https://www.pennon-group.co.uk/.

# A message from our Chief Financial Officer, Laura Flowerdew:

Pennon maintains robust procedures to mitigate the risk of modern slavery within its operations and supply chain. We are committed to fair working practices and upholding recognised labour standards across all areas of our business and supply chain.

Modern slavery remains a significant issue across the UK, making it essential that we continue to strengthen and apply the policies, procedures and controls designed to identify, prevent and address modern slavery risks.

We are committed to protecting vulnerable workers and promoting ethical recruitment practices, ensuring fair treatment and respect for workers' rights throughout our operations and supply chain. As modern slavery risks continue to evolve, we remain focused on enhancing our approach and identifying opportunities to further strengthen our mitigation measures across the business and our supply chain.

Pennon's Code of Conduct and our Anti-Modern Slavery and Human Rights Policy set the standards for preventing and addressing any human rights impacts associated with our business activities and relationships. In our last financial year, we successfully implemented a new modern slavery e-learning for all employees and rolled out a new whistleblowing reporting platform, SpeakUp. This has improved the way in which employees and contractors can raise any concerns of modern slavery.

We have also continued to maintain our Gold status with the Supply Chain Sustainability School, a virtual learning platform designed to upskill our supply chain and internal teams in sustainability and ESG topics. We have ensured that standard checks of employee bank accounts to identify duplications is expanded to all new starters within the first month of their employment, ensuring that our measures to detect third party collections of salary payments which could indicate a modern slavery risk have been enhanced.

In this financial year, we plan to repeat our in-person modern slavery training to areas of the business that have a high risk of modern slavery. We will also continue to lead the Water Industry Best Practice Whistleblowing Forum.

We will be continuing our review of the top 100 legacy suppliers to implement the enhanced supplier due diligence process that we adopted for new suppliers in the previous financial year. We will also be improving employee data reporting to flag potential modern slavery risks in a timely manner so they can be addressed promptly.

As modern slavery risks continue to evolve, we will remain vigilant in enhancing our controls, fostering a culture of awareness and accountability, and working collaboratively with our supply chain to uphold the highest standards of ethical business practice.

**Laura Flowerdew**
Chief Financial Officer Pennon Group plc

24 September 2026

# About Pennon Group

## Who are we?

Pennon Group was founded in 1989 with its core business being centred on the UK Water sector. Pennon and its subsidiaries serve a population of approximately 4.8 million domestic customers across England, providing over 1 billion litres of safe, clean drinking water each day.

Pennon Group companies include:

| South West Water | Bristol Water | Bournemouth Water | SES Water | Isles of Scilly Water | Pennon Water Services | SES Business Water | Pennon Power |
|---|---|---|---|---|---|---|---|
| • c.2.4 million people served | • c.1.2 million people served | • c.0.5 million people served | • c.0.7 million people served | • c.2,100 people served | • c.150,000 business customer accounts | • c.15,000 customer accounts | • Generation of 27GWh/year for 2025/26 |
| • Water and wastewater | • Water only | • Water only | • Water only | • Water and wastewater | • Providing water retail services for commercial customers across England and Scotland | • Providing water retail services for commercial customers across England and Scotland | • Enough electricity to power 40% of operations |
| • c.480 million litres of drinking water per day | • c.280 million litres of drinking water per day | • c.160 million litres of drinking water per day | • c.160 million litres of drinking water per day | • c.700k litres of drinking water per day | | | • Solar farms in Aberdeenshire, Fife, Cumbria and Buckinghamshire |
| • Supplying Cornwall, the Isles of Scilly, Devon and small areas of Dorset and Somerset | • Supplying the city of Bristol, and surroundings | • Supplying parts of Dorset, Hampshire and Wiltshire | • Supplying parts of Surrey, Kent, and South London | • Assumed responsibility in 2020 | | | |

Pennon's businesses are all UK based.

A list of Pennon Group trading subsidiary companies can be found in our Annual Report, a copy of which is available on our website here: https://annualreport.pennon-group.co.uk/index.html

# Our Governance Framework

## THE BOARD OF DIRECTORS

The Board of Directors brings independent and objective judgement to deliberations, ensuring the longevity of the Pennon Group.

### THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

The ESG Committee ensures that Pennon conducts its business in a responsible manner, reviewing and approving Pennon's strategies, policies, management, initiatives, targets, and performance in relation to ESG.

### THE AUDIT COMMITTEE

The Audit Committee reviews the effectiveness of the Group's risk management and internal control frameworks. It receives updates directly from the Group Legal Compliance function on whistleblowing investigations/outcomes and reviews Group Legal Compliance policies annually prior to submission to the Board for approval.

## THE CHIEF EXECUTIVE OFFICER AND THE PENNON EXECUTIVE ("PEx")

The Pennon Executive defines and drives the business priorities that will achieve delivery of the strategy. Led by our Chief Executive Officer, the Executive manages our resources to protect the interests of the wider stakeholder group.

### OUR BUSINESS LEADERS AND MANAGERS

Our business leaders and managers ensure that Pennon employees follow the Policies and Training everyday within their areas of work, to eliminate the risk of modern slavery within each area of the business.

### THE ETHICS MANAGEMENT COMMITTEE

The Ethics Management Committee is an additional function that reviews our Speak Up whistleblowing investigations and reports to ensure that all are thoroughly investigated and actions taken through the correct channels.

## LEGAL COMPLIANCE

The Legal Compliance Team is responsible for the Modern Slavery Statement and ensuring that Pennon's approach to modern slavery and breaches of human rights is clear within Group policies and training and is adhered to by all Pennon employees.

# Our Reporting Procedure

## At Pennon we conduct our business ethically and act with integrity in our daily work.

This means that we observe all laws that govern our business, including internal policies, rules and procedures. If an employee or other individual suspects that there is an occurrence of Modern Slavery within Pennon or our supply chain, we ask that they not attempt to deal with this directly, as this could make the situation worse for a potential victim or put them or others at risk of harm.

Instead, we encourage employees and other individuals to make a confidential report via Speak Up, our independent, anonymous and confidential reporting system.

Our first priority when a concern relating to Modern Slavery is reported, is to ensure that any potential victim is protected. We take reports seriously and, where appropriate, take immediate steps to safeguard individuals who may be at risk, while maintaining confidentiality and respecting the wishes and circumstances of those affected.

We ensure that investigations are conducted thoroughly and appropriately, with due regard to confidentiality, and that our colleagues, contractors, workers and other individuals within our supply chain are protected from retaliation, victimisation or other detrimental treatment as a result of raising a concern or participating in an investigation.

The outcomes and recommendations of our whistleblowing investigations are reviewed by the Pennon Ethics Management Committee, who determine the appropriate action to take and whether it is necessary or appropriate to engage with relevant authorities during, and as a result of, these investigations. Where appropriate, we will work with relevant authorities, specialist organisations and other stakeholders to support affected individuals and address any identified risks of Modern Slavery.

For further information on the Whistleblowing procedure, please see Pennon's **Whistleblowing Policy** and **Code of Conduct w**hich can be found here: https://www.pennon-group.co.uk/

# Review of Financial Year 25/26

During the Financial Year 25/26, Pennon Group plc has taken steps to mitigate and remediate potential impacts from modern slavery risks across our operations, suppliers, and beyond, through improved processes and training measures.

### Supplier Due Diligence

We continued to enhance our supplier onboarding process to strengthen our due diligence in relation to modern slavery compliance and financial crime risk. As part of this work, we agreed additional due diligence questions for inclusion in the supplier onboarding process for all suppliers. This work has been incorporated into a wider programme to update and improve our supplier onboarding process.

### Whistleblowing

We have continued to host the Water Industry Best Practice Whistleblowing Forum which holds quarterly virtual meetings.

We have also integrated a new Whistleblowing Reporting Platform, SpeakUp, across the Pennon Group. The SpeakUp platform is available to all Pennon employees, contractors and suppliers, and allows individuals to make reports anonymously.

This is more user-friendly and has a streamlined back-end administrative function which has improved the efficiency with which we are able to manage whistleblowing investigations.

### Policies

We have conducted a full review of our Anti-Modern Slavery and Human Rights Policy and Whistleblowing Policy to reflect on best practice as identified through the Whistleblowing Best Practice Forum.

### Human Resources

We have introduced an annual check of all employee bank account names to identify duplicate bank accounts and mismatching names. The same checks are also carried out for new starters during their first month to ensure the details provided are accurate and consistent. This has enhanced our measures to detect third party collections of salary payments which could indicate a modern slavery risk. Nevertheless, we continue to strike an appropriate balance between due diligence and avoiding disproportionate or excessive checks.

### Supply Chain Sustainability School

Pennon Group plc remains a member of the Supply Chain Sustainability School ("**SCSS**"), which we joined in March 2025. We have maintained Gold status within SCSS. The SCSS is a virtual learning platform designed to upskill our supply chain and internal teams in sustainability and ESG topics, which includes relevant and peer-led guidance developed around modern slavery.

Our partnership with the SCSS gives us access to training modules, leadership groups, and up to five training sessions we can run with colleagues or suppliers on topics of our choosing.

### Training

We implemented a new modern slavery e-learning which is mandatory for all employees. This details how to identify, mitigate and report instances of modern slavery within Pennon Group plc and our supply chains.

### Compliance Framework

We have developed a Compliance Framework as a second-line risk management tool to provide a structured record of the statutory and regulatory obligations to which Pennon is subject, the processes in place to mitigate the risk of breach, and how these processes are communicated to relevant employees. Modern slavery risks and the processes in place to mitigate those risks are included within the Compliance Framework.

# Plans for Financial Year 26/27

### Supplier Due Diligence

We will continue to expand the enhanced new supplier onboarding and monitoring arrangements to include our top 100 (by spend) legacy suppliers.

We will also implement a risk-based approach to identify higher-risk suppliers for enhanced monitoring. Suppliers identified as higher risk will be recorded on a High Risk Associated Persons Register and will be subject to enhanced monitoring.

### Human Resources

We have continued to enhance the address checks introduced in the previous financial year, alongside ongoing improvements to systems and reporting. During this financial year, further enhancements are being explored to improve employee data reporting, including the use of reports that flag potential issues in a timely manner so they can be addressed promptly.

The existing address checks remain in place, and we continue to maintain an appropriate due diligence procedure.

### Whistleblowing

We will continue to lead the Water Industry Best Practice Whistleblowing Forum through the quarterly virtual meetings.

### Training

We will be looking to conduct our modern slavery training for areas of the business which may have a high risk of modern slavery.

This will include training for our Procurement, Human Resources, and Contracts, Commercial and Estates teams in collaboration with one of Pennon Group plc's panel law firms.

### Policies

We will be conducting the annual review of our Anti-Modern Slavery and Human Rights Policy and the Whistleblowing Policy to accommodate any upcoming legislative changes or improvements for best practice. This will be alongside a full review of our Legal Compliance Policies.

### Compliance Framework

We will be working with Internal Audit to enhance the assurance element of the Compliance Framework to include testing of systems of record which evidence implementation of listed controls and processes.

# Group Policies

| Pennon Group Policy | Utility of Policy | Relevance to Modern Slavery |
|---|---|---|
| Code of Conduct | Applies to Pennon employees | • Details our expectation of all Pennon employees in upholding the Values that guide our behaviours.<br>• Indicates how to report suspected human rights breaches or instances of modern slavery with direct links to Speak Up, our whistleblowing platform |
| Code of Conduct for Supplier Chain Partners | Applies to Suppliers and Contractors working on behalf of Pennon | • Details the behaviours expected of anyone working on behalf of Pennon<br>• Refers to the due diligence procedures conducted when onboarding new suppliers or contractors |
| Anti-Modern Slavery and Human Rights Policy | Applies to all Pennon employees, suppliers, and contractors | • Details Pennon's approach to mitigating the risks of modern slavery and protecting human rights<br>• States the minimum requirements expected of our employees, suppliers, and contractors to ensure everyone is protected |
| Whistleblowing Policy | Applies to all Pennon employees, suppliers, and contractors | • Details how any suspected breach of human rights, or potential occurrence of modern slavery should be reported |