

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

Tuesday, March 30, 2010

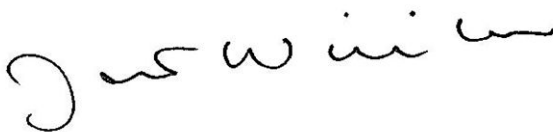
Dear Mr. Secretary General:

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 (UNGC) with respect to human rights, labor, environment and anti-corruption.

With this communication, and with our forthcoming sustainability update, which will be finalized next month and will include all of the information contained in this submission and more, 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 we are committed 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,



**John Williamson
President, ITT Water and Wastewater**



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. In 2008, we communicated our support for the United Nations Global Compact and the ten principles that advance responsible environmental and social business practices. Since then, 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 new sustainability Web site, set for launch in April 2010.

UN Global Compact Principle	ITT Water & Wastewater Approach	2009 Developments
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 continue to build our business with partners who have ethical standards consistent with our own.	<p>In 2009, we continued our efforts to inform our employees and our suppliers 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 – 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 and suppliers around the world.</p> <p>In 2009, we conducted an all-employee survey called “Living our Values” to measure employee awareness of our Code of Conduct and revised corporate values. The survey showed that there have been significant improvements in awareness of our Code of Conduct and ways to report misconduct. In 2010, managers will be asked to use these survey results to interact with employees and to develop feedback loops that will further improve</p>



		employee engagement.
Principle 2: Are not complicit in human rights abuses	We require, through our Supply Agreement, that our approved suppliers comply with the International Labour Organization's (ILO) convention to ensure that all people working within our supply chain are treated with respect in the workplace.	In 2009, we evaluated seven suppliers on their employee working conditions and did not find any violations in human rights. We continue to work to enhance the criteria by which we rate our suppliers.
Principle 3: Upholds freedom of association and collective bargaining	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.	While ITT Water and Wastewater does not have an explicit policy on unionization, we believe that our employees, and those of our suppliers, should have the freedom to join trade unions and negotiate collectively.
Principle 4: Do not support forced and compulsory labor	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.	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 Supply Agreement stipulates that our suppliers shall not use forced or compulsory labor. In 2009, we evaluated seven suppliers on their employee working conditions and did not find any violations in the areas of slave or forced labor. Additionally, we provide a copy of our Code of Conduct to all suppliers, and in the third chapter we explain that that our company promotes and respects the



		rights of humans in all our locations, regardless of local business practices – especially if those practices are not aligned with human rights.
Principle 5: Do not support child labor	We refuse to employ children and we do not partner with companies who use children as a part of their workforce. Our Supply Agreement stipulates that our suppliers shall not use child labor.	<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>In 2009, none of the seven suppliers we audited were found to be using child labor. We encourage our suppliers to pay adults fair working wages in order to avoid the need for families to send their children to work.</p>
Principle 6: Do not support discrimination in employment or occupation	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.	In 2009, we provided training to all 6,000 of our worldwide employees on of our Code of Conduct. 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.



Principle 7: Support a precautionary approach to environmental challenges	<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. In 2009, the implementation of the ITT ESH Management System was started. The system conforms to ISO14001 and OHSAS18001 standards and will supplement information already received by employees.</p> <p>Outside of our four walls, 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.</p>
Principle 8: Undertake initiatives to promote greater environmental responsibility	<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> In 2009, we launched our CO₂ Global Footprint program to further analyze our impact on the environment. We measured our global carbon footprint to be 15,227 tons of CO₂, which accounts for the emissions generated by our buildings, equipment and company vehicles. That's a 7.5 percent reduction in emissions when compared to our 2008 footprint. This year, we also began construction of a borehole thermal energy system at our Emmaboda factory (Sweden). 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</p>



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	<p>generated during the summer will be captured at 60 degrees Celsius and stored underground 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 neutral.</p> <p><i>Transportation:</i> In 2009, we set a goal to identify new opportunities for transporting products via rail instead of roadways from our Emmaboda factory (Sweden) to our supply and distribution center in Metz, France. Through our research, we discovered that we could reduce our carbon emissions along that route by more than 60 percent if we used rail. We made the change to railway use, and were able to remove 50 percent of our weekly transports – approximately 250 trucks each year – along this route.</p> <p>In 2009, we also set a goal to reduce our air freight transportation by 20 percent by improving our logistics management and planning. By transporting our 20 most frequently shipped products via ocean liners as a standard practice between Sweden and Australia, we estimate that we will reduce our CO₂ emissions by 800 tons and save more than USD \$250,000 annually.</p> <p><i>Waste:</i> In 2009, we were able to recycle 83 percent of the non-hazardous waste generated by our facilities around the world. Our Emmaboda facility has been able to recycle 90 percent of its waste.</p> <p><i>Water:</i> In 2009, we cut our total, companywide water use by 8 percent. For instance, our Kostrzyn facility in Poland began reusing process water.</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>As of 2009, 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>At ITT Water and Wastewater, we require each of our suppliers to abide by the guidelines set forth in our Supplier Agreement. Within our Supplier Agreement, we state our policies on corruption, bribery and extortion and the penalties for actions falling into those categories.</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>Employees are trained to understand that, <i>"At ITT Water and Wastewater, bribery is never permitted, employees must follow all applicable anti-corruption laws and regulations, and may not directly or indirectly offer, authorize, promise or give bribes, kickbacks, payoffs or other payments to any U.S. or non-U.S. foreign government official to influence their judgment or ensure a particular outcome or action. This rule is true under all circumstances, even if making such payments follows customary local practices."</i></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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*** Alongside additional contextual information and reporting, ITT Water and Wastewater's sustainability update will include the following message from our President:**

Without question, the world in 2010 is a challenging and uncertain place. We've been shaken by the global financial crisis and stirred by humanitarian crises of both the unimaginable and unforeseen variety. Our natural resources are precariously perched atop a political climate itself struggling to remain in balance. And around the world, the human population is swelling as fast as it is shifting to geographies that can least support the influx. It is neither simplifying nor minimizing these realities to suggest that careful stewardship of a single human essential can play a role in altering the current course. The essential? Water.

Water is the very foundation upon which stable societies are built. In the most basic of senses, water sustains life. History's earliest civilizations were formed near reliable sources of water. Our first economies were agricultural and water-dependent, and our first cities were port cities. Populations followed water, until we learned to make water follow populations.

Today, reliable access to clean water is more than a condition for human development. It's a condition for economic development. For the infrastructure to support it. For investment in schools, in minds and in people. And when it comes to water, the growing divide between the haves and have nots – or the haves and have betters – imperils more than the wellbeing of those who may go without. It impacts global prosperity, security and advancement.

This is precisely why we at ITT Water and Wastewater are working to improve the attainability, retainability and sustainability of water. We're leveraging our expertise to remove the cost barriers perpetuating access challenges. We're using technology and innovation to lessen the environmental impact of human water use and reuse. And we're working with partners from all sides – including the United Nations Global Compact, whose principles regarding environmental stewardship, sound labor practices and anti-corruption have our full support – to demonstrate how shared global burdens can be addressed with a collective will to act.

Further, we're helping our customers understand water's inherently cyclical nature. We're showing them how exhausting water resources makes neither good business sense nor good environmental sense, and we're demonstrating how the preferred, expected and even demanded way of doing business in the future will involve smarter use, reuse and stewardship of resources. Global forces – some within and some beyond our control – have hastened this necessity. The successful corporations of tomorrow will be those that understand this shift from a linear to a circular way of doing business, and who execute on it in ways that matter to stakeholders and shareholders alike.

We intend to be on the leading edge of this evolution – because today's challenges are tough, and on the current course they will only get tougher. We believe urgent attention is demanded, and that we are in a position to provide it. But most of all, we believe immediate action is a non-negotiable leadership prerequisite for our business and for society.

Sincerely,
John Williamson
President, ITT Water and Wastewater