

UNITED NATIONS GLOBAL COMPACT

*Severn Trent Plc
Communication on Progress 2016*

SEVERN
TRENT

CEO STATEMENT OF CONTINUED SUPPORT

“The 10 principles of the United Nations Global Compact are embedded in all that we do, every day. It’s part of our culture, which starts with our code of conduct – ‘Doing the right thing the Severn Trent Way’. This details our values and the standards of behaviour we expect which are fully aligned with the Global Compact principles.

Since 2004, Severn Trent has committed to supporting the 10 Principles of the United Nations Global Compact and we are pleased to reaffirm our continued support in the areas of human rights, labour, environment and anti-corruption.

In this Communication on Progress we describe our on-going commitments and the policies and procedures we have in place to ensure that the Global Compact and its principles are integral to our business.”



Liv Garfield
Chief Executive
July 2016

INTRODUCTION

Our vision is by 2020 to be the most trusted water company, and this aligns with our commitment to the UN Global Compact. To fulfil our purpose, serve our communities and build a lasting water legacy, we must make sustainable choices and act responsibly in a way that demonstrates our values. The Global Compact principles covering human rights, labour, environment and anti-corruption are therefore reflected in our approach to corporate responsibility which is aligned to our strategic framework.

In this communication, we describe each of the Global Compact principles, our specific commitments, links to relevant Severn Trent communications or policies and any specific actions, performance or projects demonstrating our commitment in the past year.

- Our progress over the past year is primarily communicated externally through our website and in the Severn Trent Water Annual Report and Accounts 2015/16, which for the first time includes a dedicated corporate responsibility report. ([Annual Report and Accounts – pp54-64](#)). This highlights examples of responsible practices and reports progress against our commitments in this regard made in 2015.

Supporting documentation

Our code of conduct– '[Doing the right thing- the Severn Trent way](#)' details the values and standards of behaviour we expect from everyone in our business and reflects the Global Compact principles.

For each principle we have provided links to appropriate policies or actions to illustrate our support.

Additional supporting information:

[STW business plan for 2015-2020](#) – setting out our plans for the next 5 years

[Regulatory performance report](#) – reporting on our wider business performance

[Charting a sustainable source](#) - delivering a better future for customers is the latest document in Severn Trent's thought leadership series

HUMAN RIGHTS

1. Business should support and respect the protection of internationally proclaimed human rights; and
2. Business should make sure they are not complicit in human rights abuses.

Human Rights at Severn Trent

We have a responsibility to understand our potential impact on human rights and to mitigate or eliminate this impact. We are committed to operating in accordance with the United Nations Global Compact Principles and 'Doing the Right Thing – The Severn Trent Way' supports this commitment. All our operations continue to be managed and operated to high ethical standards. We expect our suppliers to also support our values, and as such ask all suppliers to adhere to our code of conduct as part of standard terms and conditions.

Our Supporting Policies

Whilst we do not have a specific human rights policy, we have policies on Human Resources, Anti Bribery and Anti Fraud, Whistleblowing and Procurement, all of which support the protection of human rights.

- [Doing the Right Thing - The Severn Trent Way](#)
- [Group Human resources policy](#)
- [Group speak up policy](#)
- [Group commercial policy](#)

Our Actions in 2016

[Annual Report and Accounts 2015/16 pp 89 – 90 \(Human Rights\)](#)



LABOUR

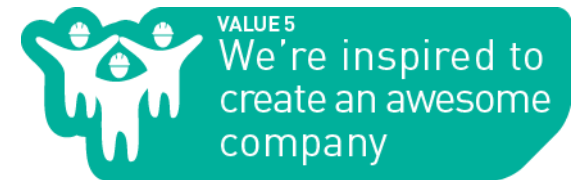
3. Business should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. Businesses should uphold the elimination of all forms of forced compulsory labour;
5. Businesses should uphold the effective abolition of child labour; and
6. Businesses should support the elimination of discrimination in respect of employment and occupation.

Labour at Severn Trent

We recognise the right of all employees to freedom of association and collective bargaining and seek to promote cooperation between employees, our management team and recognised trade unions. We do not condone the use of child labour and forced labour under any circumstance and will not tolerate discrimination under any circumstances. We seek to ensure that every employee, without exception, is treated equally and fairly. We want to create and maintain a diverse and open culture.

Our Supporting Policies

- [Doing the Right Thing - The Severn Trent Way](#)
- [Group human resources policy](#)
- [Diversity and Equal opportunities policy](#)



Our Actions in 2016

[Annual report and Accounts 2015/16](#)

- Freedom of association and collective bargaining/ Prevention of forced labour and child labour pp89-90
- Diversity and inclusion pp 30, 37, 63, 81 (company diversity statistics), 87

ENVIRONMENT

7. Businesses should support a precautionary approach to environmental challenges;
8. Businesses should undertake initiatives to promote greater environmental responsibility; and
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

Environment at Severn Trent

In order to achieve our vision of being the most trusted water company by 2020, we seek to promote environmental leadership wherever we operate. The nature of what we do means that we have an important role to play in protecting and sustaining water as a natural resource and protecting the environment as a whole. We have set ourselves challenges to deliver important environmental improvements, such as promoting water efficiency and improving the quality of our rivers over the next five years. In addition, we will continue to invest in renewable energy generation technologies such as solar PV and anaerobic digestion and participate in voluntary accreditation schemes including the Carbon Trust standard and the Carbon Disclosure project.

Our Supporting Policies

- [Group environment policy](#)
- [STW water resources management plan](#)



Our Actions in 2016

[Annual Report and Accounts 2015/16 pp](#)

- Renewable energy is an important part of our approach to sustainability pp17 -19, 22, 33, 39
- Performance against our corporate responsibility ambitions and values, and examples – pp54-64
- ODI performance (several environmental)– pp 26
- Investment we've made into the environment this year – pp 33
- Awarded a provisional Environment Agency 4* rating – pp 18

ANTI-CORRUPTION

10. Businesses should work against corruption in all its forms, including extortion and bribery.

Anti-corruption at Severn Trent

We are committed to operating fairly and with integrity, and to promoting ethical practices worldwide – everyone in our business has a responsibility to play a part in maintaining our values and principles. All Severn Trent employees are encouraged to raise concerns at work in the first instance through their line manager, or senior management however, we recognise that employees may feel inhibited in certain circumstances. If so, employees are encouraged to use our confidential whistleblowing helpline or email service, operated by Safecall, an independent company which specialises in handling concerns at work. The service is available internationally and Safecall provides a translation service, allowing any employee, wherever they are in the world, to access it. All cases are thoroughly investigated and the results of investigations are regularly reported to both our Audit and Corporate Responsibility Committee.

Our Supporting Policies

- [Doing the Right Thing - The Severn Trent Way](#)
- [Group speak up policy](#)

Our Actions in 2016

[Annual Report and Accounts 2015/16](#)

- Our employees are not afraid to stand up for what's right – pp 60, 83
- Audit Committee and Corporate Responsibility Committee review incidents of fraud or bribery and whistleblowing – pp 83 , 86-88

