

Business in the

Community

CORPORATE  
RESPONSIBILITY  
INDEX 2009

# Severn Trent Plc Feedback Report

The **Corporate Responsibility Index** is the UK's leading voluntary benchmark of Corporate Responsibility (CR). It assesses the extent to which responsible practices are embedded within an organisation's corporate strategy and operations. It provides a benchmark for organisations to evaluate their management and impact within the key CR areas of community, environment, marketplace and workplace.

# Foreword

**W**elcome to this feedback document, detailing your performance in Business in the Community's 2009 CR Index.

We have made some improvements to the layout of this year's report. These include (where applicable) a year-on-year comparison of your previous Index results, illustration of the range of your industry sector peers' results, and a comparison of your results against the overall CR Index average over time. We believe these changes will allow you to explain your level of achievement ever more clearly to your stakeholders. We are, of course, available to present to you more detail on the drivers of your performance, using our Traffic Light system of metrics that will explain how best to improve next year.

The CR Index is in good health, seeing high numbers of new entrants and long-term participants, and it will continue to illuminate the path towards integrating the Corporate Responsibility (CR) agenda and managing sustainability challenges in just the same way as any other business risk or opportunity. Our focus is on those companies that use this Management Tool to guide their CR journey, tracking their progress and achievements in a quantifiable manner. For those with consistent high performance, we recommend using the Platinum Plus process, which probes the connectivity between corporate thinking around sustainability and the commercial business strategy that creates competitive advantage.

Do keep an eye out for the ranking of participants, which will be published in the Financial Times Responsible Business supplement on Monday 7th June, and please save the afternoon of Monday 5 July in your diaries to attend the National Awards Event & Showcase. This will feature a presentation on the findings from the 2009 CR Index and will be held at the Royal College of Music, a conveniently placed venue for that evening, which will celebrate 25 years of HRH The Prince of Wales's presidency of Business in the Community and the leadership he has given to responsible business in the UK, and BITC's Awards for Excellence 2010.

Looking forward, we seek to support and advise participating companies in maximising the value from the CR Index process and results. We also seek to capture the value of measuring - and influencing - your progress. For it is only through measuring our impact that we can learn how best to create positive change through doing good business.

With best wishes,



**Toby Shillito**  
Director, Integration and Advisory Services  
Business in the Community  
April 2009



# Executive Summary

Congratulations on completing the 2009 Corporate Responsibility (CR) Index, the UK's leading voluntary benchmark of Corporate Responsibility.

This feedback report, summarising your 2009 CR Index results, includes a comparison of your organisation's performance over time, against peers in your sector<sup>1</sup> and against all CR Index participants. Additional feedback is available from BITC's Integration and Advisory Services Team, the options for which are explained at the end of this report.

Your results, along with all the other participating companies, will be ranked and published in the Financial Times Responsible Business supplement on **Monday 7 June 2010**.

## CR INDEX PERFORMANCE

	Score <sup>3</sup>	Band
2009	96.3%	Platinum

## ENVIRONMENT INDEX PERFORMANCE<sup>2</sup>

	Score
2009	94.7%

## PERFORMANCE IN PREVIOUS YEARS

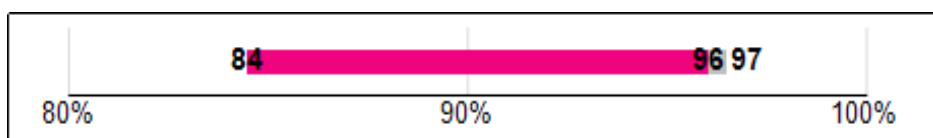
2008	90.5%	Gold
2007	90.0%	Gold
2006	95.0%	Platinum
2005	95.0%	n/a
2004	93.2%	n/a
2003	91.3%	n/a
2002	78.5%	n/a

## INDUSTRY SECTOR INFORMATION

<b>Your Sector:</b> Gas, Water & Mult utilities	<b>Benchmarking Sector<sup>4</sup>:</b> Utilities
<b>Benchmarking comparators:</b> Magna North Ltd, Scottish and Southern Energy plc, Thames Water.	
* Company reporting on UK operations only	

## SECTOR PERFORMANCE OVERVIEW

This chart provides the range of overall CR Index scores within your benchmarking sector. It also plots your company's overall score in order to provide a top-line performance benchmark.



<sup>1</sup> For some CR Index questions/industry sectors there were insufficient participants for benchmarking. Minimum of 4 companies are required.

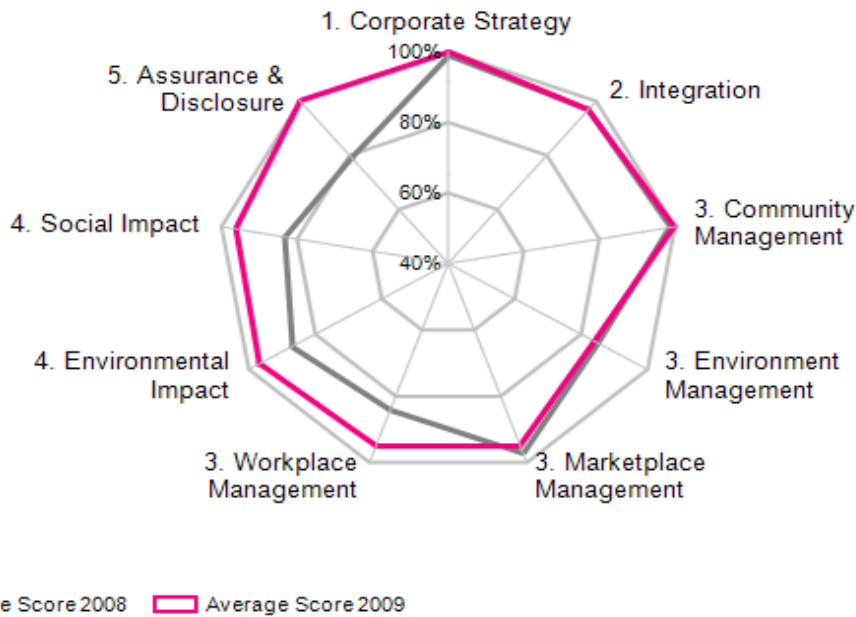
<sup>2</sup> The Environment Index score is a combination of your Corporate Strategy, Integration, Environment Management, Environmental Impact and Assurance and Disclosure scores.

<sup>3</sup> CR Index Performance Band Thresholds: **Platinum** (≥ 94.76%); **Gold** (≥ 89.76%); **Silver** (≥ 79.76%); **Bronze** (≥ 70%)

<sup>4</sup> Where there are insufficient industry sector participants, your company may be assigned to a wider "Benchmarking" sector.

## PERFORMANCE BY CR INDEX SECTION

This chart summarises your company's performance across each section of the CR Index Survey. If the CR Index was completed in 2008, this chart will also provide a year-on-year performance comparison.



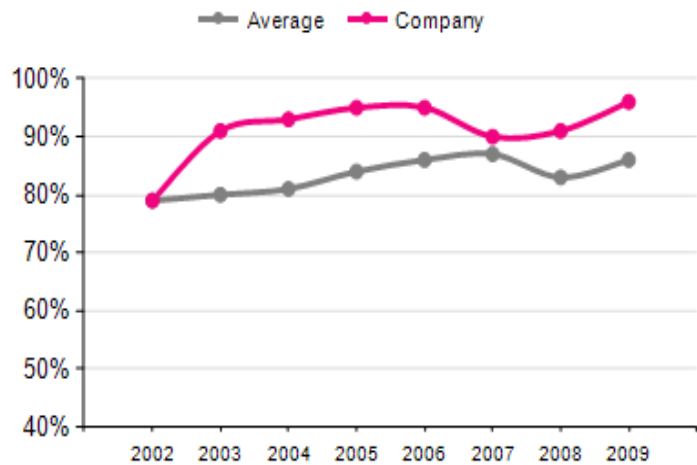
Environmental Impacts: 2008 - Climate Change, Waste and Resource Management, Unplanned environmental incidents  
 2009 - Climate Change, Waste & Resource Management, Unplanned environmental incidents

Social Impacts: 2008 - Health, Safety and Well-Being, Equality, Diversity & Inclusion, Community Investment  
 2009 - Employee Health, Safety & Well-Being, Equality, Diversity and Inclusion in the Workplace, Community Investment - Benefits and Impact

## YEAR-ON-YEAR PERFORMANCE AGAINST CR INDEX AVERAGE

The CR Index was first launched in 2002, following extensive stakeholder consultation. In the eight years since, the Index has gone from strength to strength with its question sets amended to reflect an evolving CR agenda, recognised best practice and stakeholder feedback.

This chart plots your company's year-on-year CR Index performance against the average annual CR Index score for all participants since 2002.

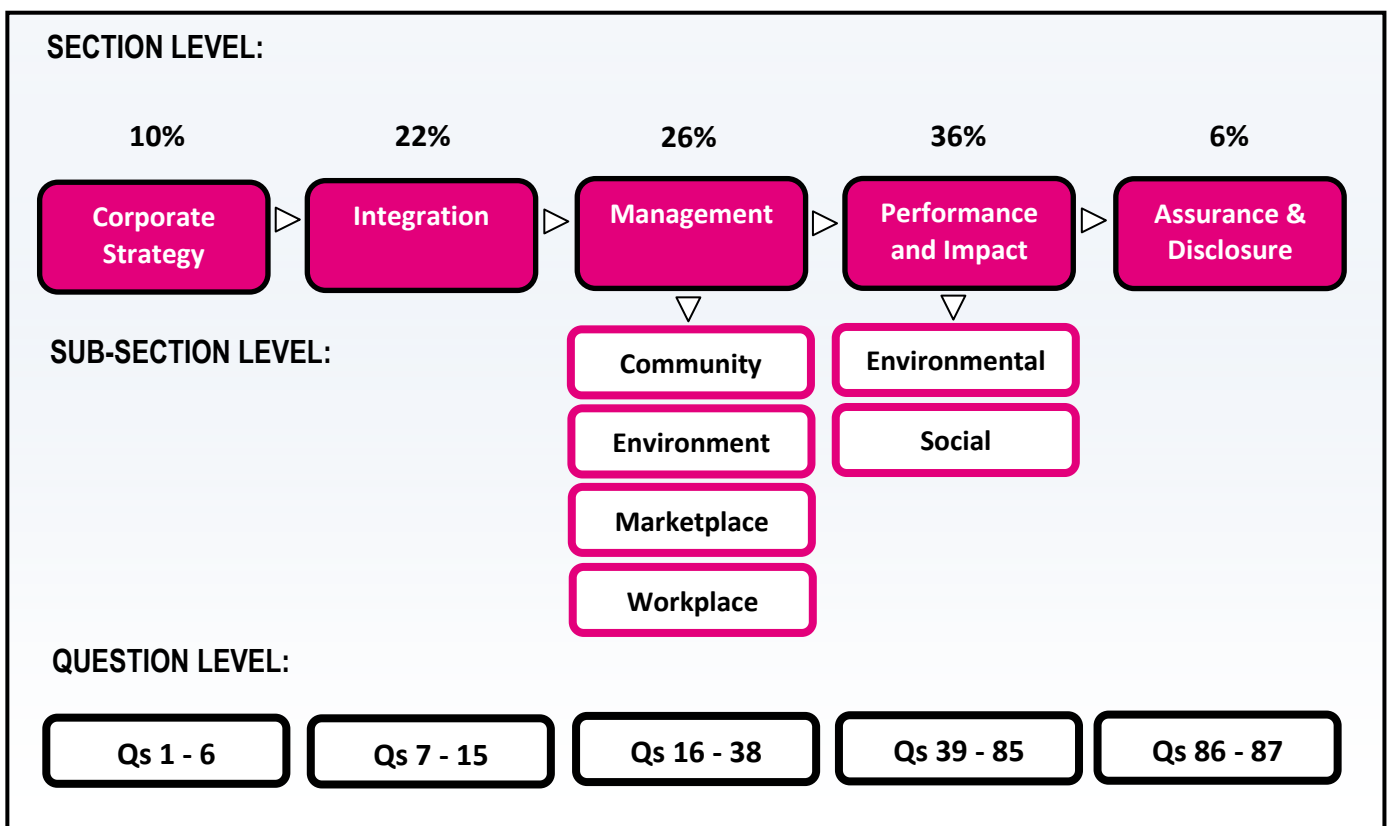


# CR Index Model

The CR Index is a voluntary, business-led benchmark of responsible business practice. It was developed as a management tool to support companies in improving their social and environmental performance, whilst providing a systematic approach to managing, measuring and reporting the various impacts that companies have on society and the environment.

The CR Index is based on a framework that Business in the Community developed in 2002 together with businesses, through a series of consultations and workshops involving over 80 companies and through engagement with a number of additional key stakeholders. Every year feedback from CR Index participants and other stakeholders is used to improve the questionnaire, ensuring it remains relevant and challenging, while still allowing for year-on-year comparison.

The questionnaire is divided into five sections, which are individually weighted (see diagram below). The questionnaire covers **four key management areas** (Community, Environment, Marketplace and Workplace) and asks companies to report on **six key impact areas** (3 environmental and 3 social). Within each section, the various Index questions are generally equally weighted.



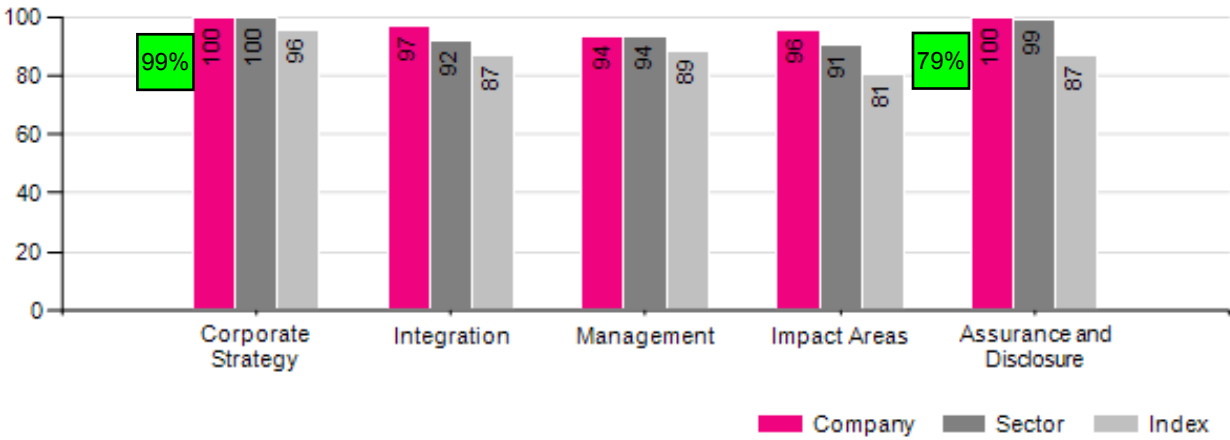
Text boxes to the left hand side show 2008 performance where this has increased (green) or decreased (red). Questions without boxes are either new or there has been no change in the score. NP 13/05/10

# Section Level Summary

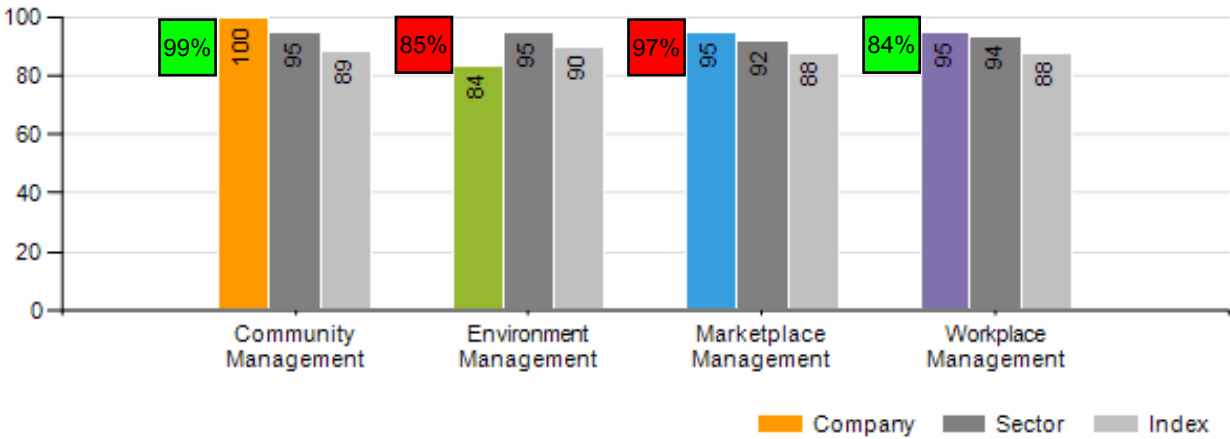
## STRATEGY, INTEGRATION, MANAGEMENT PRACTICES AND ASSURANCE

The following graphs provide a summary of your performance in each of the main components of the CR Index. Each graph provides three data sets. This first is your company's score; the second is the average score across your benchmarking sector; and the third is the average score for all CR Index participants.

Your company's performance within each section of the CR Index is examined in more detail in the pages that follow. Please refer to your CR Index survey submission for further information about individual questions and an interpretation of your company's score.



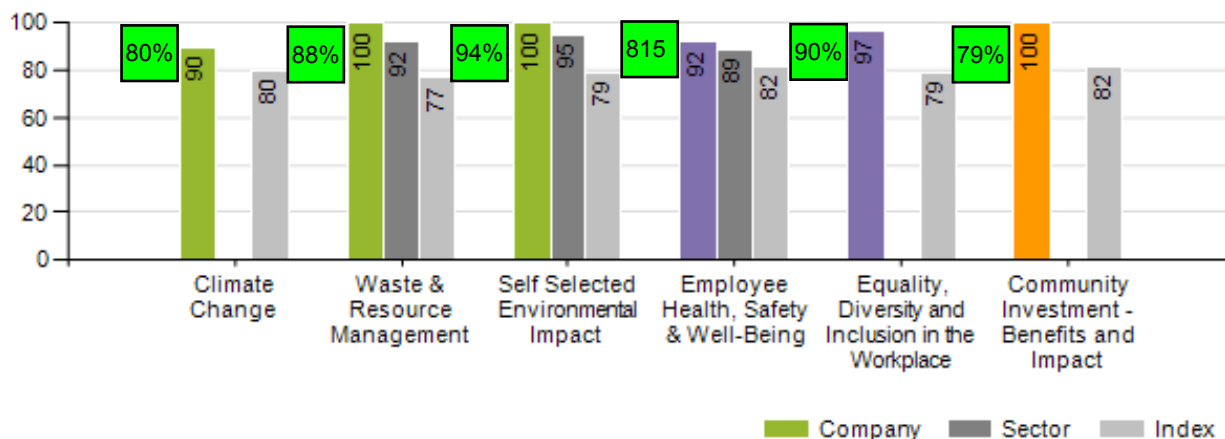
## MANAGEMENT AREAS



## ENVIRONMENTAL AND SOCIAL IMPACT AREAS

Each company completes six impact areas – three environmental and three social.

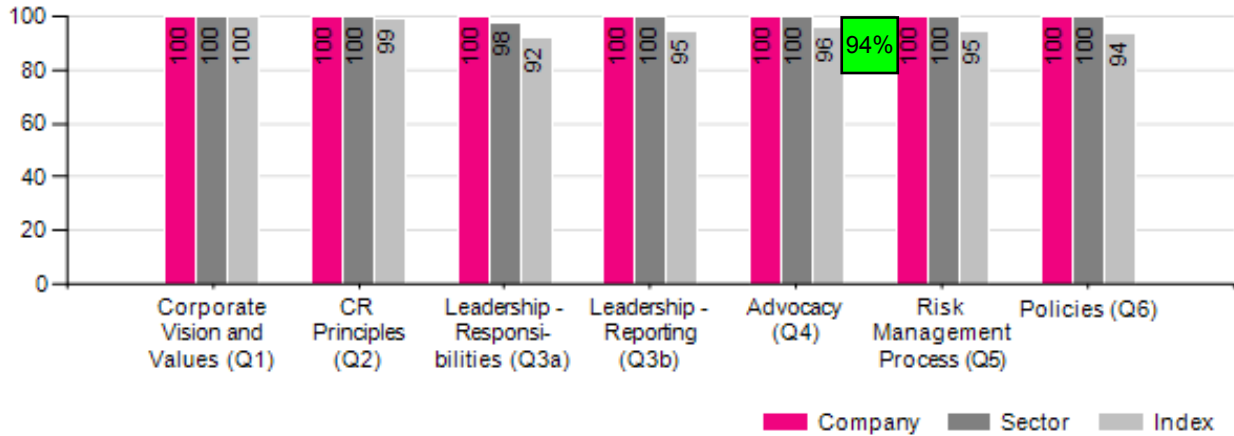
The environmental impact areas include two core or mandatory impacts, Climate Change and Waste & Resource Management, plus one self-selected area of material significance to the business. For their social impact areas companies are able to choose between Health, Safety & Wellbeing, Employee Development, Equality, Diversity and Inclusion in the Workplace, Community Investment or another self-selected impact area. Your company reported on the following social and environmental impacts:



# Performance by Section

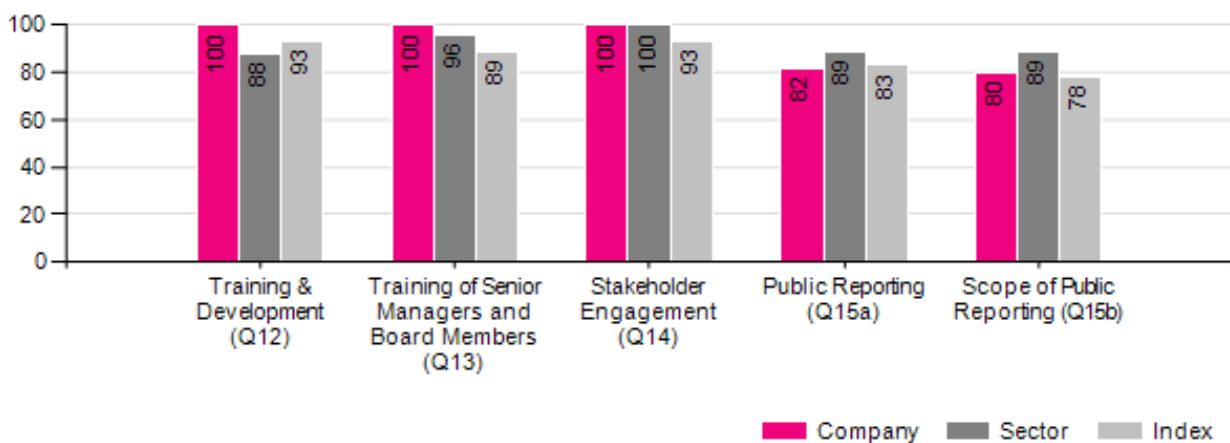
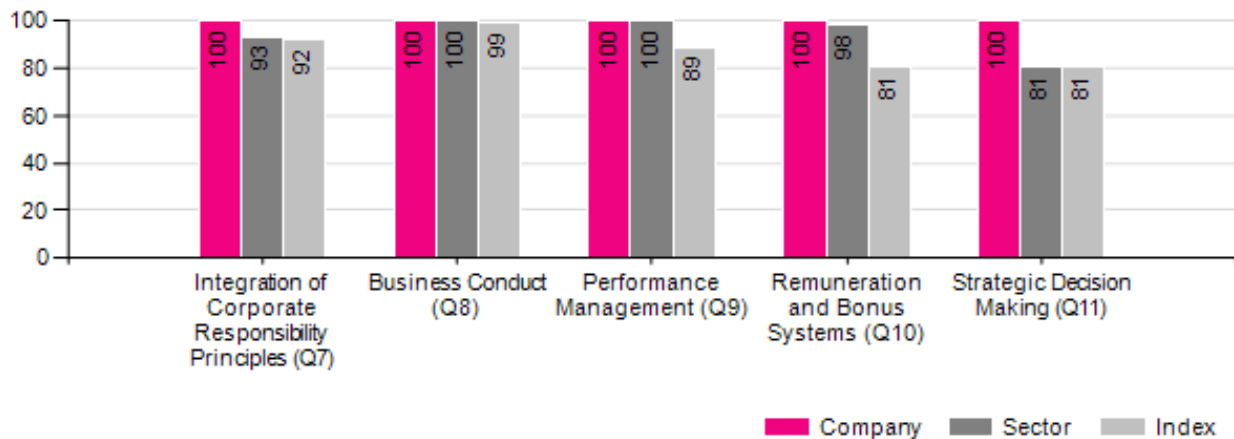
## SECTION 1: Corporate Strategy

This section rewards companies for placing CR values at the core of their business strategy. It asks whether there is a system to identify key social and environmental risks and opportunities, and whether these are addressed by principles and policies. Companies must be able to demonstrate leadership and commitment at the highest level, internal reporting to the board, and public advocacy of responsible business practice.



## SECTION 2: Integration

It is not enough simply to have a strategy; it needs to be implemented throughout a business. This requires internal communication and training employees so they understand the key CR issues for the company, building CR related performance criteria into appraisal and remuneration systems, undertaking stakeholder engagement and ensuring it contributes to CR strategy, demonstrating social and environmental issues are incorporated into strategic decision making, and transparency through external reporting on CR management practices and impacts.

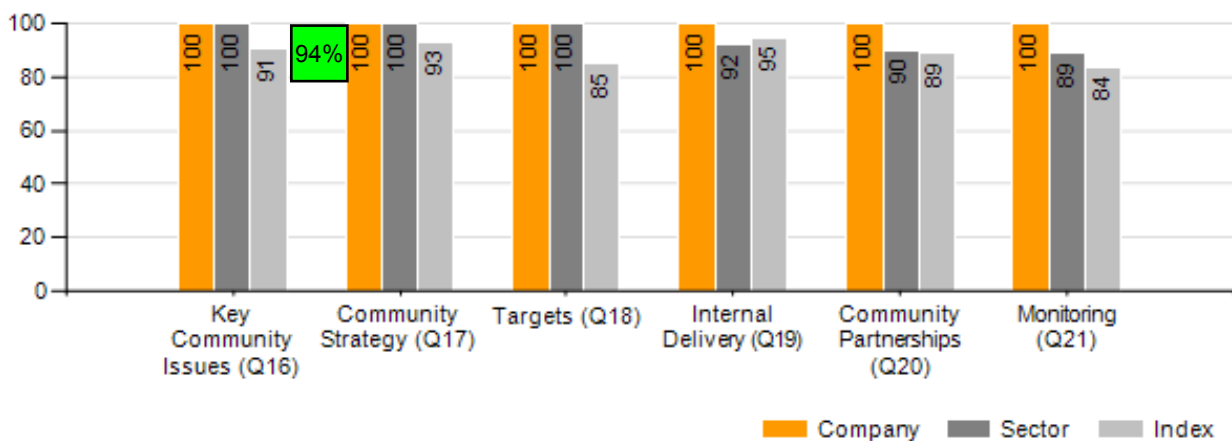


## SECTION 3: Management Practices

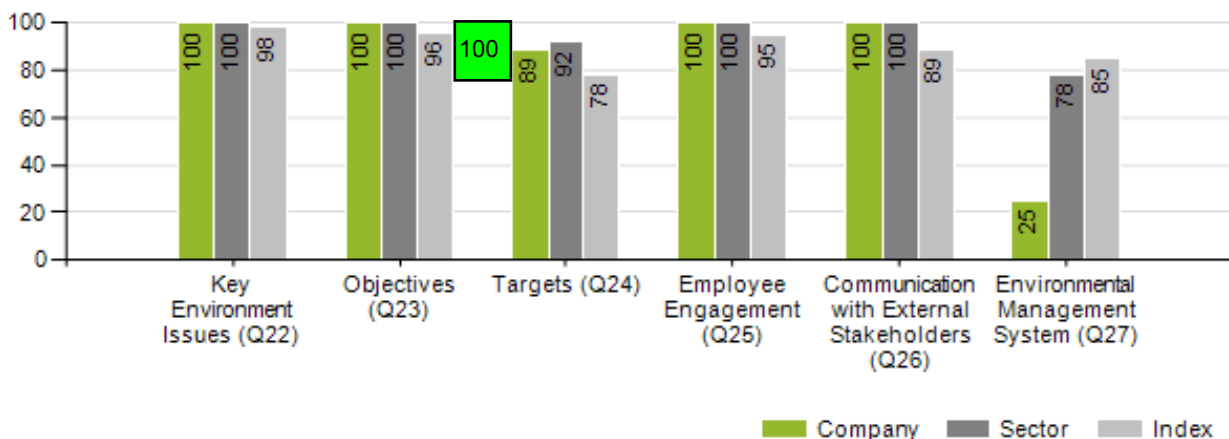
Section 3 assesses whether a company has developed management practices to address materially significant CR issues across four areas: Community, Environment, Marketplace and Workplace. Leading companies are able to demonstrate:

- = policies that ensure responsible behaviours across the business
- = objectives and targets that drive continuous improvement
- = clear responsibilities defined at all levels
- = effective communication systems to share knowledge and the latest information
- = training provided to relevant staff to ensure competency and delivery of objectives
- = a process for stakeholder consultation and engagement across all key areas
- = monitoring systems to measure, assess and report on progress
- = key issues, targets and performance reported publicly

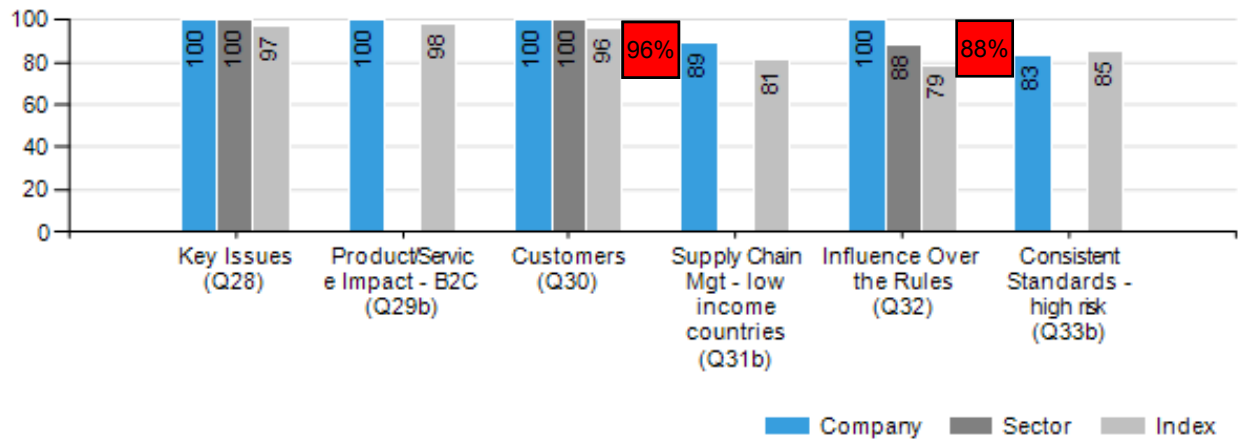
### Community Management



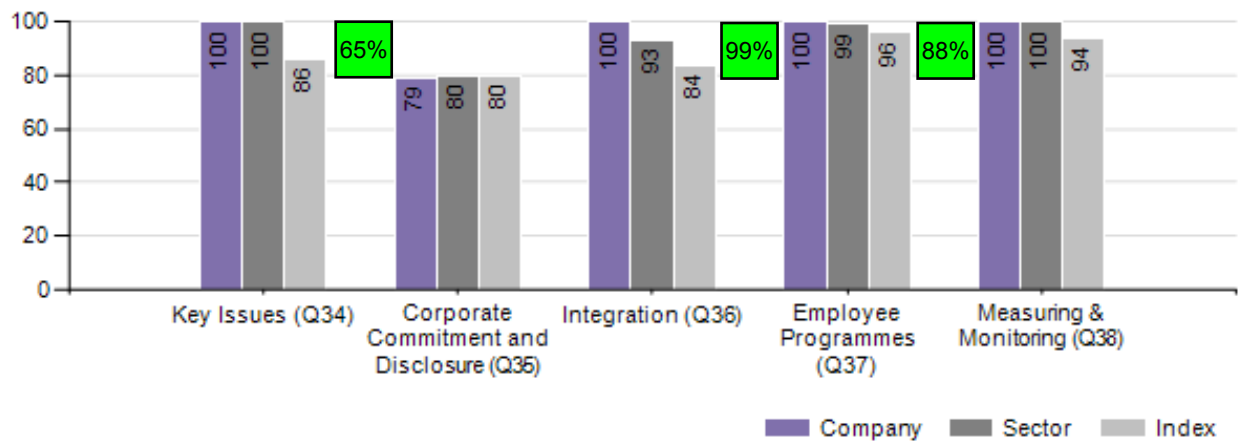
### Environment Management



## Marketplace Management



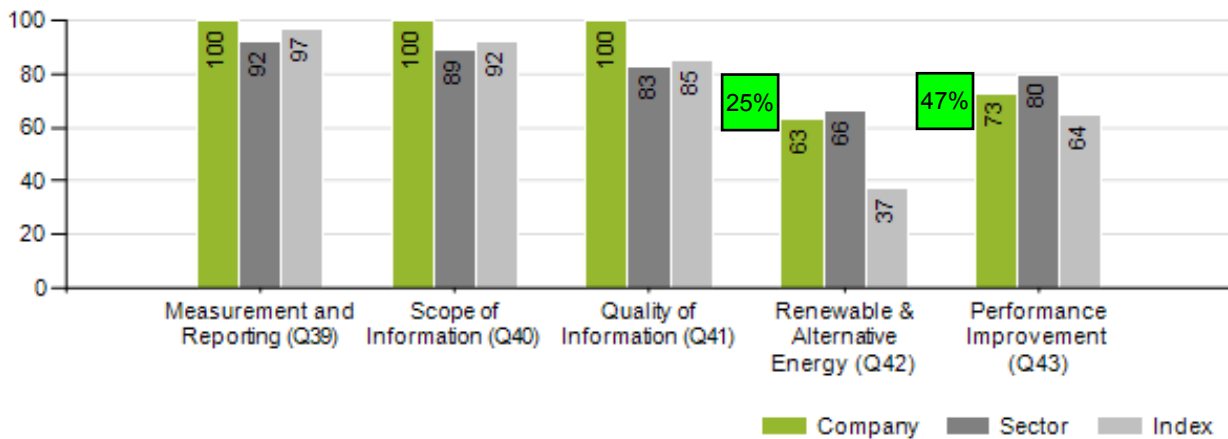
## Workplace Management



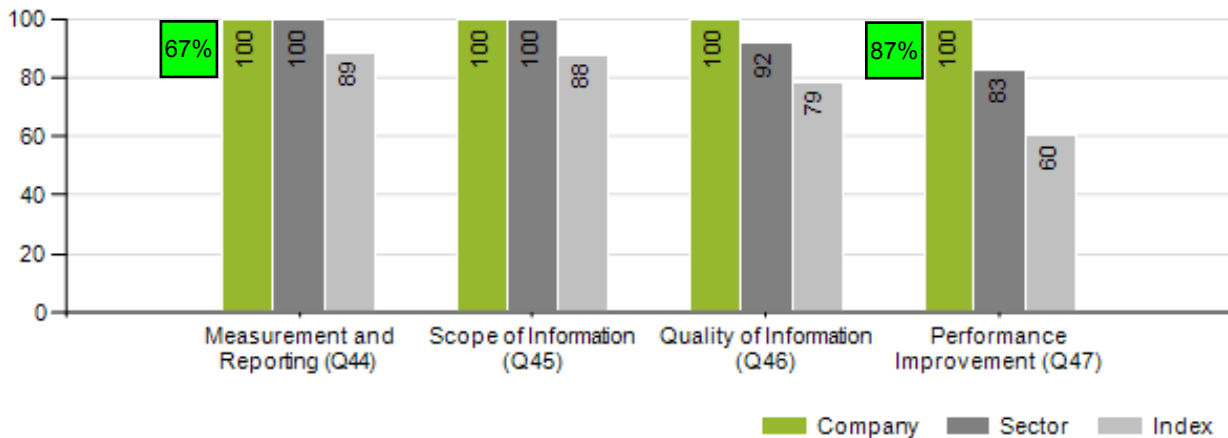
## SECTION 4: Environmental Impact Areas

The following graphs provide your results and benchmarking information covering the three environmental impact areas completed by your company. Each area examines the organisational commitment to managing the issue, the programmes in place to drive improvements and organisational performance over time, rewarding those companies that can demonstrate continuous improvement.

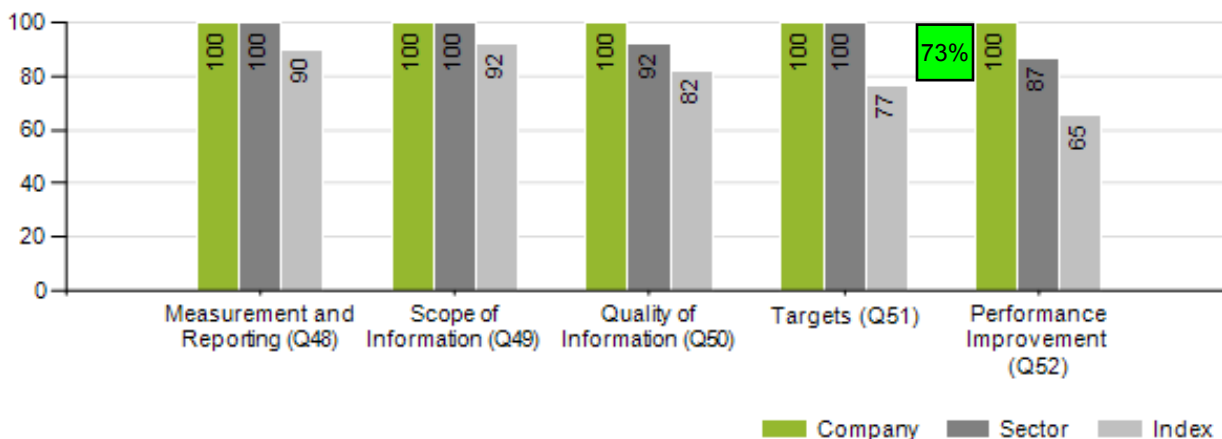
### Climate Change



### Waste & Resource Management



## Unplanned environmental incidents

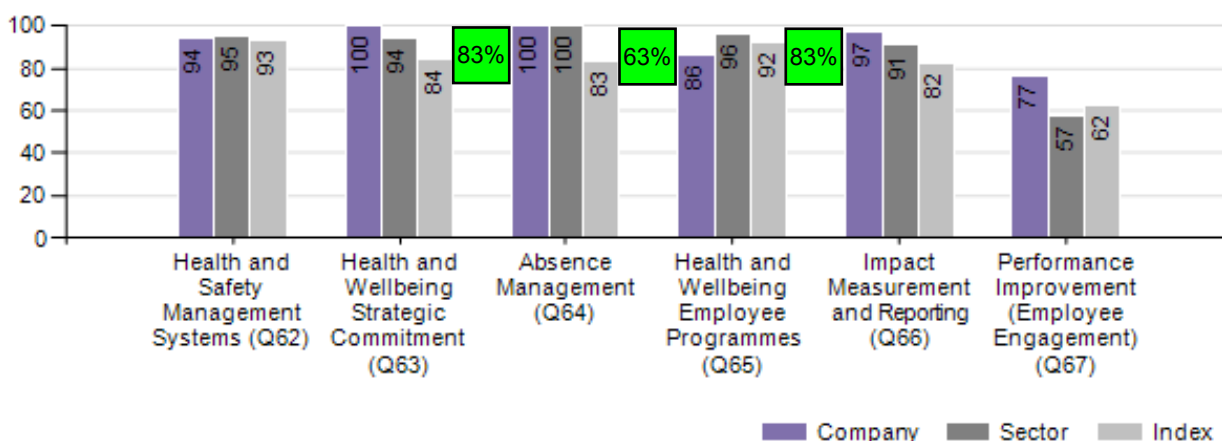


## SECTION 4: Social Impact Areas

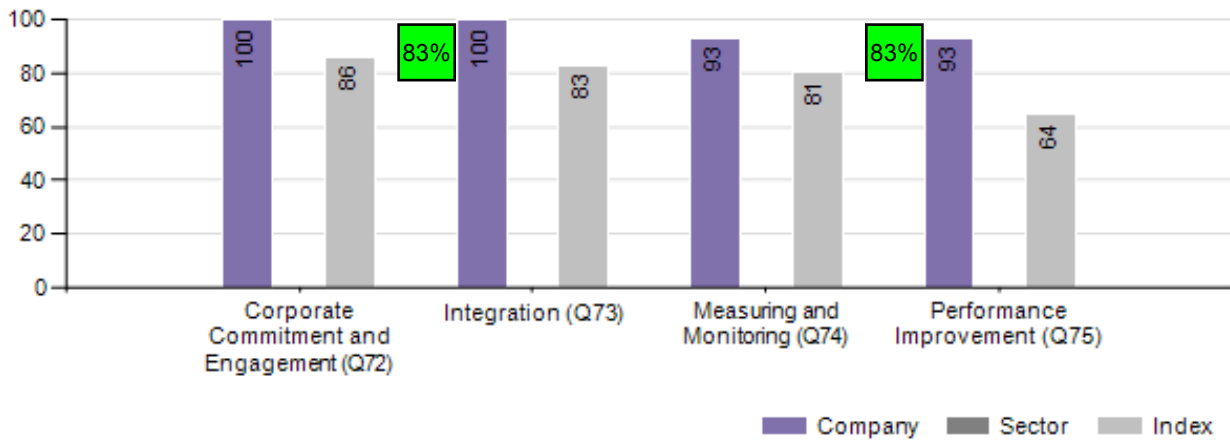
The following graphs provide your results and benchmarking information covering the three social impact areas completed by your company. Each area examines the organisational commitment to managing the issue, the programmes in place to drive improvements and organisational performance over time, rewarding those companies that can demonstrate continuous improvement.

**Please note:** If your company completed a self-selected social impact, the benchmarking graphs will provide a comparison against other companies that completed the same question set, irrespective of the issue chosen.

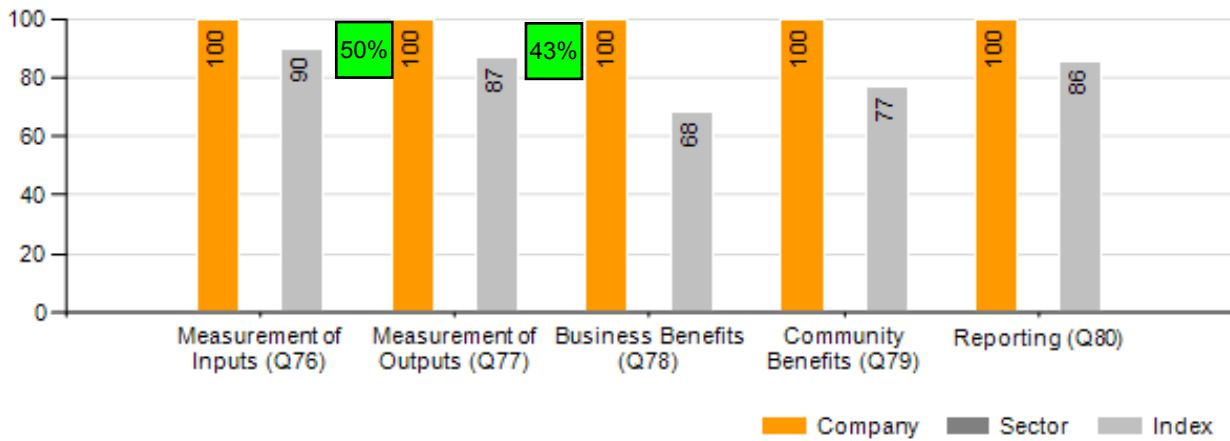
### Employee Health, Safety & Well-Being



## Equality, Diversity and Inclusion in the Workplace



## Community Investment - Benefits and Impact



# Additional Feedback Options

This year, BITC's Integration and Advice team is offering two additional options to companies that would like to receive bespoke feedback and advice concerning their CR index 2009 performance. There will be a fee charged for companies wishing to take-up these offers, based on the following two options.

## **OPTION 1: PERFORMANCE ANALYSIS**

**£500 + VAT (BITC MEMEBERS) / £600 + VAT (NON-BITC MEMBERS)**

Our first feedback option includes:

- A gap analysis report on your CR Index performance highlighting your key areas for improvement across the CR agenda. The report will identify 'quick wins' and significant CR issues for your organisation.
- A meeting to present the gap analysis report to your CR Practitioner. During this meeting we will present our findings and high-level recommendations for improving your CR performance. We will also suggest key action points for your organisation based on learning from the CR Index process.

## **OPTION 2: PERFORMANCE ANALYSIS PLUS MANAGEMENT REPORT**

**£2,750 + VAT (BITC MEMBERS) / £3,000 + VAT (NON-BITC MEMBERS)**

Our second feedback option includes the performance analysis provided by Option 1 and also delivers a bespoke management report on your CR performance. Companies receive:

- A formal written report focusing on corporate strategy and integration. This report will highlight prioritised areas for action and provide best practice advice relevant to your organisation and industrial sector.
- Index peer comparison with best practice examples.
- Modelling of your CR Index performance based on different scenarios.
- A meeting to present the report findings to an internal audience, which may include senior management.
- An outline strategy for driving your organisation's CR performance towards the next CR Index band.

## **BESPOKE ADVISORY SERVICES**

In addition to these feedback options, we would be happy to discuss the provision of corporate responsibility advisory services based on your Index participation, tailored to your specified needs.

If interested, please contact:

**Darren Holman**

Senior Index Manager

Tel. 0207 566 8793

E-mail. [Darren.Holman@bitc.org.uk](mailto:Darren.Holman@bitc.org.uk)

# Media Opportunities

## FINANCIAL TIMES RESPONSIBLE BUSINESS SUPPLEMENT

BITC will be publishing a Responsible Business supplement in the Financial Times **on Monday 7 June 2010**. The supplement will cover a wide range of issues from the impact of the recession to the skills needed for a low-carbon economy to the need for responsible leadership.

Within the supplement, we are pleased to offer a range of advertising options. These include:

### **Pen Portrait - £2,500**

A 100-word profile together with a colour logo and your URL.

### **Logo on Ad Panel - £3,000**

Your colour logo on one of our congratulatory ads – available to top-performing Platinum and Platinum Plus companies and companies awarded a Big Tick at the Awards for Excellence.

### **On-the-page advertising – prices start from £5,100**

Your ad placed within the editorial sections of the supplement.

For more information, please contact: **Nicki Taylor on 020 7566 8768** or e-mail [nicki.taylor@bitc.org.uk](mailto:nicki.taylor@bitc.org.uk)

## CEO VIDEO

Proud of your achievement in the CR Index? Want to show the world how well you did?

Through our media partner, we are pleased to offer the ability to film members of your organisation as they reflect on the success. You can use this video to:

- Congratulate colleagues across the organisation
- Engage senior managers in telling the success story
- Explain to stakeholders how CR is creating business value and competitive advantage
- Showcase stories that you are proud of
- Describe the major steps on the CR journey you have taken

We will work with you to develop an inspiring script and technical content and our partner will deliver the expertise and equipment to bring your video to life.

We anticipate the video segment being used on your website, at staff inductions and away days, to explain your management of the corporate responsibility agenda to stakeholders and to share your stories of how you positively impact society and the environment with commentators and NGOs. There is the potential also for us to host your video on Business in the Community's website.

Content is likely to include warm words from the CEO, a statement on why the company's vision for CR is important, key success stories in the CR Index submission and how the CR agenda will evolve in the future.

### **Price on Application**

For more information, please contact **Darren Holman on 0207 566 8793** or e-mail [darren.Holman@bitc.org.uk](mailto:darren.Holman@bitc.org.uk)

# Integration and Advice Team

## OUR VISION

Business in the Community's Integration and Advice team aims to help member companies develop and embed a successful responsible business strategy.

## OUR SERVICES

### CR Academy:

The CR Academy provides training, support and advice to anyone tasked with integrating CR within their company's operations.

BITC training courses include:

- Introduction to CR
- Driving Change for CR
- Stakeholder Engagement
- Supply Chain Management

The signposting Service is a 'One-Stop-Shop' listing BITC courses and those of other relevant organisations. In response to strong demand from its members, BITC is developing a competency map for CR practitioners as a self-assessment tool to identify training needs.

### Advisory Services

We offer a range a bespoke advice to support companies at various stages of their CR journey.

Work to date has included:

- Assisting companies to develop their CR strategy
- Aligning organisational CR strategy with business objectives
- Offering critical friend feedback on CR reports
- Facilitating stakeholder engagement and mapping.
- Advising on Pre-qualification questionnaire question sets
- Providing customised training.

Private Benchmarking provides the same gap analysis as the CR Index for companies that are not ready or not eligible to participate publicly.

## INTEGRATION & ADVICE TEAM

### **Toby Shillito**

Director CR Index and Advisory Services  
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### **Darren Holman**

Senior Index Manager  
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### **Thomas Milburn**

Programme Coordinator  
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**Business in the Community mobilises business for good.**

We inspire, engage, support and challenge companies to continually improve their impact on society. We work through four impact areas: Marketplace, Workplace, Environment and Community. With more than 850 companies in membership, we represent 1 in 5 of the UK private sector workforce and convene a network of global partners. We're committed to help members integrate responsible business, share experience and take collaborative action. Why? It's just good business.

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