Severn Trent Sustainable Supply Chain Charter

WONDERFUL ON TAP



Severn Trent Sustainable Supply Chain Charter Being socially purposeful

Our Aim

We want to make sure we make a positive impact on the communities we serve, the people who live here and the environment around us. To help achieve that, our Sustainable Supply Chain Charter outlines a set of key principles and behaviours we ask you to live by and to reflect through your work with us.

This supports our Code of Conduct 'Doing the right thing – the Severn Trent Way' and our purpose of 'taking care of one of life's essentials'.

We understand that different aspects of this charter will be more relevant than others, depending on the nature and scale of the supplier but, by committing to this charter, you agree to respect these principles and to work collaboratively with us to collectively achieve these goals.

Our Expectations

We will only work with organisations who respect our principles and share our passion for socially purposeful standards of working. This includes our suppliers – providers of goods and services, subcontractors and their employees.

We ask you to demonstrate adherence to these principles by completing an **EcoVadis** assessment which includes the provision of annual environmental and social performance data. **EcoVadis** is a globally recognised, collaborative platform to help you understand your sustainability performance and identify potential opportunities for improvement. Your rating will be used to track commitment and performance across each of the principles outlined in this Charter. This assessment is tailored to the nature and scale of your organisation, and we remain committed to working with you to develop in these areas if needed.



Key principles + working with us

We provide clean water every time our customers turn on the tap and remove their waste water in an affordable, sustainable and reliable way. We ask that you work with us in support of the following principles of **taking care of the environment**, **helping people to thrive and building a company you can trust:**

CEO endorsement

We firmly believe that businesses with a strong social purpose can deliver better and more sustainable outcomes for all stakeholders over the long term. Valued partnerships and collaboration with our supply chain is an essential part of this, and we want everyone to support us in taking care of our customers, communities, colleagues and the environment around us.

Olivia Garfield Chief Executive Officer Severn Trent PLC



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Taking care of the environment



Mitigate climate change

Our Triple Carbon Pledge articulates our ambitious commitment to become Net Zero across our operational business, continue to source 100% of our energy from renewable sources and transition to a fully electric vehicle fleet (where available) by 2030.

Additionally, we have set a Science Based Target (SBT) through the Science Based Target Initiative (SBTi) and we encourage and support all suppliers in doing the same. As a minimum, we ask suppliers to measure and report on their emissions (Scope 1 & 2) through the EcoVadis system and to demonstrate a clear commitment to reducing these. For our high impact suppliers, by emissions, we ask you to adopt a Science-based target for your own organisation.

Finally, innovative low-carbon solutions should be adopted to reduce embodied and operational carbon, and we look to you to increase renewable energy usage and use electric vehicles where appropriate.



Enhance our natural environment

We strive to be environmental leaders and to mitigate our environmental impact.

As part of this we must do all we can to protect and enhance biodiversity in our region. Measures should be taken to ensure habitats and wildlife are protected and any work undertaken that impacts the environment has an element of biodiversity net gain.

We expect all suppliers to prevent pollution to air, land and water, and care should also be taken to ensure work does not indirectly impact on the wider environment, such as on Sites of Special Scientific Interest. Any flora planted should be British native species to prevent the spread of invasive non-native species.



Make the most of our resources

We have a responsibility to our customers to ensure we protect and conserve our valuable resources. We ask our suppliers to measure and report on their water and waste footprint to us and work with us adopt resource efficiency measures across all operations.

Suppliers are encouraged to work towards adopting a 'Circular Economy' approach when considering products and services supplied to us, and collaborate to avoid single-use plastics and reduce packaging.

Helping people to thrive



Health, Safety and wellbeing

Nobody should get hurt or made unwell by what we do – this is our Goal Zero commitment. Our priority is to focus on the biggest hazards to you, your colleagues, supply chain partners and our communities. We ask our suppliers to fully embrace this focus and to utilise our management systems to support our continuous drive towards a 'Goal Zero' attitude within our working environment.



Fair pay and working conditions

We are signatories of the Prompt Payment Code and are committed to paying suppliers on time and giving clear guidance on payment terms. We encourage suppliers to adopt this good practice throughout their supply chain.

All employees working across our operations, in our workplace and our supply chain should be treated fairly and their human rights respected. This includes ensuring working conditions, working hours and wages comply with the UN International Labour Organisation (ILO) standards. This includes child labour and minimum wage. We expect all suppliers to meet these standards and align with the principles set out in the UN Global Compact.

We will not tolerate any form of forced or bonded labour, slavery or human trafficking and expect suppliers to proactively take steps to eradicate this within their own business and their supply chain. We expect all suppliers to be compliant with the Modern slavery Act 2015 and to outline the steps they are taking, irrespective of turnover.

Suppliers should recognise and respect an employees' right to join Trade Unions or similar representative bodies and bargain collectively, according to applicable law.

We are proud to be an accredited Living Wage Employer. In the UK, we ask our suppliers to pay the current Real Living Wage as a minimum to all direct employees and encourage subcontractors to do the same.

Treat everyone fairly and equally

We believe Severn Trent is somewhere anyone can grow and develop, regardless of their background, age, race, national origin, gender, sexual orientation, marital status, religion or disability. We want our people to feel they can be themselves in a fair and inclusive workplace that is free from discrimination, bullying or harassment. We expect this same level of respect from our suppliers towards those they employ directly or indirectly and encourage suppliers to outline how this achieved through a written policy.



Invest in skills and knowledge

With a third of the nation's social mobility cold spots in the communities we serve, we are committed to improving social mobility by helping people from all backgrounds find and develop careers. We encourage suppliers to create opportunities in support of this goal through apprenticeships, work experience and school engagement, and in the UK, to sign up to the Social Mobility Pledge.



Make a positive difference in our community

Our customers, and the communities in which they live, work and relax, are at the heart of everything we do. This means always putting them first – and we ask our suppliers to do the same. We ask our suppliers to always be aware of how their activities impact our customers and to do everything possible to proactively keep customers informed and minimise disruption when carrying out work.

We encourage our suppliers to make positive contributions to the communities they impact, by providing local employment, schools engagement and engaging in volunteering activities.

Being a company you can trust



Balance interests of all our stakeholders

We are committed to always doing the right thing for our stakeholders, and will only work with suppliers who act responsibly in relation to data protection, tax and fair competition. As a minimum, we expect suppliers to comply with national laws and legal obligations, contractual arrangements and Severn Trent policies. We take a zero tolerance approach to fraud, bribery or corruption.

We encourage a beyond compliance approach and ask suppliers to take proactive measures to avoid social and environmental harm and collaborate to set ambitious sustainability commitments to create a positive impact. Suppliers may be audited in relation to the principles included within this charter.



Be open and honest about what we do and share what we know

Openness and transparency are an essential part of how we want to do business, and we encourage suppliers to foster a culture which reflects this. This includes ensuring appropriate whistleblowing procedures are in place.



Live our values

Our purpose and values are what bind us all together and guide us to make the right decisions. Our values – **Showing Care, Having Courage, Embracing Curiosity and Taking Pride** are weaved into the way we work, and we ask our suppliers to do the same.



Run for the long term - Collaborate to innovate and continuously improve

We value our business relationships and are dedicated to fostering opportunities for collaboration and innovation. Suppliers are encouraged to raise awareness of best practice developments, and innovations on sustainable products and services which support our ambitions.

In turn we will support all suppliers to continuously improve across our operations in relation to ethical, environmental and social principles outlined in this charter.



Reporting a concern

We encourage the reporting of any legitimate concerns regarding our environmental and social impact across our operations. Employees, organisations, suppliers and subcontractors should do so without fear of discrimination or disciplinary action.

If you have any concerns, please contact your Severn Trent Senior Manager. Alternatively, you can confidentially and anonymously contact our independent agent, Safe Call, and they will be investigated thoroughly.

Safecall: 0800 915 1571

For further information on our Sustainability approach and ambitions go <u>here</u> or contact Severn Trent's Supply Chain CSR Team at supplychaincsr@severntrent.co.uk.

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