

SEVERN

TRENT

ANTI-SLAVERY AND HUMAN TRAFFICKING STATEMENT 2016



Our business and supply chain

Severn Trent is a FTSE 100 company, providing clean water and waste water services through our two wholly owned businesses, Severn Trent Water Limited and Severn Trent Business Services. For the year ending 31 March 2016, the annual Group turnover was £1,786.9m (2015: 1,801.3m). This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015 (the "Act") and sets out the steps that Severn Trent has taken and will be taking to ensure that slavery and human trafficking is not taking place in any part of our business, or that of our supply chain.

“Our vision is to be the most trusted water company by 2020.”



Our strategic framework is set out below:

To ensure that we achieve **our vision** to be the most trusted water company by 2020 and to demonstrate that we live by our corporate values supporting this, we take our obligations under the Act extremely seriously. We are therefore committed to ensuring that there are no instances of slavery or human trafficking within our business or supply chain. We also have a wider corporate responsibility strategy which is fully aligned with our strategic framework. Further information on our business and our approach to corporate social responsibility can be found on our website, or in our [annual report](#).



Our Values, Doing the Right Thing and our Policies and Procedures on Slavery and Human Trafficking

Severn Trent is committed to acting with integrity in all of our business dealings as part of our core values, and our code of conduct 'Doing the Right Thing - The Severn Trent Way' ("Doing the Right Thing") sets out the standards of behaviour we expect from our employees and supply chain in their dealings with others.

It specifically states that Severn Trent supports every individual's human rights and will not tolerate the use of child labour and forced labour under any circumstances.

It also makes it clear that we believe that neither employees, customers, contractors or any other person should be harmed or made unwell as a result of work we do or the services we provide.

It has been updated this year to explicitly state that we should always comply with all aspects of the Modern Slavery Act 2015 and ensure that slavery and human trafficking is not taking place in any part of our business or supply chain. Doing The Right Thing is available on our website and will be relaunched throughout our business through a communications and training programme taking place from October 2016.

We also have supporting group wide policies, standards and procedures in place to provide guidance on our expectations. Those relevant to Modern Slavery are as follows:

- Our Anti-slavery and Human Trafficking Standard
- Our Group Human Resources Policy
- Our Whistleblowing Policy
- Our Health Safety and Wellbeing Policy
- Our Procurement Policy, and
- Our Security Policy.

They can be located [here](#).

“Doing the Right Thing – sets out the standards of behaviour we expect from our employees and supply chain in their dealings with others.”



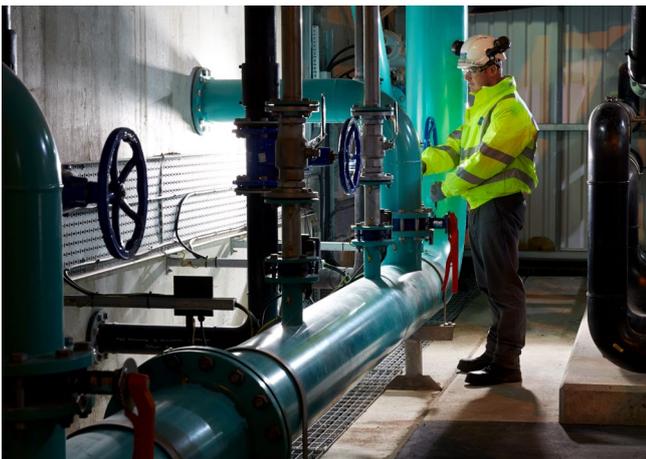
Protecting our Employees

All of our new employees are subject to pre-employment checks to confirm their identity and right to work in the UK prior to their starting work at Severn Trent. Information is provided to all employees on their statutory rights including sick pay, holiday pay and any other benefits they may be entitled to by virtue of their employment.

We pay all directly employed labour at least the living wage. Where recruitment agencies are used, we ensure they comply with all legal requirements. These procedures collectively help to address our on-going commitment to protect our employee's human rights and the elimination of all forms of forced and compulsory labour.

We have developed an 'Anti-Slavery and Human Trafficking Standard', setting out an introduction to the Act and its impact on our employees. Through our 'Doing the Right Thing' training programmes and internal communications programmes, staff are encouraged to identify and report any potential breaches of the Standard.

Additionally, we encourage the reporting of concerns by employees to their line managers in the first instance - or to any senior manager if they feel this would not be appropriate. We also have a dedicated whistleblowing line, which is available 24 hours a day, managed by Safecall to ensure confidentiality and independence. Our Whistleblowing Policy has been updated to reflect our obligations under the Act. As at 31 March 2016, no instances of slavery or human trafficking have ever been reported. All whistleblowing allegations are reported to and considered by our Board's Audit and Corporate Responsibility Committees which comprise non executive independent directors.



“As at 31 March 2016, no instances of slavery or human trafficking have ever been reported.”

Our Supply Chain

Our supply chain includes approximately 1,500 suppliers, and around half of our expenditure is through our supply chain.

We expect our suppliers to support and demonstrate our values, which is an essential component of our approach to Corporate Social Responsibility. The standards we expect from our suppliers address a broad spectrum of working conditions including fair remuneration, working hours, no child labour, respect, non-discrimination, health safety and wellbeing, as well as freedom from forced labour. We will assess any instances of non-compliance on a case-by-case basis, taking any remedial action accordingly.

As part of our tendering process, we require that suppliers agree to adhere to 'Doing the Right Thing', and we also ask suppliers to confirm compliance with the Modern Slavery Act at the pre-qualifying questionnaire stage. We will not progress to working with any supplier which does not comply with the Act and all of our suppliers going through our tendering process have agreed that all employees, whether Severn Trent or in the supply chain, will be treated in line with 'Doing the Right Thing' and in accordance with the Modern Slavery Act. Throughout the life cycle of our contracts we reserve the right to conduct audits on our supplier contracts.

Our standard supplier contractual terms and conditions have also been revised to include a provision requiring suppliers (and each of their sub-contractors) to comply with the Act. Existing suppliers and contractors have been notified of our obligations under the Act and have similarly been advised of our updated version of 'Doing the Right Thing'. Where possible, we expect suppliers to have suitable anti-slavery and human trafficking policies and processes within their businesses and to cascade those policies to their suppliers.

Further Steps to be Undertaken and Ongoing Monitoring

We believe that the risk of slavery and human trafficking within our own organisation is substantially mitigated as a result of our strong collective sense of vision and purpose, our cultural values and commitment to ethical behaviour, supported by our policies and procedures. However, we are not at all complacent and recognise that there is always more that can be done. We will continuously seek to develop our practices where possible and to work with our suppliers and contractors to be as certain as we can be that they hold the same values as us.

We will be starting an audit programme within our supply chain to verify compliance with the Act and 'Doing the Right Thing'.

Our procurement teams have been made aware of the requirements under the Act and we will be administering training to all other high risk stakeholders throughout 2016. Progress will be reported through to our Corporate Responsibility Committee and reported on in future Anti-Slavery and Human Trafficking Statements.

We have constituted an Anti-Slavery and Human Trafficking Working Group which is responsible for periodic reviews of our overall effectiveness in preventing modern slavery and human trafficking. The Working Group consists of representatives from our General Counsel, Group Commercial, HR, and Internal Audit teams, and reports directly to the Severn Trent Plc Disclosure Committee.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 31 March 2016.

This Statement was approved by the Severn Trent Plc Disclosure Committee and signed on behalf of the Board by:

Olivia Garfield

Chief Executive Officer

Severn Trent PLC

