



Water & Wastewater

H.E. Ban Ki-moon
Secretary General
United Nations
New York, NY 10017
USA

July 1, 2011

Dear Mr. Secretary General:

I am pleased to confirm that ITT Water and Wastewater, a division of the ITT Corporation based in White Plains, New York, supports the ten principles of the United Nations Global Compact with respect to human rights, labor, environment and anti-corruption.

With this communication, we express our fervent intent to advance the UNGC's principles within our sphere of influence. We are committed to them as part of the strategy, culture and day-to-day operations of our company, and to engaging in collaborative projects that advance the broader development goals of the United Nations, particularly the Millennium Development Goals.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement and demonstrate our commitment to the ten principles. We support public accountability and transparency, and therefore reaffirm our pledge to report on our progress annually, according to the Global Compact COP policy.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Kuchenbrod", written in a cursive style.

Mike Kuchenbrod
President, ITT Water and Wastewater



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Communication on Progress:

As a global company, we recognize the importance of acting with integrity and responsibility in all of the communities we operate in, source from, or otherwise impact.

ITT Water and Wastewater has been a participant in the UN Global compact since 2002 and is committed to the ten principles that advance responsible environmental and social business practices. We have maintained the standards set in our Code of Conduct, worked with our suppliers to ensure their adherence to labor and human rights laws, and improved our own facilities and products to minimize our environmental impact.

In addition to our efforts to support the ten principles, we have made significant progress to improve our business by pursuing additional initiatives, all of which can be viewed on our sustainability Web site (www.ittwww.com/sustainability).

UN Global Compact Principle	ITT Water & Wastewater Approach	Achievements
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Since 1987, we have abided by our Code of Conduct that recognizes human rights, and we continue to build our business with partners who have ethical standards consistent with our own.	<p>In 2010, we continued our efforts to inform our employees that respecting human rights is a critical priority for our company. In the third chapter of our Code of Conduct, we inform our employees and suppliers that ITT Water and Wastewater promotes and respects the rights of humans in all of our locations, regardless of local business practices – and especially if those practices are not aligned with human rights. Additionally, our Code of Conduct is written in 26 languages and presented in a way that best fits the needs of our employees around the world.</p> <p>In 2010 our yearly Code of Conduct training was accomplished by 5001 employees.</p> <p>As a result of an all-employee survey - “Living our Values” (conducted in 2009), the managers participated in training during 2010 and were then asked to</p>



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		<p>develop an action plan for their teams based on the survey results.</p> <p>A corporate policy about Human Rights was introduced in the beginning of 2011, which applies to employees as well as supply chain partners.</p>
<p>Principle 2: Are not complicit in human rights abuses</p>	<p>We require, through our Supply Agreement, that our approved suppliers comply with the International Labour Organisation's (ILO) convention to ensure that all people working within our supply chain are treated with respect in the workplace.</p>	<p>In 2010, one of our suppliers was evaluated on their employee working conditions and did not find any violations in human rights.</p> <p>We continue to work to enhance the criteria by which we rate our suppliers. By the end of 2010 approximately 50 of our suppliers had signed the new Supply Agreement.</p>
<p>Principle 3: Upholds freedom of association and collective bargaining</p>	<p>ITT Water and Wastewater respects the rights of its employees to form and join trade unions and to negotiate collectively. Our Supply Agreement stipulates that our suppliers shall respect employees' rights to choose whether to be represented by third parties and to bargain collectively in accordance with local laws.</p>	<p>The corporate policy about Human Rights that was introduced in the beginning of 2011, states:</p> <p>"ITT is committed to the freedom of association and the recognition of the right to collective bargaining provided by law"</p>
<p>Principle 4: Do not support forced and compulsory labor</p>	<p>As a part of our regular business practices, we ensure that our employees, and those of our suppliers, enter into employment at their own free will.</p> <p>Additionally, our Supply Agreement stipulates that our suppliers shall not use forced or compulsory labor.</p>	<p>We firmly believe that all labor that goes into the development, manufacture and integration of our technologies and systems must be carried out by people employed at their own free will. Our corporate policy about Human Rights states that "ITT is committed to the elimination of all forms of forced and compulsory labor including but not limited to prison and bonded labor"</p> <p>In 2010, we evaluated one supplier on their employee working conditions and did not find any violations in the areas</p>



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		<p>of slave or forced labor.</p> <p>In the third chapter of our Code of Conduct we explain that that ITT Water and Wastewater promotes and respects the rights of humans in all our locations, regardless of local business practices – and especially if those practices are not aligned with human rights. A simplified version of the Code of Conduct is posted on our extranet for suppliers.</p>
<p>Principle 5: Do not support child labor</p>	<p>We refuse to employ children and we do not partner with companies who use children as a part of their workforce. Our Human Rights policy states that we are committed to an effective abolition of child labor. Our Supply Agreement also stipulates that our suppliers shall not use child labor.</p>	<p>All of our ITT Water and Wastewater units and suppliers around the world are instructed to follow our Code of Conduct policies regarding hiring and to abide by local laws.</p>
<p>Principle 6: Do not support discrimination in employment or occupation</p>	<p>As an Equal Opportunity Employer, we believe that a workplace where all people have an equal opportunity to work, advance and contribute makes good business sense. Part of our Code of Conduct requires that we provide equal employment and advancement for all qualified individuals without distinction or discrimination because of age, color, national origin, race, religion, gender and disability.</p>	<p>In 2010 our yearly Code of Conduct training was accomplished by 5001 employees.</p> <p>The second chapter of our Code of Conduct informs employees on our anti-discrimination policies and states that our company does not accept harassment or discrimination.</p> <p>We have a corporate gender target of 30% qualified woman for hires to open positions (above a certain salary grade). The result for 2010 was 34%.</p>

<p>Principle 7: Support a precautionary approach to environmental challenges</p>	<p>We work to mitigate our company's environmental impact by developing policies and practices that empower our employees to make decisions that are good for our business and good for the environment.</p>	<p>All of our Environment, Safety and Health (ESH) policies are made available to our employees through our company intranet and are periodically updated in order to address new specifications and legal requirements. When new employees join our company, they must complete mandatory ESH training based on the requirements of their specific jobs. Additionally, refresher ESH training is made available to all existing employees.</p> <p>During 2010 we worked with the implementation of an ESH Management System, including all requirements in the international standards ISO14001 and OHSAS18001.</p> <p>We conduct thorough environmental assessments of every new site we enter and every existing site we leave as a part of our Due Diligence Process. This enables us to improve the existing condition or address the impacts of our facilities on a piece of land. In 2010 we conducted 46 environmental assessments, and 21 out of them included soil and groundwater-sampling.</p>
<p>Principle 8: Undertake initiatives to promote greater environmental responsibility</p>	<p>ITT Water and Wastewater often goes beyond environmental regulations set by the local governments where it operates. Within our business, we are working to reduce our carbon footprint as a part of UNGC's "Caring for Climate" initiative, reducing our energy and water consumption, improving the efficiency of our product transportation and developing products that are more energy efficient.</p>	<p><i>Energy:</i> We measure our Global Carbon Footprint to analyze our impact on the environment. In 2010 our global carbon footprint increased compared with 2009. So far our carbon footprint includes emissions generated by our buildings, equipment and company vehicles. The main explanation for the increase is that we improved the level of reporting and completeness regarding fuel for mobile sources, such as company vehicles.</p> <p>In 2010 the bore hole thermal energy system at our Emmaboda factory</p>



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		<p>(Sweden) was completed and the charge of the system was started. This new and innovative technology traps thermal waste heat generated by the foundry in holes bored 150 meters deep under the surface. The waste heat generated during the summer will be captured at 60 degrees Celsius and stored until the winter when it can be recovered at 40 degrees Celsius. The recovered waste heat will be used for facility heating. The system will run completely on renewable energy and is carbon dioxide neutral. No energy has yet been recovered from the new system, but the connected heat pump has provided cooling.</p> <p>A company wide project - "Greening W&WW", was initiated 2010 to reduce our consumption of natural resources with 5% per year, focusing on energy and water usage at our locations</p> <p><i>Transportation:</i> In 2009, we set a goal to reduce our air freight transportation by 20 percent by improving our logistics management and planning. In 2010 we initiated a project to reduce air transportation to Australia, in favor of boat transportation. By analyzing and planning deliveries of the 30 most frequently shipped products via ocean liners as a standard practice between Sweden and Australia, we reduced the air freights to Australia with 20% and reduced our CO₂ emissions by 615 tons and saved approx USD \$231,000. Another project was started in 2011 to identify similar savings for air transportations to Argentina.</p> <p><i>Waste:</i> In 2010, we recycled 85% of the non-hazardous waste generated by our facilities around the world. An improvement with 2,5% compared with</p>
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		<p>2009. Our biggest production plant in Emmaboda, Sweden was able to recycle 92 percent of its non-hazardous waste.</p> <p><i>Water:</i> Our Emmaboda facility has set a goal to reduce the drinking water consumption with 10% during 2009-2012 (related to production levels). Emmaboda reduced their water consumption with approx 13% from 2009 to 2010, by replacing drinking water in production with water from a local stream.</p> <p>The water consumption for the company in total increased with almost 4%, mainly due to an increase in the testing of products. Water is included in the "Greening W&WW" project mentioned above.</p>
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<p>Principle 9: Encourages the development and use of environmentally-friendly technologies</p>	<p>ITT Water and Wastewater is continually testing new technologies developed by our engineers to provide better access to clean water to communities around the world. We focus on developing high-quality products that are robust and energy efficient.</p>	<p>ITT Water and Wastewater uses Life Cycle Assessments (LCA) as a way to measure the environmental impacts of its products from the acquisition of raw materials necessary to build the product to its ultimate disposal.</p> <p>These LCAs have shown us that approximately 90 percent of the environmental impact of our products happens in the user phase. Knowing this, we work to develop products that are even more efficient and safe for our customers.</p> <p>We have developed Environmental Product Declarations for 17 of our high-volume products, including drainage and sewage pumps, which are verified by the global, independent certification body Det Norske Veritas. Additionally, we published 17 Climate Declarations on these same products to describe the CO₂ emissions produced throughout the products' life cycles.</p> <p>When designing products, we make every attempt to limit the hazardous substances used in their production and construction. We have developed our own "Black and Grey" list of restricted substances, and require our suppliers to follow that list. Our "Black and Grey" list includes substances of very high concern listed on the REACH Candidate List from the European Chemicals Agency (ECHA). We have also ensured that our Flygt and Grindex products meet the Restriction of Hazardous Substances (RoHS) directive which limits lead, cadmium and other hazardous substances.</p>
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<p>Principle10: Works against corruption, including extortion and bribery</p>	<p>ITT Water and Wastewater actively trains its employees on anti-corruption policies. We train employees that accepting courtesies or bribes from suppliers or government representatives is inappropriate behavior in our company. We expect our suppliers to abide by the same conduct.</p>	<p>Each of our employees receive customized, one-on-one training, web-training or classroom training depending on their role in the company on the company's anti-corruption policies. All employees receive a basic training in anti-corruption policies through the Code of Conduct training.</p> <p>During 2010, approx 700 employees participated in an Anti-corruption training. Mainly within the Marketing and Sales organisation. The top management team and specialists within Finance, Marketing and Sales were also trained during last year in Anti Money Laundering.</p> <p>A Due Diligence review process of third party representatives, such as agents and distributors, was introduced in 2010. The purpose is to ensure business and ethics compliance among representatives of our products and services. We offer annual anti-bribery training and require the participants to have a written policy (Code of Conduct) to address bribery, extortion and kickbacks.</p> <p>In the instance that an employee feels that ethical lines may have been crossed, ITT Water & Wastewater maintains a network of impartial ombudspersons trained to deal with ethical and compliance issues. Employees can discuss any concerns with them confidentially.</p>
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