

Modern Slavery and Human Trafficking Statement 2025

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 2024 to 31 March 2025, 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 735,000, distribute 183 million litres of water daily, analyse over 40,000 samples each year, maintain a 3,387 km network of water pipes, and operate 41 water sources and service reservoir sites. We employ circa 300 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 approved on an annual basis by our Board of Directors.

- Anti-Bribery and Corruption 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 external hotline that allows for anonymous reporting;
- Trained whistleblowing internal investigators;
- Employment policies that protect against unfair treatment and promote a fair and inclusive workplace;
- Trade Union relations, enabling effective consultation with our people on matters and issues that affect them; and
- People, Wellbeing and Health & Safety employee groups to support our people's physical and mental wellbeing and lifestyle choices.

Our People

In line with our company values, we do not employ people that have arrived in our workplace as a result of modern slavery or human trafficking. All work at Portsmouth Water is voluntary, and employees are free to terminate their employment and leave the business at any time. We ensure that all employees are legally entitled to work in the UK and employment contracts are made directly with them. As part of our onboarding procedure, we make our processes known to potential and new employees as a means of encouraging good practice.

Our Contractors

All contingent labour is either hired as fixed-term contracts under standard payroll onboarding, or through our approved supplier list with appropriate qualification, due diligence and contractual mechanisms in place to ensure our suppliers remain compliant.

Supply Chain

In the financial year from 1 April 2024 to 31 March 2025 we directly engaged with circa 600 suppliers across a range of activities from multi-million capital programmes through to operational spends on pipes and fittings; energy and chemicals to subcontractors; professional services and lower value services and items.

Where appropriate, suppliers are engaged on major long-term contracts, whilst others provide goods and services as and when required. Our supply chain is procured and managed under the regulations of the Procurement Act 2023, as well as other relevant legislation such as the Competition Act 1998. These regulations provide transparency and auditability of our procurement activities including publication of relevant tenders and awards in the gov.uk Find-a-Tender Service (FTS).

We have procedures in place to ensure suppliers are risk assessed with those of significant spend or risk undergoing a full pre-qualification assessment prior to tendering. Bidders, or those in management or control of them, who have been convicted of offences under the Modern Slavery Act are excluded from bidding unless they can robustly demonstrate they have taken measures to remedy their failure(s) and prevent recurrence.

We expect the same high standards for the tackling of modern slavery from all our contractors, suppliers and business partners. This is expressed as part of our contracting processes where we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children, and we expect our suppliers will hold their own suppliers to the same high standards.

Major Projects

Portsmouth Water recognises there are significant labour requirements for the delivery of its major capital projects and although modern slavery associated risks are perceived as low, there could be situations which present opportunity for standards to slip. We have therefore identified key projects for the year ahead that will be of focus for our audit and assurance activity to mitigate such risks.

These projects are the construction of the Havant Thicket Reservoir (and its associated infrastructure), and the deployment of smart meters to support our Demand Reduction programme. While both projects are being contracted with appropriate due diligence in place, we are now focusing on further on-site assurance during mobilisation and delivery phases.

Due Diligence and Assurance

To identify and mitigate the risk of slavery and human trafficking we conduct annual reviews of our active supply chain to assess the risk of non-compliance. To date, this has not identified any evidence of slavery but has been utilised as an opportunity to work with our supply chain to improve due diligence and auditability. As part of our Whistleblowing policy we actively encourage our people to “speak-up” if they have any concerns that slavery or human trafficking is or could be taking place anywhere within our business or supply chain.

We continue to take the following steps to ensure that our contractors and supply chain comply with the Modern Slavery Act.

- Our standard supplier terms and conditions includes a provision requiring suppliers and their sub-contractors to comply with the provisions of the Modern Slavery Act 2015.
- Have processes in place to validate that suppliers with a turnover over and above £36m have a Modern Slavery statement in place in line with the requirements of the Modern Slavery Act 2015.
- Identify suppliers who we consider to be most at risk of human trafficking and conduct specific audits, including the provision of additional evidence where required.
- Proactively remove suppliers from our approved supplier list who are unable or unwilling to provide such evidence, or support further modern slavery audits.

Achilles, an independent third-party utility sector-specific assurance provider, provides data and evidence that is used for both pre-qualification and ongoing verification of our primary and key operational suppliers. This enables us to manage our supply chain risk through detailed questionnaires, and as verification audits; including supplier modern slavery compliance, policies and statements. This financial year, we have worked with Achilles to include the provision of on-site audits covering matters such as health and safety, environmental, and quality. This audit now includes an annual specific assessment of on-site conditions and supplier management of Modern Slavery and Human Trafficking risks.

We continue to use factors such as category management and commodity spend areas, identifying those which are more susceptible to modern slavery, to then undertake a more in-depth review of associated risks including audits, labour practices and value chain mapping.

All strategic and critical suppliers (covering circa 80% of our expenditure) are also subject to a Risk Ledger supplier assessment. Although primarily deployed as a cyber risk management tool, our risk assessment and supplier management now includes specific questions and requirements on modern slavery mitigation.

Training

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	2024/25 Results
Approved Portsmouth Water suppliers as of 31 March 2025	589
Suppliers with Modern Slavery assurance data reviewed in Achilles UVDB	225
○ Suppliers with on-site audits completed in 2024/25	117
○ Supplier on-site audits with zero non-compliances reported	85
○ Supplier on-site audits with minor non-compliances reported	28
○ Supplier on-site audits with major non-compliances reported	4
○ Supplier on-site audits with non-compliances related to modern slavery or human trafficking	0
Suppliers with Modern Slavery assurance data reviewed in Risk Ledger	136
○ Critical suppliers with Modern Slavery assurance data reviewed in Risk Ledger	19

Progress during 2024/25

- Incorporation of modern slavery requirements of the Procurement Act 2023 (PA23) into our regulated procurement processes.
- Standardised selection questionnaire questions for modern slavery in line with Cabinet Office guidance for PA23
- Ongoing quarterly reporting for our ESG KPIs.
- Development of our Supplier Code of Conduct to incorporate ETI (Ethical Trading Institute)
- Improved internal visibility of supplier assessment criteria through dedicated information on the “Tap”.
- Implementation of Risk Ledger supplier assurance for all critical and strategic suppliers including specific assessment of Modern Slavery mitigation.

Plans for 2025/26

- Modern Slavery awareness training for existing and new employees, temporary workers and contractors.
- Assessment and development of the Cabinet Office ‘Modern Slavery Assessment Tool’ into our supplier assurance processes.
- Further development of Portsmouth Water’s Document Management System and intranet (TAP) with dedicated modern slavery educational material and policy information.
- Release of the Supplier Code of Conduct on our external website.
- Portsmouth Water dedicated Modern Slavery audits on our critical suppliers, including site-based audit on higher risk Portsmouth Water sites (including Havant Thicket Reservoir)
- Further roll-out of Risk ledger supplier assurance.

Conclusion

This statement constitutes Portsmouth Water’s Modern Slavery and Human Trafficking Statement for the financial year ending 31 March 2025; which was approved by the Board of Directors of Portsmouth Water on 22 July 2025.

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

Christopher Deacon
Chair of Portsmouth Water