



Pennon Group Statement on Anti-Slavery and Human Trafficking

Overview

Pennon Group plc is committed to acting ethically and with integrity in all business dealings and relationships and to implementing and enforcing systems and controls to ensure modern slavery is not taking place anywhere within our own business or anywhere in our supply chain.

We have no tolerance to slavery or human trafficking. We expect all of those in the Group and in our supply chain, including our contractors to comply with our values. Where possible we prefer to build long standing relationships with our suppliers and we make clear our expectations of business behaviour.

We expect all our Group Companies to have suitable anti-slavery and human trafficking policies and processes in place and to cascade those policies to their suppliers.

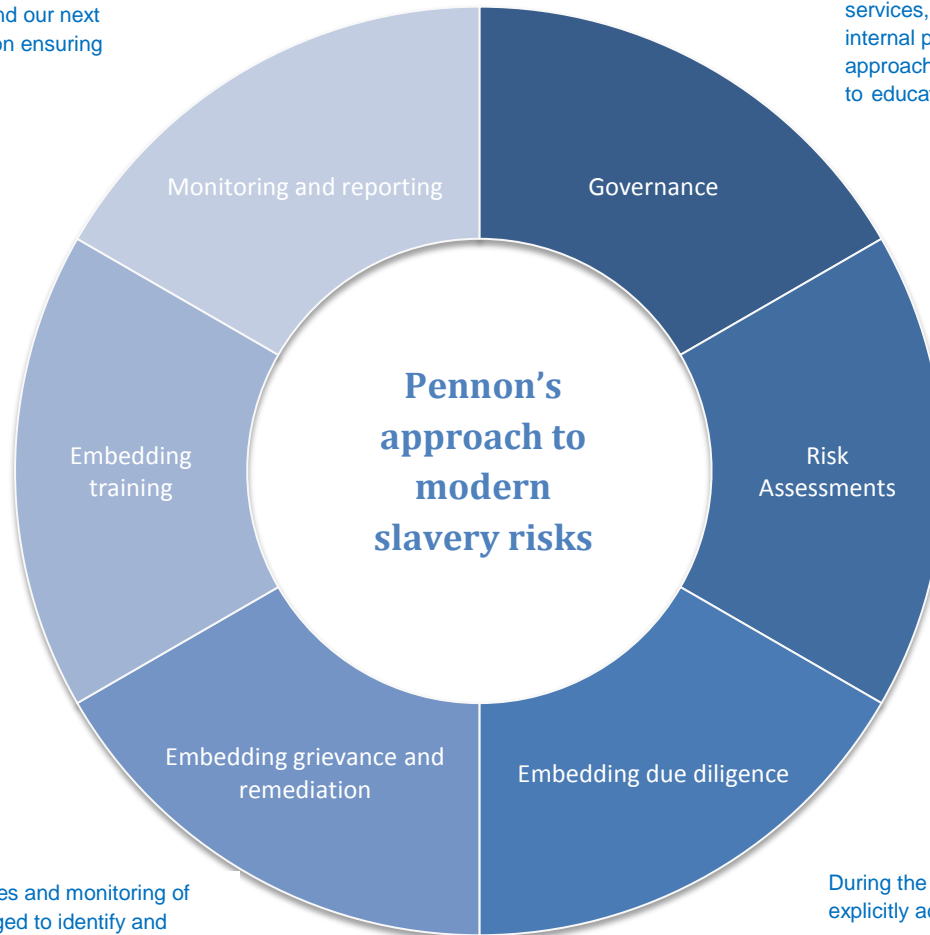
We operate strict procurement processes, ensuring suppliers adhere to clearly defined policies of sustainability and ethical working practices.

Prior to contracting we carry out risk assessments which are designed to establish and assess areas of potential risk within our supply chains.

We include appropriate terms in all new contractual documentation, standard terms and conditions and supplier code of conduct which require third party contractors to comply with the Modern Slavery Act 2015.

Throughout the life cycle of our contracts we reserve the right to conduct audits on our supplier contracts. We intend to prioritise the areas identified as high risk and our next steps will be to devise a focussed approach on ensuring awareness and support in these areas

Pennon's supply chain consists of a diverse range of suppliers and services, with varying levels of risk to Modern Slavery. We have internal policies in place to allow for a structured and effective approach to mitigate against the effects of Modern Slavery and also to educate internally on how to avoid or declare it



Throughout the year, we have continued to train all our workforce, permanent and temporary, to ensure that they understand and are committed to upholding the principles in the Pennon Code of Conduct. Both the Code and supported posters have been distributed in several languages

We carry out risk assessments prior to contracting to identify areas of risk in supply chains. During the year we will broaden the scope of risk assessments to explicitly address modern slavery risks

Through our training programmes and monitoring of suppliers, workers are encouraged to identify and report any potential breaches of the Group's anti-slavery and human trafficking policy. Our Whistleblowing (Speak-Up) policy forms part of this training, which encourages all workers to raise concerns about any Code of Conduct with their Line Manager, HR or as a last resort our external whistleblowing line 'Speak Up'

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Where we're heading

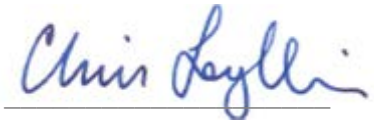
We are committed to raising the bar to combat the risks of modern slavery and human trafficking in every area of our business. We recognise that in some areas of our operations, such as the use of agency labour, may be more susceptible to human trafficking and slavery. We are working closely with providers to verify their existing processes and to develop our own risk assessment and rigorous monitoring program.

All new suppliers are to be subject to a rigorous selection process, which includes a modern slavery and human trafficking questionnaire in order that we evaluate the modern slavery and human trafficking risk of each new supplier. Throughout the life cycle of our contracts we reserve the right to conduct audits, which suppliers are made aware of prior to engaging in business.

We will assess any instances of non-compliance on a case-by-case basis and tailor any remedial action appropriately. We will only trade with those who fully comply with this statement or those who are taking verifiable steps towards compliance.

This statement is made in accordance with Section 54(1) of the Modern Slavery Act 2015 and constitutes the Pennon Group's anti-slavery and human trafficking statement for the financial year 2017/18.

The statement was approved by the Pennon Group Board on 17 May 2018.



C Loughlin
Group Chief Executive
Pennon Group plc