

Modern Slavery and Human Trafficking Statement 2026

The following statement has been prepared in fulfilment of Portsmouth Water Limited's obligation under Section 54(1) of the Modern Slavery Act 2015 ("the Act"). This statement covers the financial year from 1 April 2025 to 31 March 2026, and describes our commitment and steps taken to ensure that slavery and human trafficking is not taking place in our supply chain or in any part of our business.

Slavery is a crime and a violation of fundamental human rights. It takes various forms such as slavery, servitude, forced and compulsory labour and human trafficking; all of which have in common the deprivation of a person's liberty by another to exploit them for personal or commercial gain. As part of our zero-tolerance approach, we are committed to acting ethically and with integrity in all our business dealings and relationships; implementing and enforcing systems and controls to ensure slavery is not taking place anywhere in our own business or those that supply goods and/or services to us.

Overview of Portsmouth Water

Portsmouth Water provides high-quality public water supplies to households and businesses in South East Hampshire and West Sussex, from the River Meon in the west to the River Arun in the east, encompassing an area of 868 square kilometres.

We serve a domestic population of 743,000, distribute 186 million litres of water daily, maintain a 3,409 kilometre network of water pipes, and operate 42 water sources and service reservoir sites. We employ circa 440 staff ranging from engineers to customer service specialists, administration support to scientists; all of which are based and operate within the United Kingdom.

Policies and Procedures

We continue to maintain and develop a comprehensive suite of policies that help support the elimination of modern slavery among people in our employment and supply chain. Our policies are reviewed by our Company Secretarial team and Board sub-committees, and approved on an annual basis by our Board of Directors.

- Anti-Bribery and Corruption policy
- Anti-Fraud policy
- Equity, Diversity and Inclusion policy
- Ethics statement
- Health, Safety and Wellbeing policy
- Modern Slavery policy
- Supplier Code of Conduct
- Whistleblowing policy.

Portsmouth Water people-specific procedures to address modern slavery and human trafficking risks include:

- Our Modern Slavery policy to raise awareness and support our people in understanding modern slavery and human trafficking, and how to raise concerns;
- A whistleblowing independent external hotline that allows for anonymous reporting;
- Employment policies that protect against unfair treatment and promote a fair and inclusive workplace;
- Trade Union relations, and the Portsmouth Water Colleague Forum, enabling effective consultation with our people on matters and issues that affect them;
- People, Wellbeing and Health & Safety employee groups to support our people's physical and mental wellbeing and lifestyle choices; and
- Employee engagement surveys to provide our people with a voice on their experiences at work.

Our People

In line with our Company values, we make hiring decisions based on the person's skills, experience and proven ability to perform their role; helping us avoid and prevent any working arrangements resulting from modern slavery and human trafficking. Our remuneration structures, organisational design and development plans are continually under review by the Company. Our employees, workers and contractors have the right to work safely and access their freedom of movement during their time with us. We ensure that all our people can work in the UK without restriction as part of their terms and conditions of employment. Our onboarding processes ensure that everyone knows where to access our people policies, identify key contacts and support, and know how to raise issues or concerns.

Our Contractors

Contingent labour is hired as fixed-term contracts under payroll onboarding, or through approved suppliers with qualification, due diligence and contractual mechanisms in place to ensure our suppliers remain compliant.

Supply Chain

During the financial year, we engaged with 635 suppliers across a wide range of activities, from strategic capital delivery programmes to operational procurement, including materials, energy, chemicals, subcontracted services and professional services. This diverse supply chain supports the delivery of our core operational and investment activities.

Suppliers are engaged through a combination of long-term strategic contracts and ad-hoc arrangements, depending on our business need. All procurement activity is conducted in accordance with the Procurement Act 2023 and other applicable legislation, including the Competition Act 1998. These frameworks support transparency, fairness and accountability, including the publication of tender opportunities and contract awards on the Find-a-Tender Service (FTS).

We operate a risk-based approach to supplier due diligence. Suppliers are subject to proportionate risk assessment, with those identified as higher risk—by virtue of spend, geography or nature of services—required to undergo a comprehensive pre-qualification process prior to tender; which includes specific consideration of modern slavery risks. In line with our zero-tolerance approach, organisations (and individuals exercising control over them) convicted of offences under the Modern Slavery Act are excluded from participation in our procurement processes unless they can demonstrate that appropriate remediation has been undertaken and effective controls are in place to prevent recurrence.

We expect all contractors, suppliers and business partners to uphold equivalent standards in the prevention of modern slavery and human trafficking. These expectations are embedded within our contractual arrangements, which include explicit provisions prohibiting the use of forced, compulsory or trafficked labour, or any form of slavery or servitude. Suppliers are also expected to apply these standards within their own supply chains, ensuring a consistent and cascading approach to ethical labour practices. Through these measures, we aim to mitigate the risk of modern slavery within our supply chain and ensure alignment with our broader commitment to ethical business practices and compliance with the Modern Slavery Act 2015.

Major Projects

Portsmouth Water recognises there are significant labour requirements for the delivery of its major capital projects; namely construction of the Havant Thicket Reservoir (and its associated infrastructure), and deployment of smart meters to support our Demand Reduction programme.

Modern Slavery Audit – Havant Thicket Reservoir

An independent modern slavery compliance audit was conducted at Havant Thicket Reservoir through worker engagement interviews, covering a number of back office and operational roles. The audit covered risk factors including training, identification, documentation, wage arrangements, breaks, welfare and behaviours. Findings highlighted satisfaction with levels of welfare and safety on site, with procedural improvements for management to take into account.

Smart Metering

Significant due diligence of the Smart Metering programme supply chain was completed as part of regulated procurement activity, including risks surrounding modern slavery. Cappagh is the main labour provider of the programme, where Achilles conduct annual onsite audits under UVDB, with no modern slavery non-compliances raised when last completed in May 2026. Day-to-day assurance is also covered via daily and weekly onsite checks by Portsmouth Water supervisors.

Due Diligence and Assurance

To identify and mitigate the risk of modern slavery and human trafficking, we undertake annual reviews of our active supply chain. These reviews assess the risk of non-compliance based on factors such as supplier profile, nature of services and spend. To date, no instances of modern slavery have been identified. However, this process supports continuous improvement by strengthening supplier due diligence, transparency and auditability across our supply chain.

Our whistleblowing arrangements form a key component of our control framework. We actively encourage our employees to raise concerns where they believe, or suspect, that modern slavery or human trafficking may be taking place within our business or supply chain. Reports can be raised confidentially and are investigated in accordance with our established procedures.

We maintain a structured programme of ongoing due diligence and supplier oversight to ensure compliance with the Modern Slavery Act 2015. This includes:

- Embedding modern slavery requirements within our standard supplier terms and conditions, including obligations for suppliers and their subcontractors to comply with the Act;
- Verifying that suppliers above the large company threshold publish a compliant Modern Slavery statement in accordance with statutory requirements;
- Adopting a risk-based approach to identify suppliers operating in higher-risk sectors or activities, with enhanced due diligence and targeted audits undertaken where appropriate; and
- Removing suppliers from our approved supplier list where they are unable or unwilling to provide sufficient assurance or evidence of compliance.

We continue to utilise Achilles, an independent third-party assurance provider, to support both pre-qualification and monitoring of our key and strategic suppliers; including supplier questionnaires and verification audits aligned with modern slavery requirements. Our risk assessments include category and spend analysis, enabling us to identify areas of the supply chain more susceptible to modern slavery risks; which in turn informs targeted reviews, including supplier audits, assessment of labour practices and, value chain mapping.

Training

During the year we rolled out a new statutory and mandatory e-learning suite in collaboration with iHasco; all employees now must complete an Equality, Diversity and Inclusion online course. Our people leaders are also enrolled onto the iHasco Modern Slavery course that includes identifying the signs of modern-day slavery and empowering others to speak up about it as a direct link to the relevant Company policy. In addition, for all employees in a front-line procurement role we continue to mandate training and assessment from CIPS on Ethical Procurement and Supply. This is recertified on an annual basis, which also provides ongoing insight into new developments, emerging risks and best-practice mitigations.

Modern Slavery KPIs

Key Performance Indicators	2025/26 Results	2024/25 Results
Approved Portsmouth Water suppliers as of 31 March	635	589
Suppliers with modern slavery assurance data reviewed in Achilles UVDB	235	225
• Suppliers with on-site audits completed	121	117
• Supplier on-site audits with zero non-compliances reported	70	85
• Supplier on-site audits with minor non-compliances reported <i>(Minor: failing against a part of a requirement that does not carry significant risk to personnel, the environment or clients)</i>	30	28
• Supplier on-site audits with major non-compliances reported <i>(Major: failing against part or all of a requirement that carries significant risk to personnel, the environment or clients)</i>	7	4
• Supplier on-site audits with non-compliances related to modern slavery or human trafficking	0	0
Suppliers with modern slavery assurance data reviewed in Risk Ledger	134	136
• Critical suppliers with modern slavery assurance data reviewed in Risk Ledger	19	19

All suppliers are risk segmented according to strategic importance and criticality. The company has on-site or Risk Ledger assurance for 100% of critical and essential supplier, covering 8% of supplier numbers but 78% of supplier spend.

Suppliers with Modern Slavery assurance data

Year-on-year comparison of the on-site audits shows an increase in audits completed, a reduction in the number of audits with no non-compliances reported, and increase in the number with non-compliances reported. This reflects an increase in auditing standards, and highlighting greater opportunities for supplier improvement. Where identified minor non-compliances are reported, these are addressed through ongoing contract and supplier management; whereas instances of major non-compliance triggers a pause on future work until an improvement plan has been agreed.

Progress during 2025/26

- Published Portsmouth Water's Supplier Code of Conduct on our corporate website.
- Furthered the roll-out of Risk ledger supplier assurance across our supplier base.
- Modern Slavery site-based audit of our Havant Thicket Reservoir project.
- Modern Slavery awareness training for senior employees, temporary workers and contractors; linking our Modern Slavery policy into the training programme.
- Annual review of Portsmouth Water's Modern Slavery policy by the company's new ESG (environmental, social and governance) Committee, and approval by the Board of Directors.

Plans for 2026/27

- Subject to release to utility companies by the Cabinet Office, aspire to facilitate the 'Modern Slavery Assessment Tool' into our supplier assurance processes.
- Increase the ESG assessment coverage of our highest risk suppliers.
- Increase and formalise modern slavery guidance and training across the Havant Thicket Reservoir project; addressing findings highlighted through the 2025 audit exercise.

Conclusion

This statement constitutes Portsmouth Water's Modern Slavery and Human Trafficking Statement for the financial year ending 31 March 2026; which was approved by the Board of Directors of Portsmouth Water Limited on 30 July 2026.

A handwritten signature in black ink, appearing to read 'C Deacon'.

Christopher Deacon
Chair of Portsmouth Water Limited