

A natural role in Sustainability



What's in this report?

Our approach →

5

For the first time, read about our five most material issues.

We reviewed our issues through an impact lens, focusing on the most significant influences we have on the economy, the environment and people.



Looking after the world around us: building back greener →

2,632

hectares of nature improved this year

100%

of Severn Trent's electricity import comes from renewable backed sources



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Supporting the region: making a positive difference →

Over £1.5m

awarded to over 93 community projects through our Community Fund

153,825

customers supported through our financial schemes



Building a better business: fit for the future →

8.3

out of 10 employee engagement score that places us in the top 5% of utilities globally

Best Ever

health and safety performance



Introduction from our CEO

[➔ Play Liv's video introduction to the 2021 Sustainability Report](#)




Liv Garfield,
CEO

Welcome to Severn Trent's 2021 Sustainability Report.

We take care of one of life's essentials – water – for the people and businesses of our region. So our work is wedded quite naturally to the environment, society and the trust people put in us to do our jobs.

This report explains how our environmental, social and governance commitments are part of our day-to-day business plan, and about the progress we are making towards meeting these commitments.

We hope you enjoy the read.

 **We always welcome feedback from stakeholders** on how we can improve our performance and reporting.

Please get in touch at:
corporate.responsibility@severntrent.co.uk

Welcome to our second annual Sustainability Report. In our first report last year, we explained how we approach the issues of sustainability under three major headings – Taking Care of the Environment, Helping People to Thrive, and Being a Company You Can Trust.

This year, we expand on the progress we've made and describe a series of further commitments we are making. Long term, we know we can play a leading role in our sector addressing the impacts of climate change. This report is your opportunity to read about how we're getting on and to tell us what you think.

Climate change is a key challenge of our generation and, as a water and waste water company, we're well placed to play a role in helping the UK become a sustainable, low-carbon economy. We take care of one of life's essentials, so a healthy environment is vital to the long-term sustainability of our business. Therefore, we are taking positive action to mitigate climate change and ensure we are resilient to its impact. We also operate in pursuit of a strong social purpose. This encourages and enables us to show our customers they can trust us to be a force for good in our communities, and helps us attract the diverse and talented people needed to succeed.

This year, COVID-19 has undoubtedly had an impact on every part of life. Our focus now is to want to bounce back stronger than ever from its effects, and 'building back greener' is part of this. To kick-start this, in January 2021, we proposed an ambitious package of investments aimed at delivering long-term, sustainable benefits for current and future generations in our region, through improving the environment and also creating jobs. On 17 May, Ofwat proposed to award us £565 million (17/18 prices) to invest in our ambitious Green Recovery programme, providing a great opportunity to deliver long-term growth for the company alongside new investment to support our Environmental, Social and Governance ('ESG') ambitions. We are delighted with this outcome and have already started work on the new investments, aimed at supporting the wider national agenda on climate change, delivering long-term flooding resilience, addressing national river quality, reducing water consumption, providing additional water supply resilience and acting as a leader on removing lead from customer-owned supply pipes. In addition, our Green Recovery package will create direct employment opportunities with us over

“

This year, COVID-19 has undoubtedly had an impact on every part of life. Our focus now is to want to bounce back stronger than ever from its effects, and building back greener is part of this.

”

the next four years and further employment opportunities with our delivery partners and in the wider supply chain.

Alongside our business plan for the next five years, we have also made many other ambitious commitments that support our purpose of taking care of one of life's essentials. There's our Triple Carbon Pledge – committing to net-zero operational carbon emissions, 100% renewable energy and an all-electric vehicle fleet, by 2030, where available. And our decision to invest £1.2 billion by 2025 in environmental initiatives that include planting 1.3 million trees and boosting the biodiversity of 5,000 hectares of land in our region. We'll work with around 9,000 farmers to find sustainable ways to improve long-term water quality.

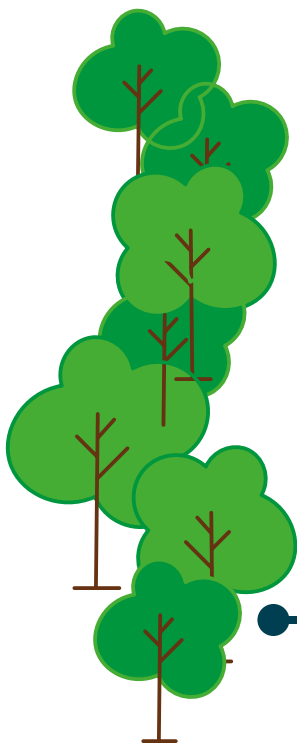
In March 2021, we submitted our proposed Scope 1, 2 and 3 emissions targets to the Science Based Targets initiative, committing us to significantly reducing our greenhouse gas emissions by 2030, in line with the goals of the 2015 Paris Agreement. This year, as part of our commitment to be a force for good in our region, we also announced our partnership with the Birmingham 2022 Commonwealth Games, to support its ambition to create the most sustainable Games yet, and leave a lasting legacy for future generations.

Our plans to help address social issues are just as ambitious – for example, our Community Fund donates 1% of our profits each year to projects in our local communities which need help the most. This year, we awarded £1.5 million to 93 projects and also created a COVID-19 Emergency Fund, donating £1 million to help local charities deal with the effects of the pandemic.

All in all, we set ourselves bold ambitions that we believe will benefit all our stakeholders over the long term. We know we can play a leading role in our sector in addressing the issues above, and in safeguarding the long-term sustainability of our business and our region. We've made some clear commitments on our path to being a green leader. We know we still have plenty to do, but as you'll see in the report, we're making strong progress.

100%

Net zero operational emissions, 100% renewable energy and all-electric fleet¹



5,000

Boosting the biodiversity of 5,000 hectares of land in our region

COMMONWEALTH GAMES

We are the Commonwealth Games official nature and carbon neutral supporter



¹ All-electric fleet is subject to the availability of vehicles

Making a difference together

DELIVERING ESSENTIAL SERVICES SUSTAINABLY

What we do

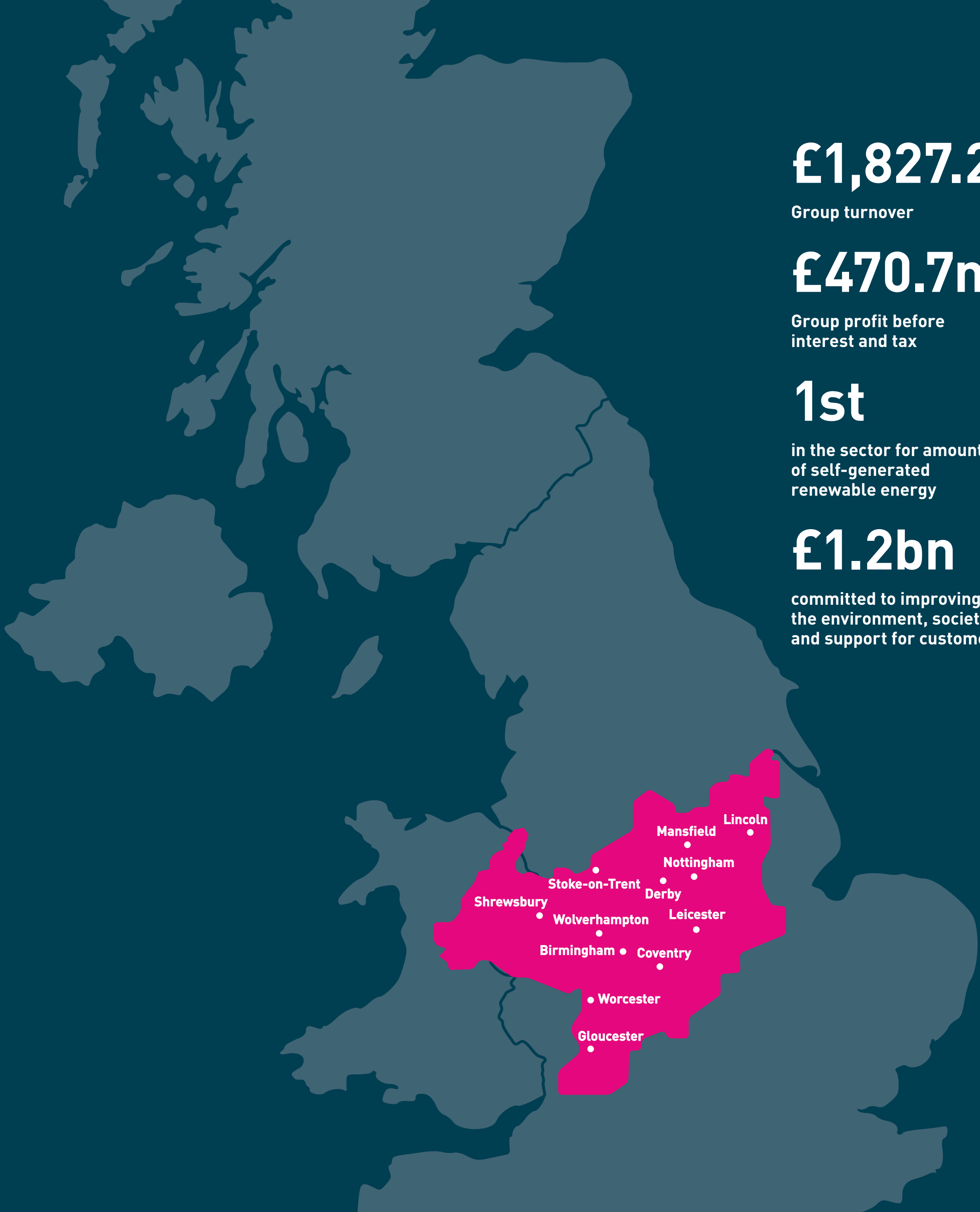
We provide clean water every time our customers turn on the tap. To do that, we collect it from reservoirs, rivers and underground aquifers across our region, then our treatment works clean it to the highest standards and make it good to drink. Our network of pipes and storage reservoirs brings a continuous supply of safe, reliable water to the taps of 4.6 million households and businesses in the Midlands and Wales every day of the year. We also remove their waste water in an affordable, sustainable and reliable way through our network of sewers and pumping stations. At our sewage works, we carefully screen, filter and treat the waste water to stringent environmental standards before returning it to the water system and recycle waste products to fertilise the land. Our Green Power business generates renewable energy and we draw upon our skills in water and waste treatment to provide similar services to other organisations through our Business Services division.

 [Read more in our Annual Report page 6](#)

How we do it

We aim to anticipate and meet changing customer demands and wider societal needs for water. To supply and collect water, we look after some of the UK's most impressive natural bodies of water and watercourses such as Carsington Water or Lake Vyrnwy. We maintain over 49,000 km of clean water pipes and over 92,000 km of sewer pipes. To do this, we attract, develop and retain over 7,000 talented people from all backgrounds and walks of life. We also build strong supplier relationships to support our business operations, working with about 2,800 direct suppliers. Our work is regulated by Ofwat, the Drinking Water Inspectorate ('DWI'), the Environment Agency ('EA'), Natural England and Natural Resources Wales who we work with to help ensure the right outcomes for customers and the environment.

 [Read more in our Annual Report page 14](#)



£1,827.2m

Group turnover

£470.7m

Group profit before interest and tax

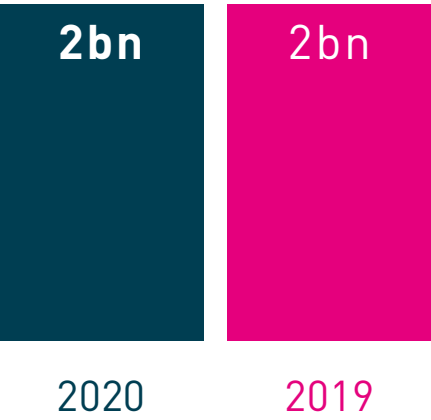
1st

in the sector for amount of self-generated renewable energy

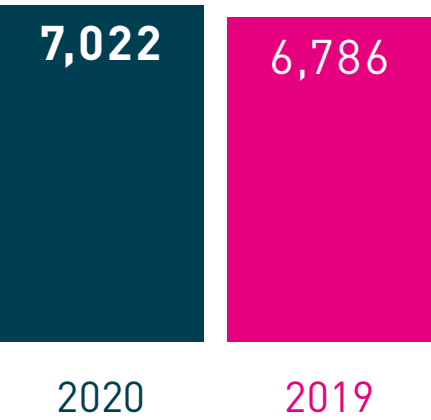
£1.2bn

committed to improving the environment, society and support for customers

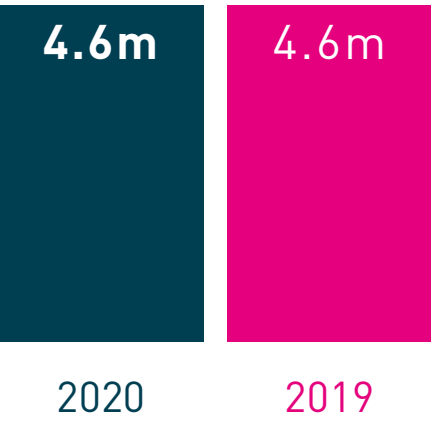
Litres of drinking water supplied each day



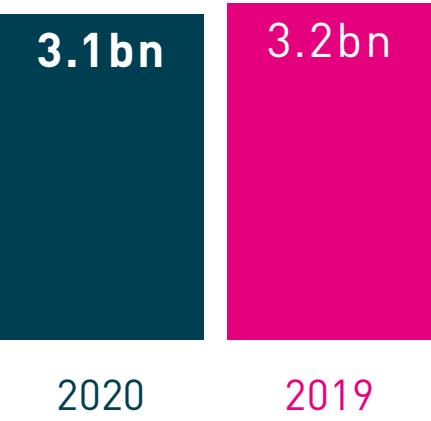
Employees



Households and businesses served



Litres of waste water treated each day



2021 AT A GLANCE

ZERO

REDUNDANCIES
OR FURLOUGHING
FROM COVID-19



OVER £1.5m

AWARDED TO
93 PROJECTS THROUGH
OUR COMMUNITY FUND



61%

SCOPE 1 AND 2
NET OPERATIONAL CARBON EMISSIONS YEAR ON YEAR REDUCTION

#2

IN THE FTSE100 FOR HIGHEST
PERCENTAGE OF WOMEN ON THE BOARD



55.6%

OF OUR BOARD ARE WOMEN,
COMPARED TO AN AVERAGE
OF 34.3% IN THE FTSE350

YEAR ON YEAR
LEAKAGE REDUCTION

2.2%



£1M

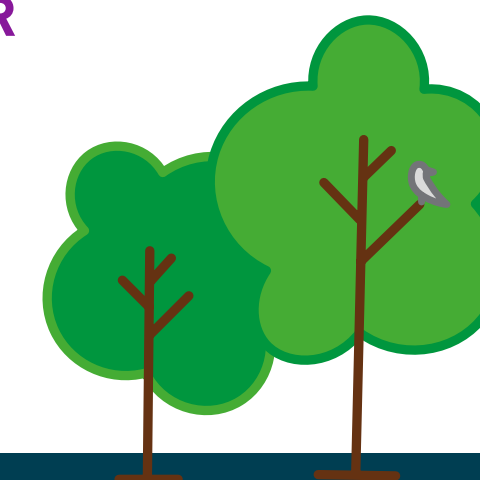
DONATED TO 339 LOCAL CHARITIES,

SUPPORTING VULNERABLE
PEOPLE TO DEAL WITH THE
IMPACT OF COVID-19



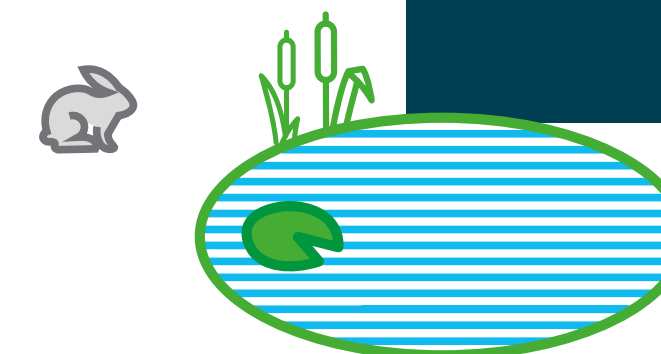
C.£7M

TOTAL VALUE OF CHARITABLE
CONTRIBUTIONS THIS YEAR



2,632

HECTARES OF NATURE
ENHANCED





OUR APPROACH

In taking care of one of life’s essentials, our business relies on **people, communities** and the **environment**

What’s in **this section?**

- Our purpose:** ‘Taking care of one of life’s essentials’ →
- Understanding our impact** →
- What this means for** Our business →
- Our most material issues** →
- Sustainability Framework** →
- Sustainability Key metrics** →

Our purpose: ‘Taking care of one of life’s essentials’

Our purpose underpins our approach to sustainability

Sustainability is not a new or separate direction, but something that has always been at the heart of our business. Having an agreed Sustainability Framework allows us to draw together our environmental, social and governance ambitions while at the same time pursuing them as an integral part of our business plan.

 [Read more in our Annual Report](#)

Taking care of the **environment**

Our customers rely on us to look after their long-term water supply, so ensuring a sustainable water cycle and the health of the natural environment in our region is critical. We’re also in a position to both protect and enhance the wider environment by making the most of our resources and acting to mitigate climate change.



Helping people to **thrive**

We’re committed to providing an amazing service to every customer in our region. We’re determined to make a real difference, not just for our customers, but in the wider communities we serve, including those who are vulnerable or under-served. We provide a fair and inclusive place to work for our colleagues, the vast majority of whom are also customers and shareholders, giving us a uniquely strong connection to our region.

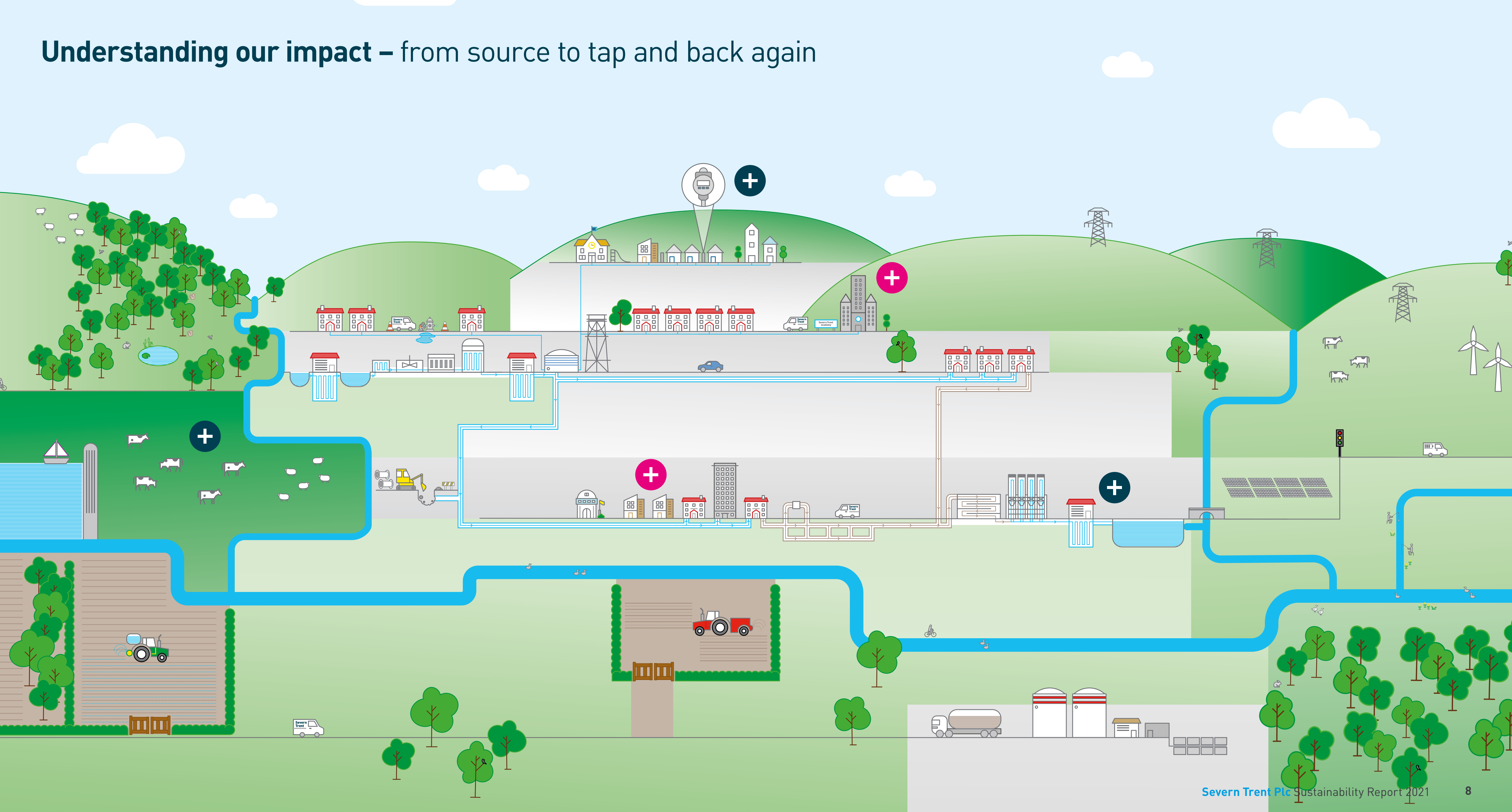


Being a company you can **trust**

To earn the trust of our stakeholders, we must keep our promises, report clearly and openly on our progress, and create a governance framework that ensures effective decision making for the benefit of all.



Understanding our impact – from source to tap and back again





Finding leaks and reducing water

We're proud of achieving our leakage target for nine of the past ten years. We help customers repair internal plumbing leaks, provide water-efficiency advice through home visits, install water meters to help household customers reduce their consumption, and offer free and subsidised water-saving devices to customers. With home visits being this year restricted by lockdown, we moved to targeting based on customer meter alarms, which compared to a non-targeted approach, have saved between 1.6 to 2.6 times the amount of water per home visit. Our metering installation programme is now well underway, providing us with the data we need to help find and fix leaks, and show customers how much water they use. We've invested in our teams of water-network technicians, and equipped them with 40,000 loggers, which trigger an alarm remotely for us to investigate.

→ [Click to read more](#)

83,274

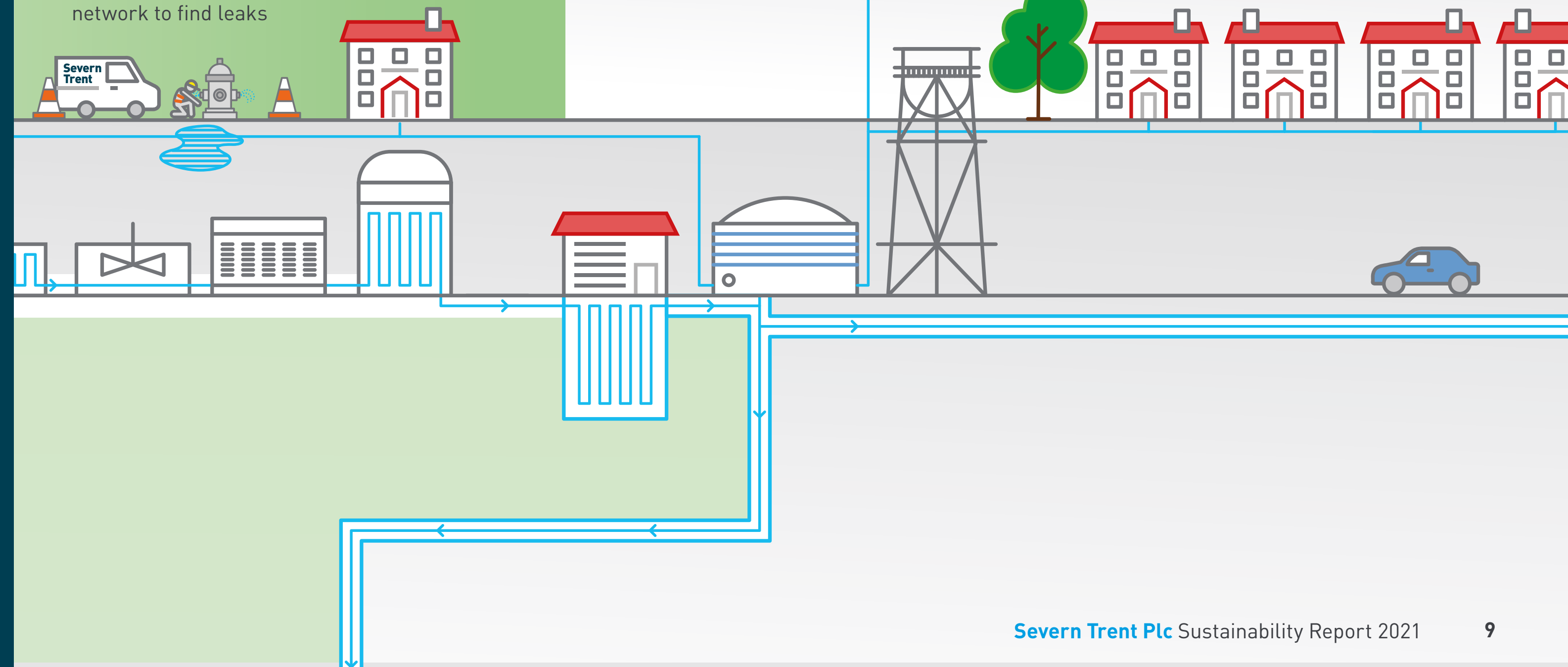
new meters installed
this year

On Track

to reduce leakage
by 15% by 2025

Reducing leakage

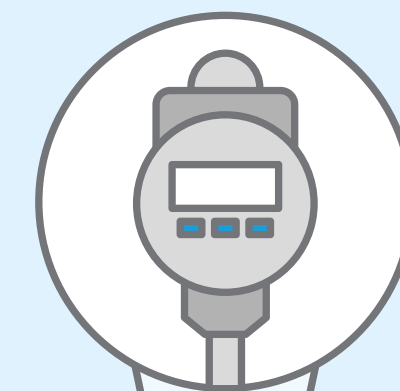
- Achieved our leakage target for nine of the past ten years
- Hafren Dyfrdwy is leading on an industry trial to use fibre telecoms network to find leaks



← [Back to: Understanding our impact](#)

Reducing water demand

- Doubled the number of meters we installed compared to our initial plan
- Our water efficiency programme saved around 2.98 million litres per day





Monitoring and reducing emissions

With our Triple Carbon Pledge, we've taken a lead and made a firm commitment to net zero operational carbon emissions by 2030. In March 2021, we submitted science-based targets for approval, to reduce our Scope 1 and Scope 2 emissions. Our waste and sludge treatment processes account for 71% of our Scope 1 emissions and we're contributing to three industry leading monitoring trials that will improve the science of measuring these. We reduced our net operational emissions this year by procuring all of our electricity from renewable-backed sources. We also generate energy from our own renewable assets, equivalent to over half the electricity Severn Trent Water Limited uses.

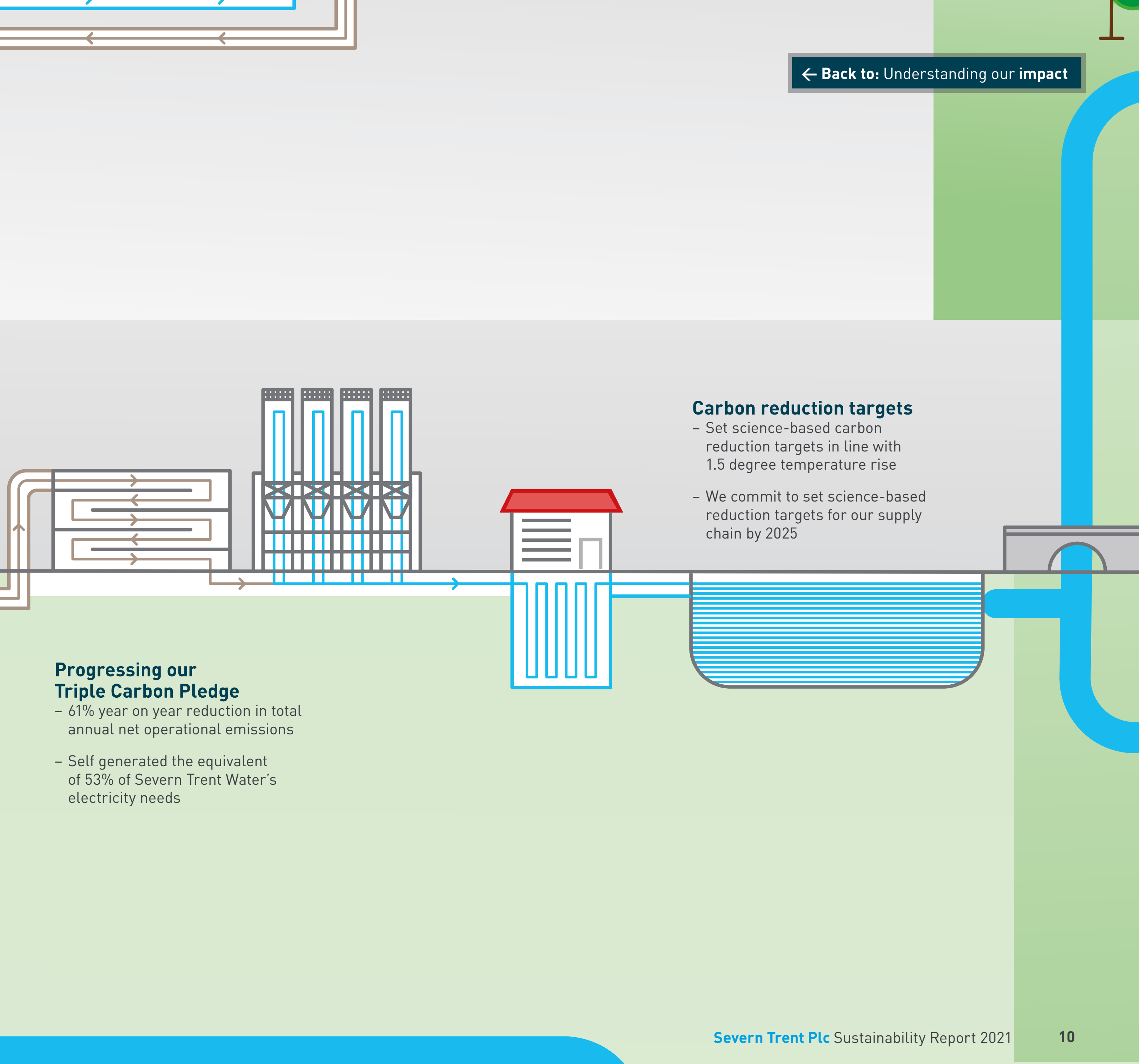
[→ Click to read more](#)

510 GWh

of renewable energy generated across the Severn Trent Plc

100%

of our electricity import is from renewable-backed sources



[← Back to: Understanding our impact](#)

Carbon reduction targets

- Set science-based carbon reduction targets in line with 1.5 degree temperature rise
- We commit to set science-based reduction targets for our supply chain by 2025

Progressing our Triple Carbon Pledge

- 61% year on year reduction in total annual net operational emissions
- Self generated the equivalent of 53% of Severn Trent Water's electricity needs



Supporting learning and skills development

Our Academy provides the structure for us to have the most skilled workforce in the industry. The Academy provides training across all aspects of Severn Trent's business – with a syllabus launched in July 2020 and a purpose-built facility opened in Coventry in February 2021. As well as operations and engineering skills, the syllabus includes the whole range of business skills, from customer service to leadership and management. It offers learning opportunities for everyone, whatever stage of their career, as well as the potential for people to reskill if they wish or need to. We've invested £10 million to give our Academy a genuine focus on experiential learning through cutting edge technology, providing learners with the opportunity to test the theory they learn in the classroom, and build the confidence to apply what they've learnt on our water network.

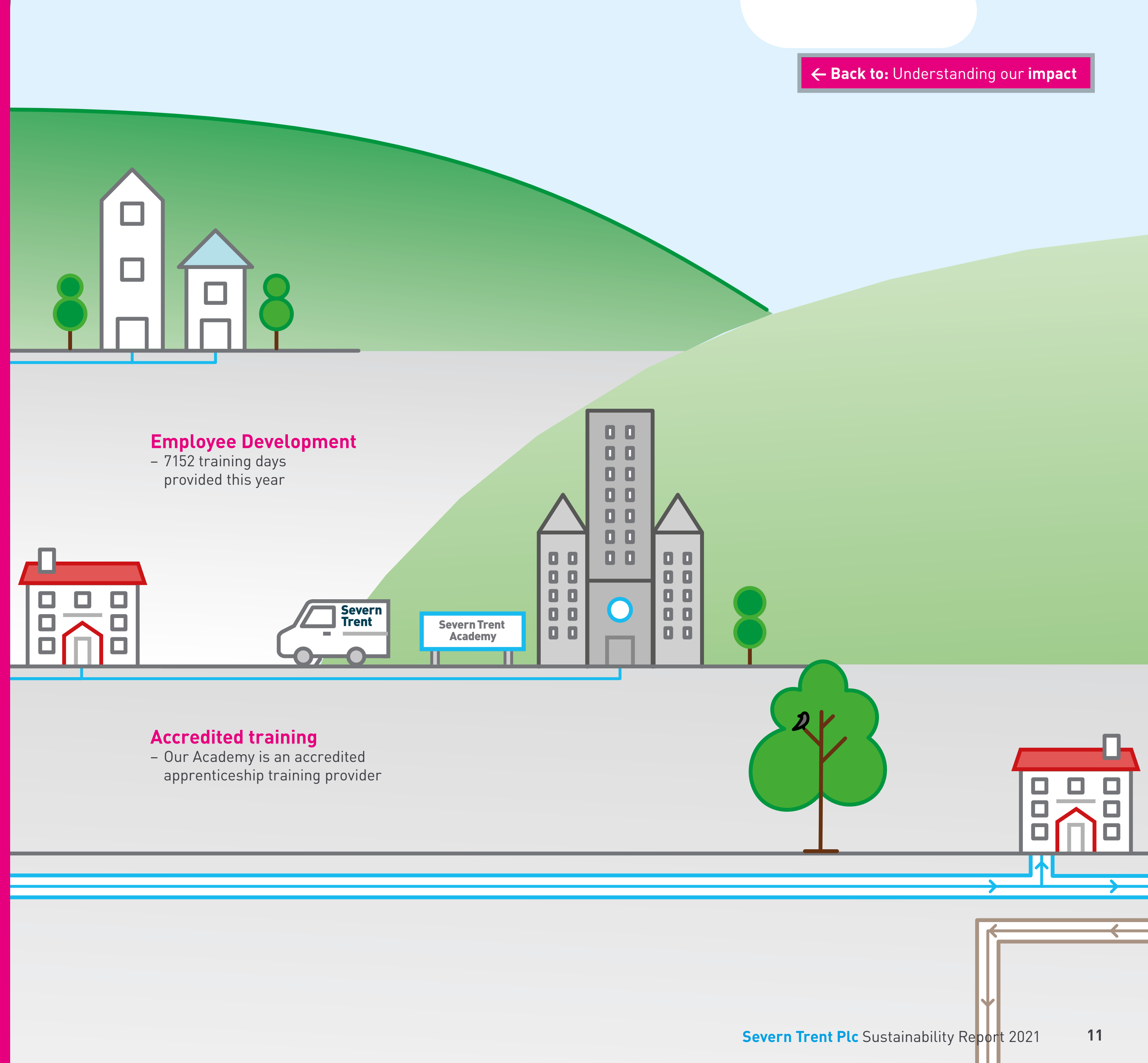
[→ Click to read more](#)

£10m

investment in our Academy to better serve our customers, communities and environment

5

learning pathways covered in our syllabus covering key areas of our business



Employee Development

– 7152 training days provided this year

Accredited training

– Our Academy is an accredited apprenticeship training provider

[← Back to: Understanding our impact](#)



A Community Fund to boost our region

The Severn Trent Community Fund aims to donate more than £10 million over five years to charitable causes that support community projects in three themes: People, Places and Environment. An independent panel of customers reviews the strongest applications and decides where our money goes. In its first year our core Community Fund awarded over £1.5 million to 93 community projects, benefiting over 580,000 people, improving more than 680,000 square metres of our region's environment, and creating or enhancing over 90 community spaces. With the pandemic having a particular impact on the most vulnerable, we donated an additional £1 million to help our communities deal with the impact of Covid-19. In total, this extra fund supported 339 local groups, including food banks, mental-health charities, and those supporting the elderly.

[→ Click to read more](#)

580,000+

people have benefited from
Community Fund projects

93

community projects funded

[← Back to: Understanding our impact](#)

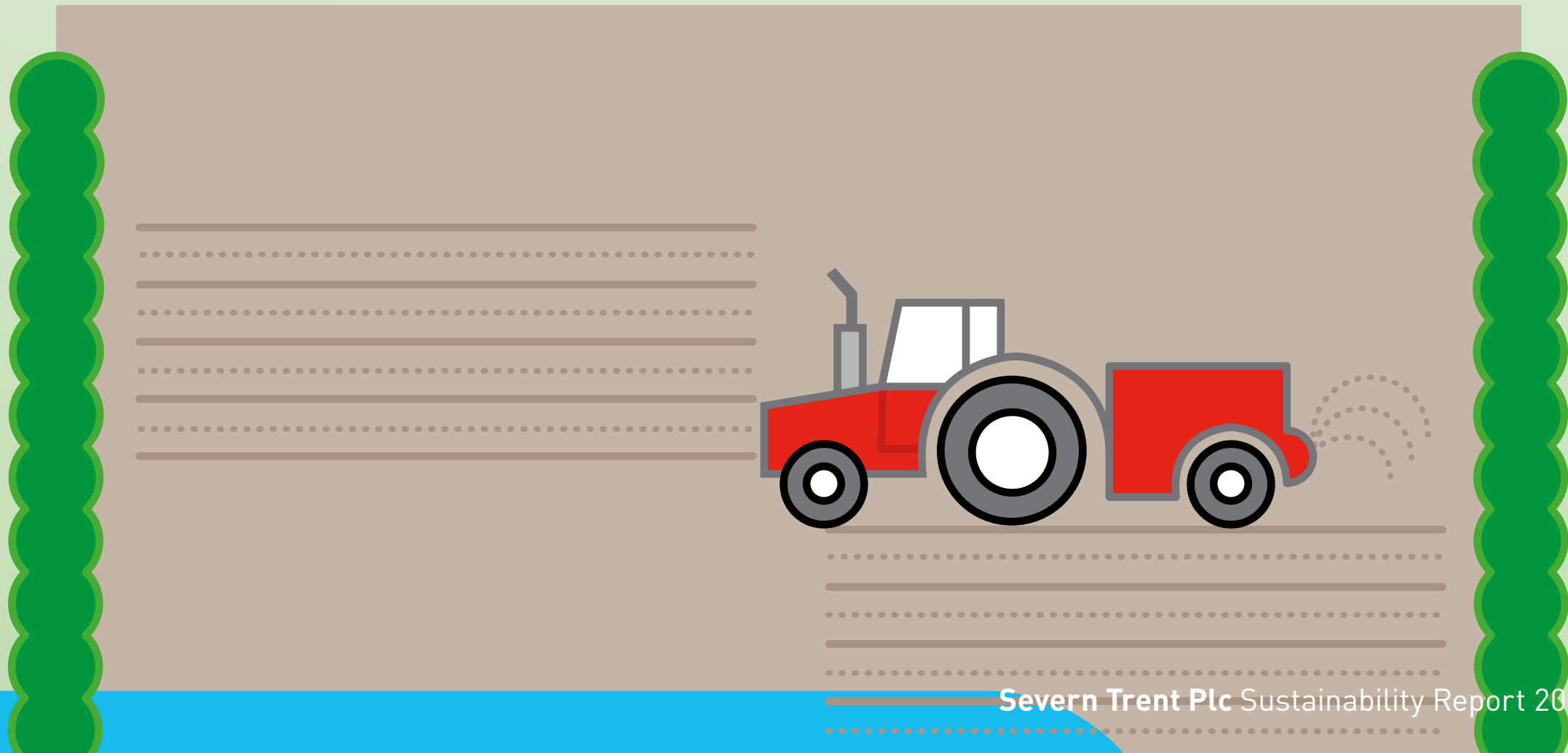
Supporting our region

Almost £250,000 has been awarded to our 10% most deprived communities



Improving our environment

Over 680,000 square metres of our region's environment has been improved in the first 12 months





Look after nature, look after water

We've seen such good results from our recent work enhancing the natural environment that we're keen to do more, embarking on one of the UK's larger nature projects, our Great Big Nature Boost. This year we improved 2,632 hectares, and by 2027 we aim to improve biodiversity across a total of 5,000 hectares. Our Farming for Water scheme identifies areas where water quality is sensitive to how the land is managed. Our plans go beyond our regulatory commitments, covering 44 catchments across 432,000 hectares. We aim to work with two-thirds of all farmers in our region and are ahead of our 2025 regulatory target for 38% of the catchments.

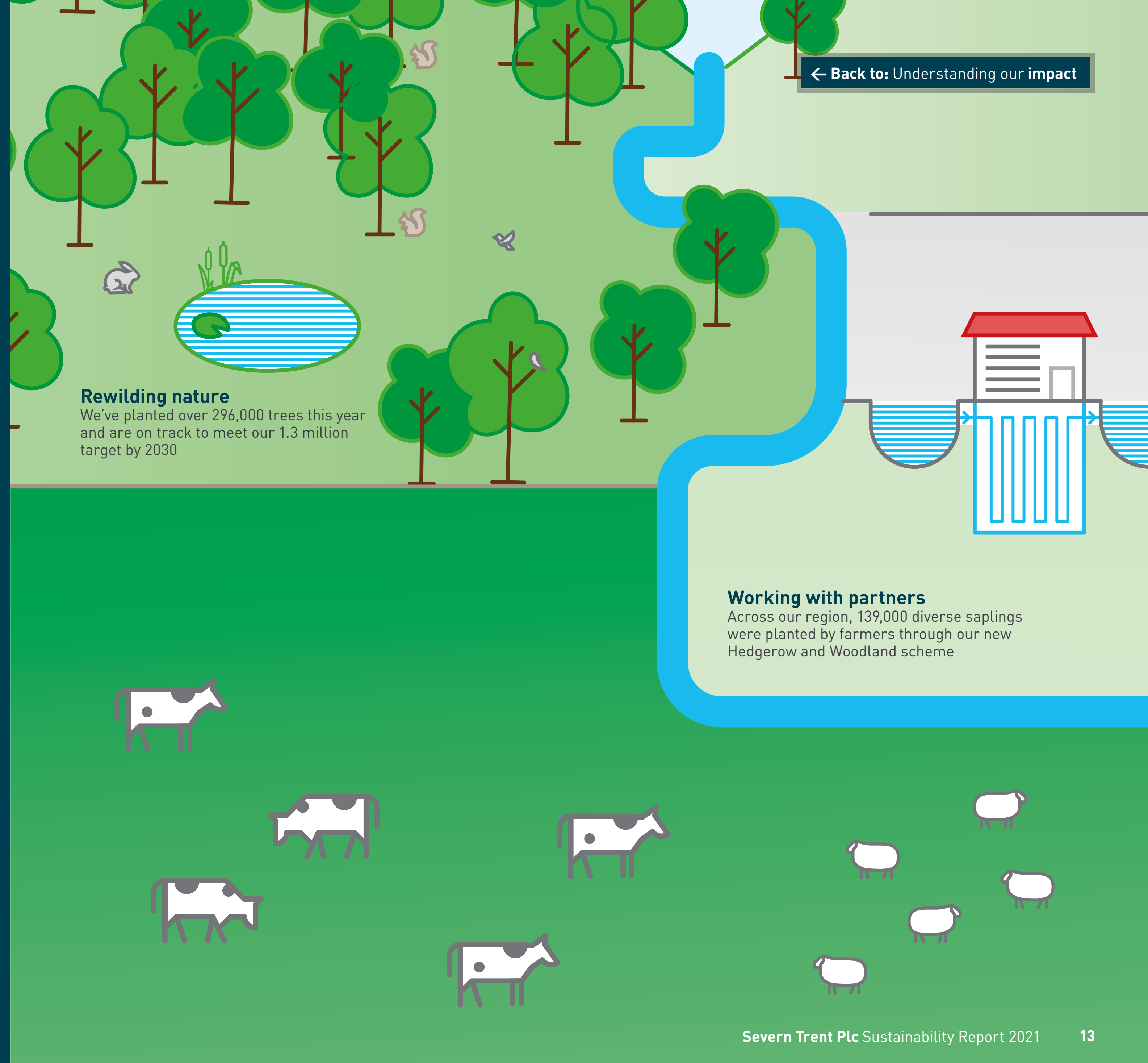
[→ Click to read more](#)

2,632

hectares of land improved this year

53%

of our 2027 biodiversity target achieved in year one



Rewilding nature

We've planted over 296,000 trees this year and are on track to meet our 1.3 million target by 2030

Working with partners

Across our region, 139,000 diverse saplings were planted by farmers through our new Hedgerow and Woodland scheme

Our most material issues

Because of the nature of our business, sustainability is a key topic of conversation with many stakeholders. Last year, for our first Sustainability Report, we used our stakeholder engagement process to identify important ESG topics, which we focused on in our report. This year, we've evolved our approach to understanding our most important issues. We reviewed our issues through an impact lens, focusing on the most significant influences we have on the economy, the environment, and people. We then identified the top-scoring issues of this process as the most material topics for this year's report.

Stakeholders inform our approach

We have also examined the results of our stakeholder engagement throughout the year as an important input into identifying and prioritising our most material issues. We use our analysis to help determine what information we should include in our Sustainability Report.

Customers

Investors

Suppliers

Regulators, Government and NGOs

Colleagues

Communities

Our most material issues

Carbon and climate change
How do we reduce carbon emissions while keeping our systems strong and resilient?

Water resources for the future
How do we ensure we all value our most precious resource?

Skills and employment
How do we establish the skills needed for the future of our business and support the wider creation of jobs?

Enhancing nature
How do we protect and nurture the ecosystem that protects and nurtures us?

Supporting vulnerable customers
How do we help our communities eradicate water poverty, and provide the support they need?

How we prioritise

This Report is guided by the Global Reporting Initiative's ('GRI') approach to materiality. We aim to refine and strengthen this process in the future.

1

Identifying and curating our issues
We monitored issues of importance through our regular stakeholder engagement, internal data, and media monitoring. In addition, we identified potentially material issues by assessing topics from relevant sustainability frameworks such as the GRI and Sustainability Accounting Standards Board ('SASB'), sustainability megatrends as identified by the UN Sustainable Development Goals, Severn Trent's Sustainability Framework and priorities, and through direction by our external agency. We organised issues by topic and sub-topics.

2

Scoring for likelihood and impact
Guided by the GRI's approach to prioritising impacts based on severity and likelihood, we scored each sub-topic on two scales: the likelihood of a positive or negative impact, and the scale of that impact. Each received a score from 1 to 5, reflecting our existing Enterprise Risk Management process. Each topic received a score totalling the scores of all its individual sub-topics.

3

Ranking and prioritisation
We organised topics by aggregated score, and our internal working groups reviewed and validated the entire process and rank. Executive members of these groups included the Directors of Strategy and Regulation, General Counsel and Company Secretary and Customer Operations as well as senior managers across our business.



Customers



Our customers are at the heart of our business. Our business plan is built on understanding and meeting their needs.

32,000

customers engaged with our business plan



Investors



We see our investors as partners in moving our sustainability agenda forward. We want them to be proud to invest in us, whilst still receiving an attractive return.

64%

of our shareholder register have been engaged this year



Suppliers



Along with our employees, our suppliers support us in providing for our customers, and we recognise suppliers are key to achieving our ambitious sustainability commitments.

1,000+

suppliers have signed up to our Supply Chain Sustainability Charter



Regulators, Government and NGOs



We engage constructively with English and Welsh Governments, our regulators (Ofwat, DWI, EA, Natural England and Natural Resources Wales) and customer groups such as Consumer Council for Water to ensure the right outcomes for customers.

7

regulatory bodies who engage with our board and management across the year



Colleagues



Our experienced, diverse and dedicated workforce is key to achieving our ambitions and our purpose.

8.3

out of 10 engagement score puts us in the top 5% of global utility companies



Communities



Our aim is to be a force for good in the communities we serve and, in doing so, create value for all our stakeholders.

95%

of our colleagues live in our communities, giving us a uniquely strong connection to our region

HOW DO WE
REDUCE CARBON
WHILE KEEPING
OUR SYSTEMS
STRONG AND
RESILIENT?



Net zero

operational emissions
by 2030

100%

renewable energy
by 2030

100%

electric vehicles by 2030,
where available in the market

Moving and treating water is an energy-intensive process that results in greenhouse gas emissions, which contribute to climate change. If we're to limit the dire potential of climate change, acting now is urgent and critical.

We're working on it

We've made our Triple Carbon Pledge – net zero operational carbon emissions, 100% renewable energy and 100% electric vehicles (where available in the market) by 2030 – as part of the combined UK water sector's net zero 2030 road map. This gives us and the rest of the sector a shared goal. We've also committed to meet science-based emissions reduction targets which include working with our suppliers to measure and reduce emissions all along the value chain. We now self-generate the equivalent of 53% of the electricity Severn Trent Water uses, and procure all our imported electricity from renewable-backed sources. We're also working in innovation partnerships, and with the rest of the water industry – at home and abroad – to find better ways to avoid process emissions while treating waste water and sludge.



The challenges ahead

We have to assess trade-offs between reducing emissions and the other environmental and societal consequences this may cause or hinder – it's a question of balance. In time, emissions from our treatment processes will become a greater proportion of our footprint, as we reduce emissions from our energy use. We're not alone: we need collaboration and action from our whole sector, governments and other industries. It's a big challenge and one most people agree on.

[Go back to Our most material issues](#)

“The pursuit of low-carbon outcomes, combined with the recovery of the natural environment, set a powerful example of the kind of integrated solutions we need to adopt in rising to the twin challenges of global heating and nature decline.”

Tony Juniper
Chair of Natural England

“The natural focus on economic activity and quick wins has meant an effective decarbonisation of energy, while other, trickier areas of emissions have received less focus. The new, ambitious targets for 2030 give the impetus to tackle those areas and shine a light on the sources of emissions across the sector's supply chains, which will require joint action even beyond 2030.”

Howard Perry
Severn Trent Energy Manager

HOW DO WE ENSURE WE ALL VALUE OUR MOST PRECIOUS RESOURCE?



In the UK, hotter summers and what were previously once-in-a-lifetime heatwaves have become more common, and are predicted to continue. This is seriously increasing demand for water, especially during those hot periods, whether for agricultural, industrial or household use. Water stress – meaning insufficient resources for society’s needs – is on the horizon if we don’t act. Yet surely access to clean, drinkable water is a basic human right?

It’s our business to provide that clean water. We work with the natural cycles to abstract the water people need, at the right time, from the right place. We need to ensure we do so at sustainable levels, and that’s key to our strategy. It means finding a balance – protecting levels of stored water and reducing what we abstract from certain areas. We also collect the waste water, clean it and return it to our rivers, keeping the cycle going.

We can’t do it alone

Yes, it’s our job, but we’re all in this together. We work with farmers and landowners, with communities and customers across all generations, to increase efficiency, reduce pollution, and enhance the quality of water in our catchment area. With their help, we manage catchments to ensure our supply is clean, we are investing in systems that reduce leaks, and we treat effluents so that what goes back into our rivers is as clean as possible. And we also

need our customers to play their part, which is why we’re working hard to help them reduce unnecessary consumption.

We also work with other UK water companies and governments, in regional and national planning to try to balance water demand and supply across catchments and between companies. We’re also helping with development of legislation that supports mandatory water labelling and minimum standards for building regulations.

The challenges ahead

Across the UK, climate change projections are for more frequent, more severe, more widespread, and longer-lasting droughts. Not only will that increase the need for agricultural irrigation, but by 2050 the UK is projected to be home to an extra 12 million people – all increasing demand on what could very well be a diminishing water supply. This could contribute to UK water shortages. This is why we are working on long-term plans within our area, and with partners regionally and nationally through Water Resource Regional Planning, to balance supply and demand needs. This planning takes into account population growth, the needs of commercial users, the needs of the environment, and the potential impacts of climate change.

Go back to Our most material issues

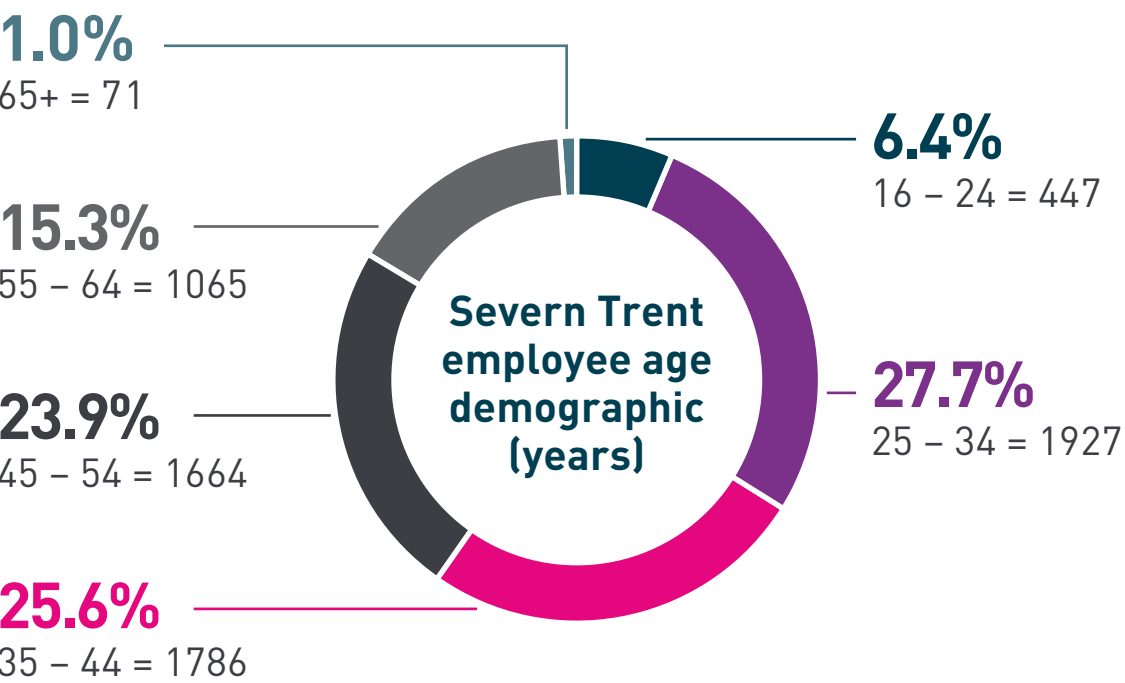
Climate change and population growth mean that if we don’t take action now, in around 25 years water demand will exceed availability in many areas. But before we reach that point, the first thing to suffer is the natural environment, and we are already seeing this happen. Turning this around will require a society-wide effort. Water companies, Government, the Environment Agency, farmers and individuals have roles to play.

Emma Howard Boyd
Chair of the Environment Agency

The past year has taught us that there are many things we cannot take for granted, and that includes water. It’s easy to forget that every aspect of our lives depends on water, and we all have a role to play to protect this vital resource to ensure that there’s plenty of wonderful water for everyone to enjoy for generations to come.

Doug Clarke
Water Resources Manager

HOW DO WE
ESTABLISH THE
SKILLS NEEDED
FOR THE FUTURE
OF OUR BUSINESS,
AND SUPPORT THE
WIDER CREATION
OF JOBS?



Only 10% of the UK water-sector workforce is under 24, while we expect 16% of the industry’s current skilled workforce to retire within a decade.

We need to ensure we can always stay ahead of these industry issues, even though our current position is strong. We also need to address imbalances within our workforce, to ensure our talents are representative of our community. Without skilled people or a workforce in tune with the customers we serve, we cannot hope to succeed in our purpose – nor address the challenges ahead of us caused by the volatility that climate change.

Here’s our take on it

Now, more than ever, the role of employers is key to ensuring the future opportunities of young people and, in turn, the economic prosperity of their communities. Doing this is very much at the heart of how we run our business. So we’ve been focusing on creating work experience and job opportunities that can change the lives of young people across our region. We also recognise the business benefits and the basic moral duty of creating a workforce representative of our community – an ambition of ours.

We can do our bit, but we recognise that building relationships and working with others is the way to confront the issue at a societal level. That’s why we’re delighted to be supporting the Government’s Kickstart Scheme, the #10000 Black Interns programme and building stronger relationships with schools and colleges, and working to offer careers guidance to our communities. In addition, our Green Recovery investments will directly create around 2,500 jobs in the Midlands at a time when employment, and getting people back into work, is vital for our region.

The challenges ahead

Can we help improve the skills of our sector in line with the transition to a green economy? While we must take advantage of advances in technology, can we manage the effect of this on job roles? Are we prepared for the consequences of a retirement boom? Is our workplace an inclusive one that will help us recruit effectively? These are the questions we are addressing now, so we can answer in the coming years.

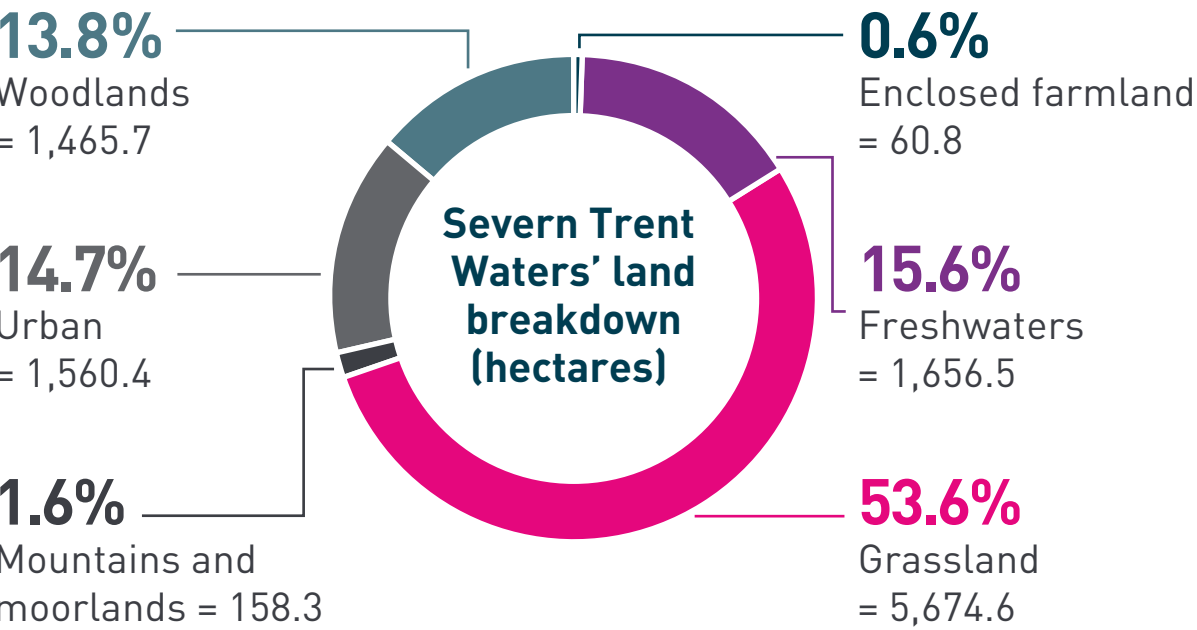
There is a shortage at every level. I think it’s the biggest risk to delivery of new infrastructure. The skills shortage is across the board, but it depends on the technologies. There is an ageing professional workforce and we need to increase the number of young people coming into the industry.

David Rooke
Executive Director
of Flood and Coastal
Risk Management

We have a responsibility as a large employer to provide great careers, give back to our communities and play a leading role in skills regeneration. We have launched the Academy with this passion at the heart of our ambition.

Sarah Harris
Head of Academy

HOW DO WE
PROTECT AND
NURTURE
THE ECOSYSTEM
THAT PROTECTS
AND NURTURES
US?



Nature plays an important role in how we manage our resources – when we look after nature, we look after water. Strong biodiverse ecosystems are the basis for our food and water supply chains. Yet biodiversity loss is accelerating across the world at an unprecedented rate, with the extinction of species and destruction of natural habitats.

For us, the environment is vital to our supply of water, an essential partner to our reservoirs, treatment works and pipelines that capture, hold, clean and carry our water. Without nature, we couldn't do our job. A flourishing environment plays an important role in helping us work more effectively and efficiently.

There's plenty we are doing...
We have a rounded natural environment and biodiversity strategy. We've commissioned NGOs to carry out biodiversity audits on over 60 of our sites and are getting on with the recommendations. For land beyond our boundaries, we're liaising with many partner organisations through our Great Big Nature Boost. We're working with farmers and other landowners to make natural solutions integral to catchment management, both rural and urban. We're also involving community groups and schools through our grants for biodiversity projects.

...and plenty more we can do
To support our aspirations, we've expanded our ecology team and set up a working group to consider natural capital in different forms across the business. Natural capital assessment is central to certain incentives and is part of our regulatory Water Resources Management Plan (WRMP24).

The challenges ahead
A legacy of farming, building and industry has degraded the UK's natural environment heavily over centuries. As agriculture is a cause of biodiversity loss, our partnerships with farmers are vital. At present, nature-based solutions (the use of nature to provide environmental, social and economic benefits) are used only where it makes short-term economic sense – something that needs to change. In addition, the public are concerned about river water quality, something we need to work on alongside many other stakeholders. Emerging regulations (WRMP24 and others) set expectations for companies to plan for net environmental gain, incorporating natural capital valuations into their decisions, but definitions and methods are yet to be agreed. We're working on it.

[Go back to Our most material issues](#)



Zara Frankton pictured on the left

Enhancing biodiversity helps build resilience in our natural ecosystems, boosting the health and quantity of several areas including woods, soils, rivers and wetlands... These enhancements will improve water quality and therefore make the vital resource more sustainable.

Zara Frankton
Severn Trent Senior Catchment Management Scientist

To restore stability to our planet, we must restore its biodiversity, the very thing that we've removed. It's the only way out of this crisis we've created – we must rewild the world.

Sir David Attenborough
A Life on our Planet, September 2020

HOW DO WE
HELP OUR
COMMUNITIES
ERADICATE WATER
POVERTY,
AND PROVIDE
THE SUPPORT
THEY NEED?



9%

of our customers find water bills unaffordable

10%-90%

reduction on our average bill through our Big Difference Scheme

Water is essential to life. No one should have to worry about struggling to afford it. Yet over a million households across England and Wales spend more than 5% of their disposable income on water bills – the threshold for what is known as water poverty. And that was before the devastating economic effects of COVID-19.

Our customers certainly believe water should be affordable for all, and we share that belief. What’s more, we’re their provider of this essential public service. And while some factors that affect affordability are not within our control – like the wider economy – some we can try to influence, and others we can change.

Here’s what we’re doing

Our approach – we call it ‘6 Levers’ – works in six different ways to help our vulnerable customers deal with water poverty:

- Providing financial support for customers who are struggling or just about managing, through our Big Difference scheme and social tariffs that can reduce up to 90% of our charge.
- Working with our customers to help them understand their bill and what they are paying for, and feel they are getting value.
- Making it easier for customers to pay, for example through budgeting schemes that work with their benefits payments.

- Providing tips and guidance to help customers to reduce their usage.
- Optimising costs, so we offer some of the lowest bills in England and Wales.
- Ensuring our bills are fair.

This year we’ve also been supporting our communities through our COVID-19 Emergency Fund, while targeting our Green Recovery proposals on relatively deprived areas. We also work closely with local authorities – such as our scheme in Coventry to provide financial support to care leavers, or in Leicester to help provide financial assistance through the Government’s Covid Winter Support Fund.

The challenges ahead

The lingering economic impacts of Covid mean many more customers are likely to need support in the coming years. Citizens Advice has estimated that six million UK adults have fallen behind on at least one household bill during the pandemic, and half of these have fallen behind on water bills. We’ll have to establish whether our social tariff schemes meet the potential short-term and long-term needs of the newly ‘water-poor’.

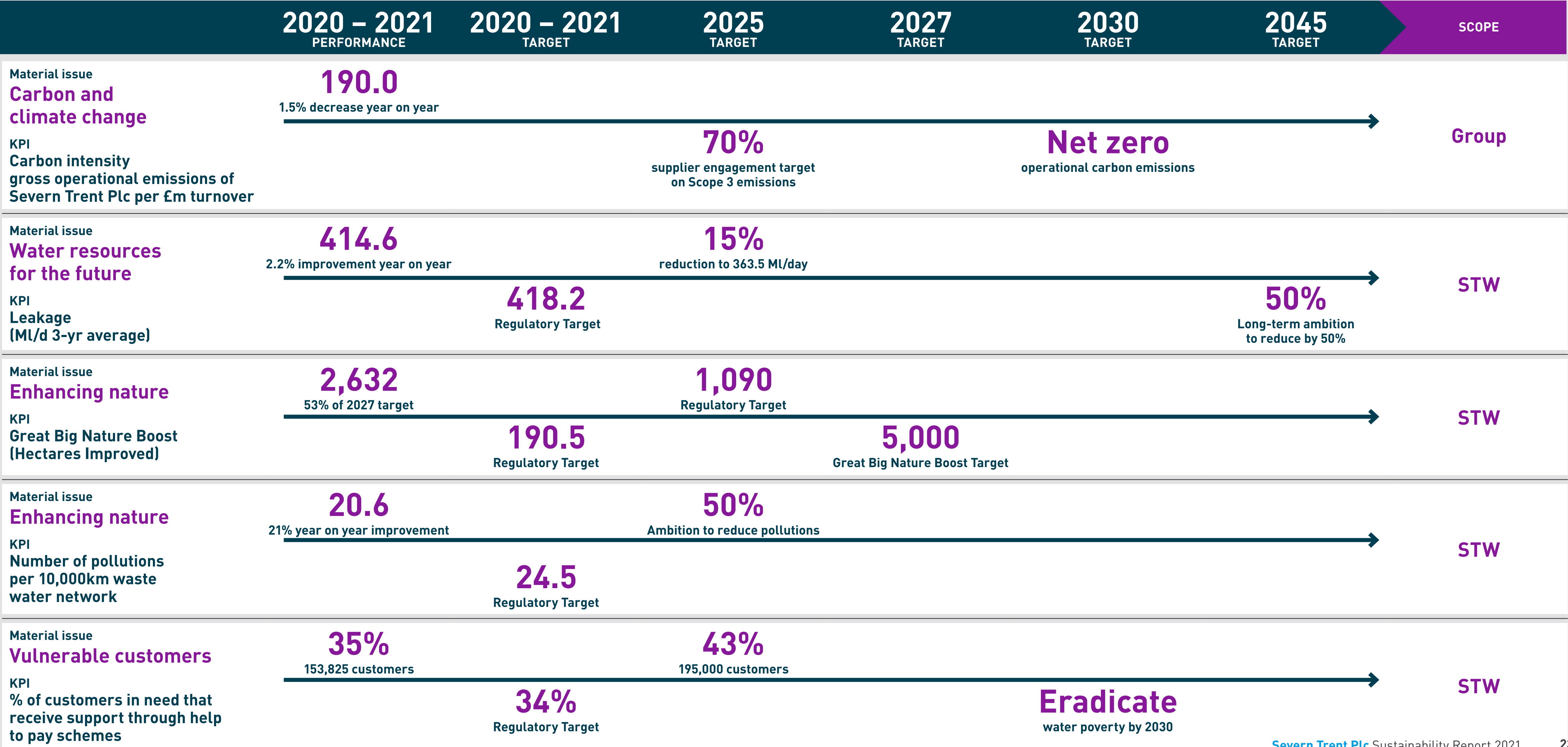
“ We know from our research that some customers continue to pay for their water and sewerage services even when they can only afford to do this by sacrificing other necessities such as heating, clothing and food.

The Consumer Council
for Water Affordability Review

“ We know these are challenging times for our customers. Our own customer research tells us that 9% of them find water bills unaffordable, which is why we offer a range of schemes and services offering help to people who are struggling. Through these schemes, we can lower a customer’s bill to a more affordable level. It’s as important as ever that we look out for customers and let them know about the help we have available.

Mark Grice
Severn Trent External
Relationships Manager

Sustainability Key metrics





LOOKING AFTER THE WORLD AROUND US – BUILDING BACK GREENER

Throughout the water cycle, we depend on the health of the natural environment. Protecting it and investing in it brings **benefits for everyone.**

What's in this section?

- Overview →
- Our priorities →
- Ensuring a sustainable water cycle →
- Enhancing our natural environment →
- Making the most of our resources →
- Mitigating climate change →

Looking after the world around us Overview

A sustainable water cycle – taking less water from the environment and making sure we return only clean water to our rivers.

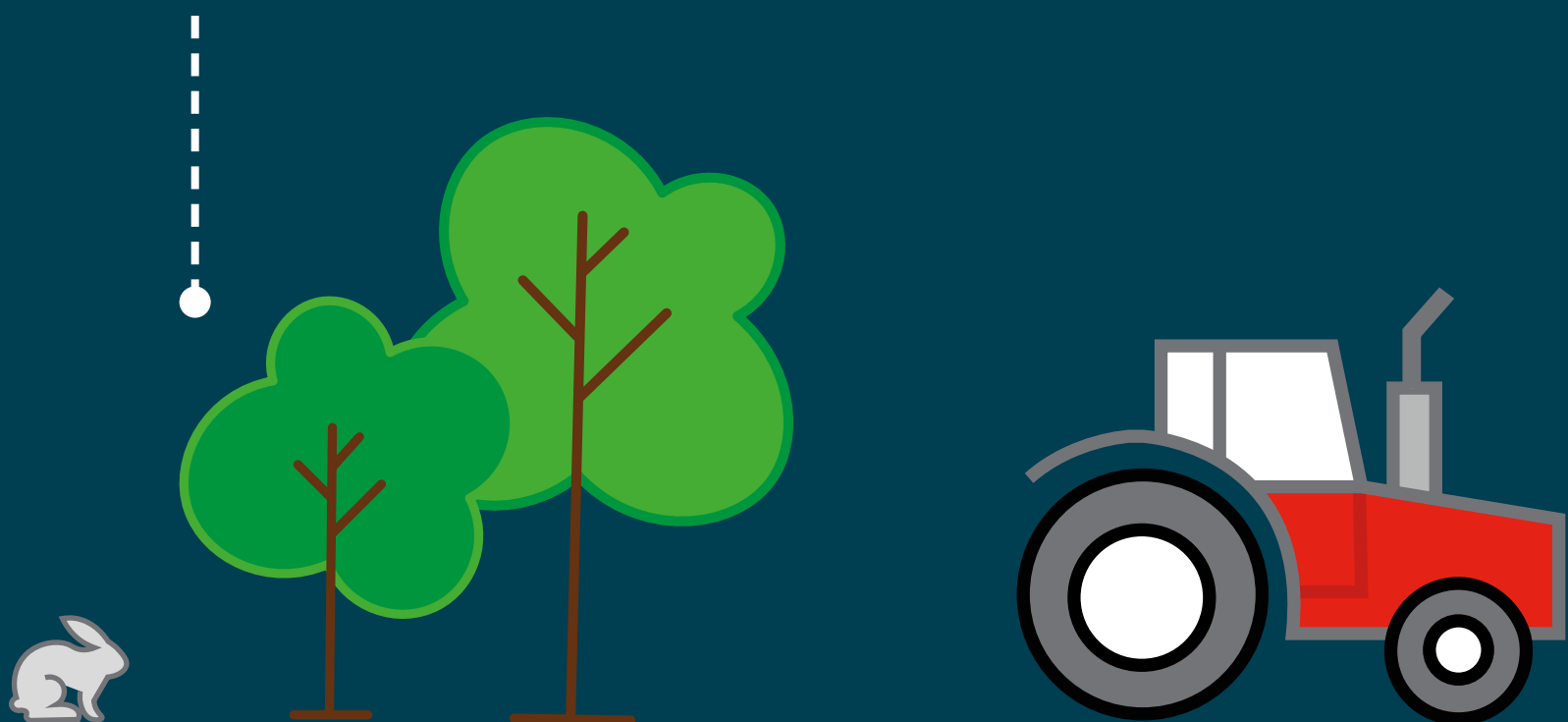
Enhancing our natural environment – improving nature recovery on our own land, boosting nature beyond our boundaries, and making nature part of our catchment management.

Making the most of our resources – where others see waste, we see opportunity, so we look to turn waste into resources.

Mitigating climate change – announcing our Triple Carbon Pledge of: net-zero operational carbon emissions, 100% renewable energy and 100% electric vehicles by 2030 where available.

Improved

the biodiversity of 2,632 hectares of land



ON TRACK

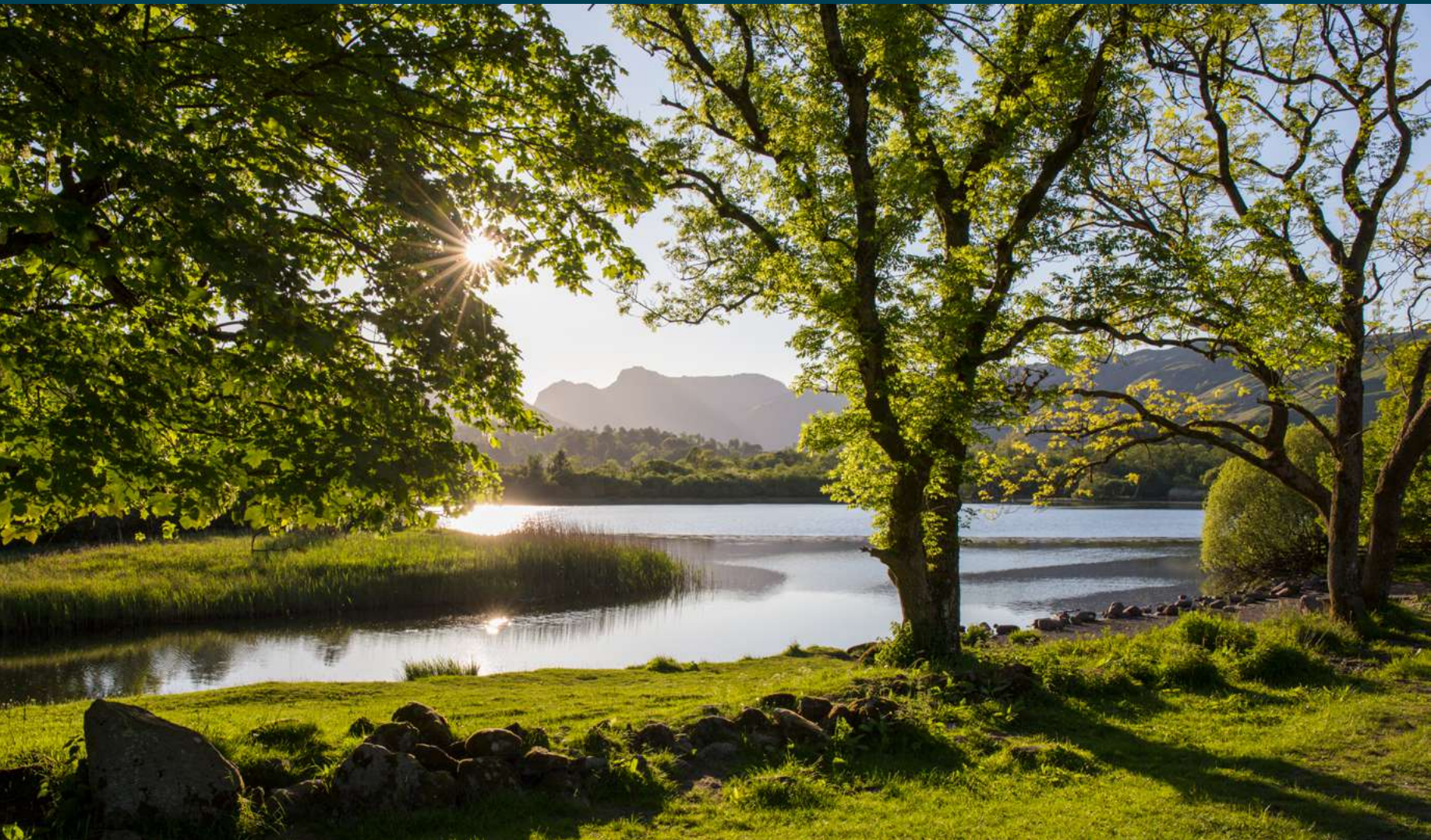
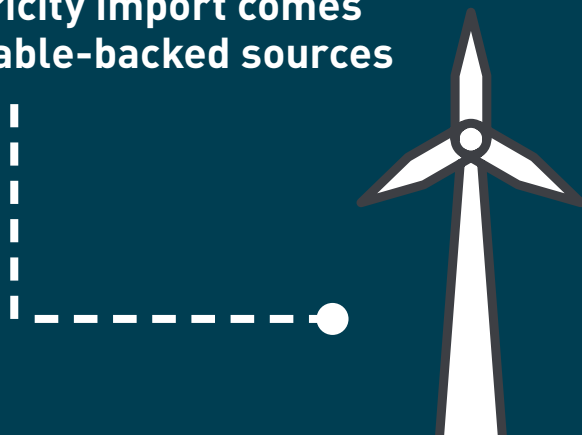
to meet our ambition to reduce pollution by 50% by 2025

ACHIEVED

our leakage reduction target for nine out of the last ten years

100%

of our electricity import comes from renewable-backed sources



129

specialist conservation partners working with us to boost nature



319 GWh

of electricity generated from waste – enough to power c.90,000 homes for a year



Looking after the world around us Our priorities



A sustainable water cycle

Our role is to abstract the water people need, when they need it, and from the right places, in sustainable quantities. And after households and businesses have used it, we clean it and return it to our rivers, maintaining a sustainable water cycle. To ensure we're fit for the future, we're building capacity and resilience into our systems, looking to achieve the following:

- Reduce the amount of water used. By focusing on water efficiency and reducing leaks, we conserve precious water resources, ensure we protect river ecosystems and biodiversity, and reduce the volume of water we need to treat and pump across our network.
- Take less water from the environment. We manage our abstraction (pumping water from rivers and aquifers) to ensure it is sustainable. We are reducing abstraction where it is having an adverse impact, and working to make better use of our most sustainable sources.
- Make sure we return only clean water to our rivers. We measure the quality of treated water effluent, but face a key challenge in the form of pollutions. These are mostly a result of sewage escaping before it is properly treated.

Enhancing our natural environment

Without nature, we couldn't take care of one of life's essentials. A flourishing environment plays an important role in the health of our business – a vital partner to our reservoirs, treatment works and underground pipeline network. When we look after nature, we look after water. Our priorities for enhancing the natural environment include the following:

- Nature recovery on our own land. Our estate is the natural place for us to start, and at the heart of our contribution to nature recovery. We work to understand the land we have, care for designated sites, and integrate our biodiversity aims in our land-management activities.
- Boosting nature beyond our boundaries. We're embarking on one of the biggest nature projects in the UK in The Great Big Nature Boost. And because no one organisation can solve all that needs solving, we are working closely with NGO partnerships.
- Making nature part of catchment management. For every £1 we spend on reducing agricultural run-off, we think we can avoid between £2 and £20 of treatment costs and generate £4 of wider environmental benefits. Our Farming for Water programme works directly with farmers on this and on-farm biodiversity.

Making the most of our resources

There's a whole new world out there if we can just think about waste as a valuable resource in the wrong place, rather than something to throw away. Adopting a circular economy approach in all areas of our business means engineering for efficiency, designing out wastage, and fostering the skills and knowledge we need to succeed in this.

If we can use fewer resources and reduce the impact of their extraction on nature and biodiversity, we can save money, reduce waste and lower our greenhouse gas emissions. Where others see waste, we see opportunity. Our priorities for making our resources circular include:

- Turning waste into resources. We're a leader in converting sewage to energy and we apply this expertise to food waste too. We're also extracting valuable resources from waste and creating new products.
- Making our material use circular. By applying circular economy principles, we can use less, source responsibly, repair and extend product life where possible, and then recover and regenerate.

Mitigating climate change

We are at a key point in the fight against climate change, and what we all do over the next ten years will be critical in trying to limit global warming to 1.5 degrees. Which is why, in 2019, we announced our Triple Carbon Pledge of: net-zero operational carbon emissions, 100% renewable energy and 100% electric vehicles by 2030 (where available).

Our work builds on the collaborative industry-wide 2030 route map to net-zero, published through Water UK in November 2020, which provides a framework for the entire sector to strive for ambitious decarbonisation goals. Here's how we plan to do our bit:

- Cutting our direct emissions. These emissions come from our vehicle fleet, our on-site fossil fuel use and, most significantly, the waste-water treatment process.
- Improving our energy efficiency and boosting renewable energy supply.
- Reducing Scope 3 emissions. Understanding our supply chain and the materials we use in more detail to work together to reduce the size of our carbon impact.



Taking care of the environment



Ensuring a sustainable water cycle

Secure water sources in the long-term – through catchment management, demand reduction and climate change adaptation – so that we can deliver our services for future generations.



Enhancing our natural environment

Protect and enhance nature at each stage of the water cycle by improving biodiversity and stopping pollution, benefiting nature, local communities and our business.



Making the most of our resources

Generate renewable energy and other useful resources from our waste, and aim for zero waste to landfill through our business activities.



Mitigating climate change

Play our part in reducing global carbon emissions in line with the Paris Agreement, aiming for net zero carbon and supporting the UK's energy transition.

Linked SDGs



Looking after the world around us Ensuring a sustainable water cycle

[Read more online](#)

Here are some of the things we’re doing to abstract the water people need, when they need it – and from the right places – before cleaning it and returning it to our rivers, so maintaining a sustainable water cycle.

World Water Innovation Fund



Through the World Water Innovation Fund (‘WWIF’), we work with 12 partners globally to explore new technologies and best practice in preserving water resources. The scheme has seven live trials, with many more planned.

Water efficiency

We will continue to expand a number of successful schemes within our water efficiency programme up to 2025. These include: our schools education programme, which explains the value of water and responsible sewer use; helping customers repair internal plumbing leaks and providing water-efficiency advice through home visits; installing over 410,000 water meters, helping household customers reduce their consumption by approximately 10%; offering free and subsidised water-saving devices to customers; and finally, help for businesses, especially farmers, in recycling their grey water and building water resilience. We’ve already saved about c.25 million litres a day between 2015 and 2020, and we’re aiming to reduce each household’s consumption per head consumption by a further 3.5% by 2025. By 2030, we hope the majority of our customers will have a water meter, so they can be more active in understanding their water use.

This year, the home efficiency programme described above had been impacted by lockdown restrictions. We carried out just under 12,000 virtual and physical home water efficiency checks. We also moved to focusing based on customer meter alarms. Compared to a non-targeted approach, these have saved an average of 1.6 to 2.6 times the amount of water per audit.

Researching water-efficiency incentives for business customers

Since the opening of the business water retail market in England in April 2017, around 1.2 million business customers have been able to choose their water services retailer. This is known as the Non-Household (‘NHH’) market, and Severn Trent acts as the wholesaler to the retailers. However, as the retailers are paid by volume, there is a lack of incentive for them to ask their customers to reduce water consumption.

Following the hot, dry weather and first lock-down in spring 2020 we asked for ideas from retailers for how an incentive scheme might work. We will now test three approaches alongside each other from 1 May to 31 August 2021, as this is usually when we see the highest demand. We’ll be testing in geographical locations we know have more pressure on water resources.

Reducing water consumption



To protect water sources for the future, we help customers use less water and so reduce the amount we need to supply. We aim to reduce the water each household customer uses (per capita consumption) by 3.5%, to 124.55 litres per person per day by 2025. Our long-term ambition is to reduce this to 118 litres per person per day by 2045.

However, in 2020/21 almost every water company in the UK (and across Europe) has reported an increase in household water consumption – reflecting how the COVID-19 pandemic has increased concerns about hygiene, forced many into home-working and schooling, and placed more importance on gardens. To meet our commitments and ambitions, we’re focusing on three areas:

- 1. Changing customers’ behaviour** – Our research shows customers significantly underestimate consumption, so we need to help them understand the value of water and how much they actually use. We’ll develop campaigns for different customer groups, showing how they can reduce their consumption.
- 2. Reducing leaks** – Our metering installation programme is well underway to show customers how much water they use and also provide us with the data we need to help find leaks more efficiently.
- 3. Legislative and wider industry change** – We’re working with the Government and other stakeholders to change the way we all value water. We also advocate for mandatory water labelling and minimum standards for building and water-fitting regulations.

Our customers’ views



Our customers expect water to flow from their taps regardless of the challenges we face, such as population growth, climate change, or increased demand.

To understand the sharp increase in demand during the hot weather (and COVID-19 restrictions) in May and June 2020, we took the views of 2,000 customers. Gardening and recreational activities accounted for much of the increase. However, we discovered our hot weather communications were fairly effective, with a third of people recalling the messages and half of those reducing consumption. We also discovered that helping the environment, avoiding shortages or a hosepipe ban, and saving money, are all messages customers would respond to.

Looking after the world around us Ensuring a sustainable water cycle continued

Reducing leaks

When water leaks from pipes before it reaches our customers, not only is it wasted, but so is the energy we used to treat it and move it around. It also affects our reputation with our customers, who consider it a key issue, so we aim to reduce leakage as much as possible. We also have a commitment with the rest of the UK water sector to triple the rate of leakage reduction by 2030.

We've achieved our leakage target for nine of the past ten years, and have now set goals to reduce it by 15% by 2025, and 50% by 2045. We'll do this by finding and fixing leaks earlier and faster, ideally before they begin to cause a problem. We've invested in our teams of water-network technicians, and equipped them with 40,000 loggers. These trigger an alarm remotely for us to investigate, which is much faster than being physically on the network detecting leaks.

Adapting capacity to climate change

The Interconnector – balancing water needs across the country



We increasingly need to move water from where it's most plentiful to where it's most needed, including between different water companies. For example, not only is South-east England drier than the North-west, but it has more people and therefore greater water demand. By the mid-2030s, it could be short of around 1,300 million litres a day – or six million people's average consumption. So we're investigating ways of transferring water across the country when it's needed, through an interconnector – a series of pipes, rivers and canals.

Removing less water from the environment

We aim to address the legacy of unsustainable sources of water abstraction that, in some cases, date back over 50 years. We are investing to reduce abstraction from sources shown to have an adverse impact on our rivers and aquifers, and replace them with more sustainable sources of supply. We also consider the long-term impacts of our abstractions, and work to prevent ongoing deterioration of the environment.

Where the environmental effects of our abstractions are uncertain, we will work with partners on improvements and protection measures in the wider catchment, to mitigate their effects. We are working with partners on mitigation measures at eleven sites, collaborating with the Department for Environment, Food and Rural Affairs ('Defra') in two others, while reducing abstraction from unsustainable sources by up to 39ML/d by 2030. In areas where abstraction could cause a deterioration of a water body's Water Framework Directive status, we work to develop sustainable solutions, whether that's addressing matters at that location, or using alternative sources of water.

Reducing pollution

Pollution incidents are an ongoing problem, generally caused by heavy rainfall, asset failure or blockages. The UK's ageing combined sewage infrastructure mixes rainwater and road run-off with waste from properties, all running in the same pipe network to sewage treatment works. During heavy rainfall there's a risk of sewage from these pipes flooding homes, roads or open spaces, so we use storm overflows to discharge excess dilute waste water into watercourses.

We are looking into how technological improvements could facilitate near real-time, public reporting of when sewer overflows are operating. In addition, we continue to work to educate customers on what can cause blockages. As well as these remedies, we work across the landscape to slow the flow of water during heavy rainfall, and create increased sewer and storage capacity. But we are also decreasing run-off rates by planting trees and restoring habitats, and in urban areas, working with local councils to install infrastructure like rain gardens, drainage ponds and permeable paving. We have seen promising results from our trials of low-cost sewer monitoring and digital technology, enabling us to respond to incidents before they cause an environmental issue. We are now finalising plans to install a total of 40,000 sensors by 2025, to monitor our network around high-risk areas.

Since 2011, we have reduced total pollutions by a 57% and serious pollutions by over 93%. However, we want to do more, and so we're aiming to halve the number of pollutions over the next five years, and longer term, to reduce them to zero across our entire

92,000km network of sewers. In 2020, we saw a further year-on-year reduction of the total number of pollutions, with waste-water pollutions the lowest number of incidents ever. We are one of only a handful of companies to regularly achieve the Environment Agency's 4* EPA accolade, which covers a range of environmental measures. We're now aiming to add to the 1,600km of rivers protected between 2015 and 2020, by enhancing the quality of a further 2,100km by 2025, over 50% of our rivers in total.

Nature-based solutions

These involve creating new or restored habitats to address practical environmental problems such as flooding or pollution, as an alternative to traditional hard-engineering infrastructure. Of course, the landscapes in our catchments are an invisible infrastructure, absorbing, capturing, and filtering our water, especially around reservoirs. So in effect, we've been working with nature-based solutions by default for generations. But in recent years we've been pioneering their use as a cost-effective alternative to concrete engineering systems, and one that brings a wide range of other public benefits, too.

We expect nature-based solutions and catchment management will feature prominently both in the rural and urban environment of the future – with an expansion of created wetlands, sustainable urban drainage systems, and tree planting – all working to reduce flooding, filter water, capture carbon and enhance biodiversity.

Sustainable urban drainage systems

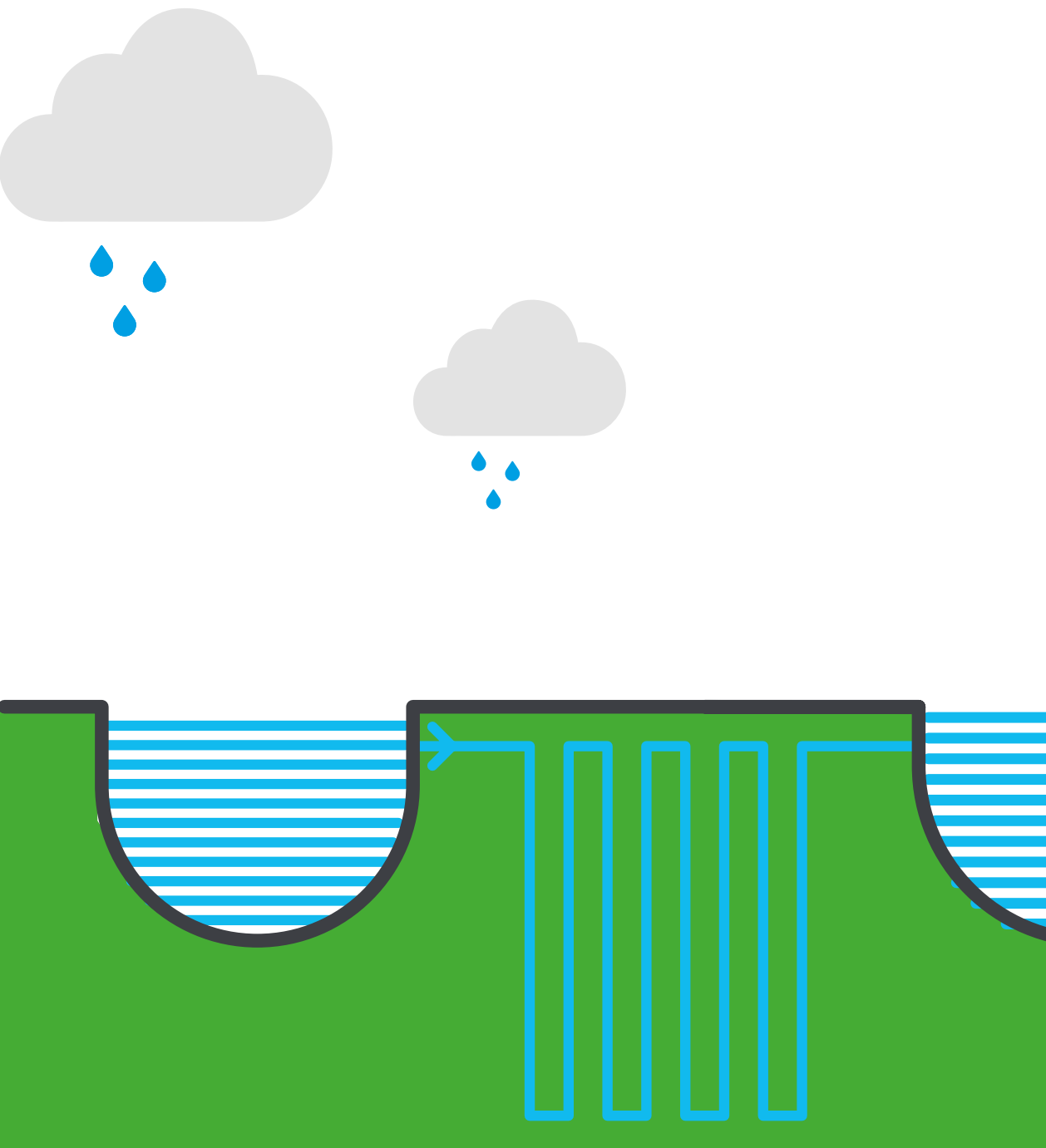
Known as SUDS, these offer a natural approach to managing drainage in and around properties by slowing and holding back the water that runs off a site. This helps reduce the risk of sewage systems being overwhelmed, or localised flash flooding. They also create green oases, improving the urban environment for both people and wildlife.

Catchment nutrient balancing

The main sources of Phosphorus in rivers are agricultural runoff and treated wastewater effluent. Phosphorus creates water-quality problems and removing it in our treatment works is expensive, needing both chemicals and energy. By working with farmers to install phosphate-reducing interventions like wetlands, hedgerows, and grass buffer strips at the edge of fields, and by encouraging regenerative agriculture approaches, we can reduce phosphate levels by 50% more than through traditional treatment technology.

- [Read more Severn Trent Water water management plans](#)
- [Read more Hafren Dyfrdwy water management plans](#)
- [Reducing pollutions – read more online](#)

[Read more online](#)





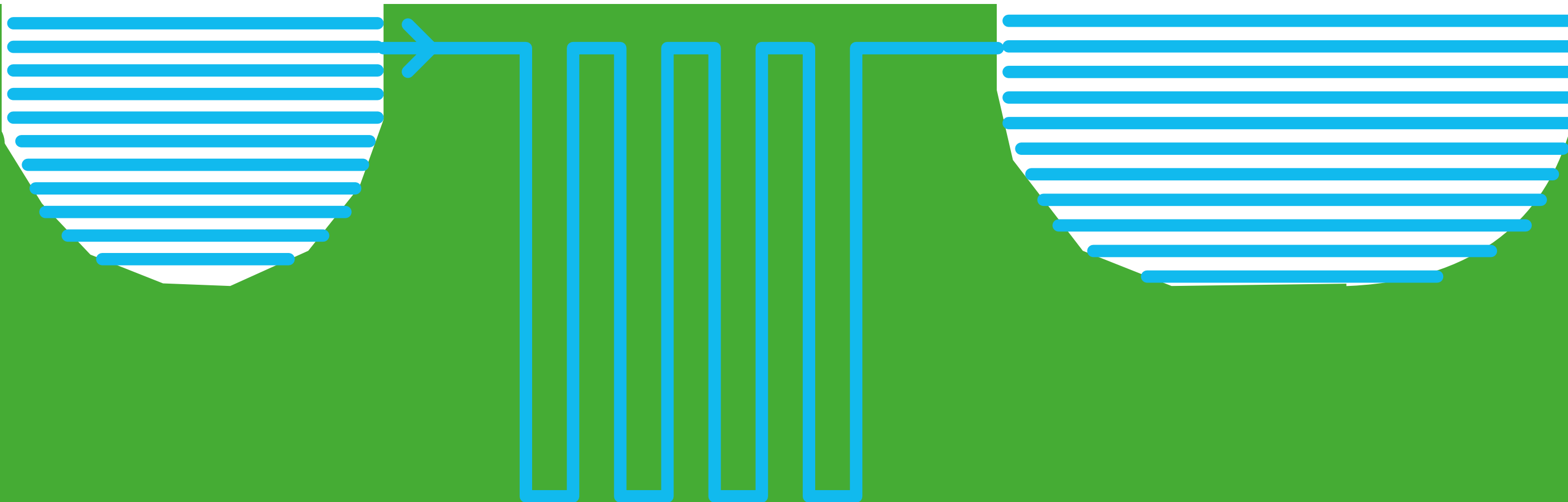
Adapting capacity to climate change



The climate is already changing, and will continue to do so over the coming decades. We will need to handle extreme weather as part of our normal business activities.

Our water resources strategy takes into account the potential long-term impacts of climate change, including their uncertainty. We've used climate modelling to inform these strategic and investment plans, assessing a wide range of potential climate scenarios and their impacts by 2045.

Because of the uncertainty, we are planning ambitious leakage and demand management measures that complement our longer-term plans to improve water supply reliability, and will create 68.5Ml/d of new supply capacity by 2025. We are constantly improving our efforts in pursuit of a sustainable water cycle, particularly in design and technological innovation, and in nature-based landscape initiatives that will slow the flow of flood water.



Looking after the world around us

Enhancing our natural environment

When we look after nature, we look after water. Here we expand on our priorities and programmes for enhancing the natural environment.



Understanding our land

Our estate – across Wales and England – covers a wide range of habitat types, from urban areas to woodland and grassland, tenanted farmland, forestry and peat moorland.

We joined forces with local Wildlife Trusts and Rivers Trusts to undertake biodiversity audits on over 60 of our sites, and we'll use these to develop site-specific biodiversity plans. Our land also includes Sites of Special Scientific Interest ('SSSIs'), covering over 6,400 hectares. We are committed to protecting and enhancing our SSSIs, as well as causing no harm to others in our region as a result of our operations. Therefore we're developing a designated-sites strategy that links to our ambitions in ensuring a sustainable water cycle and to our long-term asset strategy.

Alongside this, we are enhancing our measures to protect precious ancient woodland, to make sure no new project causes harm and that we undertake any essential activity in conjunction with the relevant Non-Governmental Organization ('NGO'), to limit impact.

The RSPB at Lake Vyrnwy



Lake Vyrnwy



The Lake Vyrnwy estate in Wales is one of our largest sites. It includes just under 10,000 hectares of open moorland, blanket bog, farmland and forest surrounding a 7.6km long reservoir that provides water for the people of Liverpool. We're working with United Utilities – which supplies the water to Liverpool – the RSPB, Natural Resources Wales and the local community, to develop an ideal model of sustainable water and land management. Our plan for 2,000 hectares of sustainable commercial forestry will also improve biodiversity, water quality and recreation facilities, all for the benefit of the local community, the rural economy, and the 200,000 visitors the area receives every year.

The Great Big Nature Boost

A greater, bigger biodiversity commitment

Between 2015 and 2020, we improved the biodiversity of 244 hectares of land. We've seen such good results from our work that we're embarking on one of the UK's larger nature projects, our Great Big Nature Boost ('GBNB'). Through this, by 2027 we aim to improve biodiversity across 5,000 hectares of land in our region.

Making an impact

As part of GBNB, we'll:

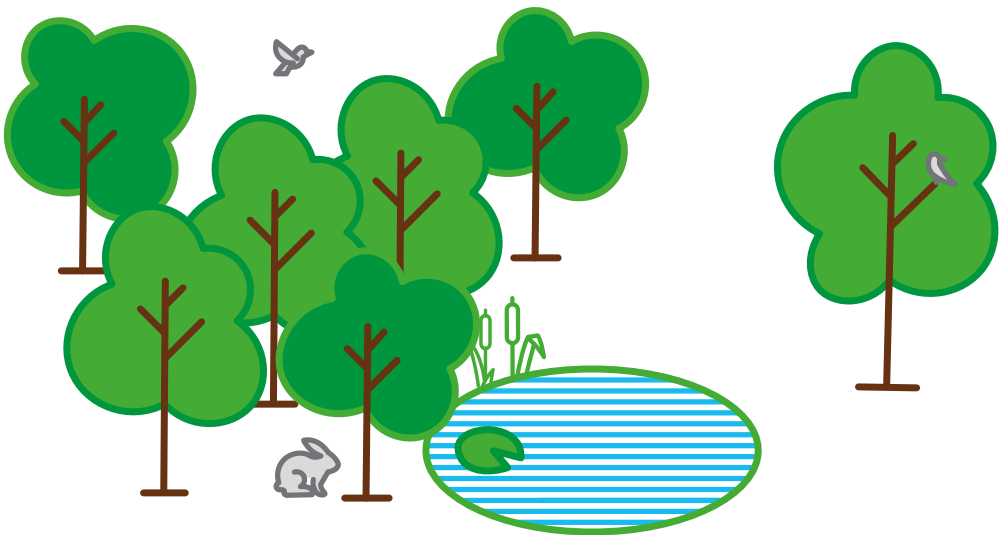
- plant over 1.3 million trees grown by UK nurseries, providing homes for our native wildlife, contributing to natural flood management and sequestering carbon;
- create wildflower meadows to encourage the insects and birds that are natural predators of pests – farmers then use less pesticide, reducing the risk of agricultural run-off into local rivers;
- restore moorland in the Upper Peak District, which provides an important habitat for some wonderful bird species – healthy moorland helps to make soil less prone to erosion and reduces the impact of flooding; and
- restore bog and peatland – healthy peat bogs trap and store millions of tonnes of carbon and absorb vast quantities of water, acting like big sponges.

Inspiring partners with our nature boost

We're working with specialist conservation partners like the RSPB and Wildlife Trusts – this year we worked with 129 different partners, with eight new ones already signed up for next year. We're also collaborating with up to 9,000 farmers, landowners, and estate managers between 2020 and 2025. We know working to improve nature needs to happen at many different levels. So our Boost for Biodiversity grant scheme, among others, specifically targets smaller projects, so councils, schools and local conservation and community groups can carry out their own projects to enhance the natural environment. We can improve hundreds of hectares through these grant schemes, and this was very beneficial during a year when completing larger works would have been more difficult due to Covid restrictions. Unfortunately, some of our partnership projects have not been completed as they were relying on volunteer groups. But we aim to help partners maintain their impetus for the duration of GBNB once restrictions are lifted.

[Read more online](#)

As a business we are committed to biodiversity net gain, so we will always leave nature better than we found it. On capital projects that require a preliminary ecological appraisal, we target 15% net gain, beyond the 10% required of developers under forthcoming legislation. But importantly, in addition to net gain, through GBNB, we hope to inspire and engage our customers and their relationship with the environment.



Helping beavers create wetland habitats

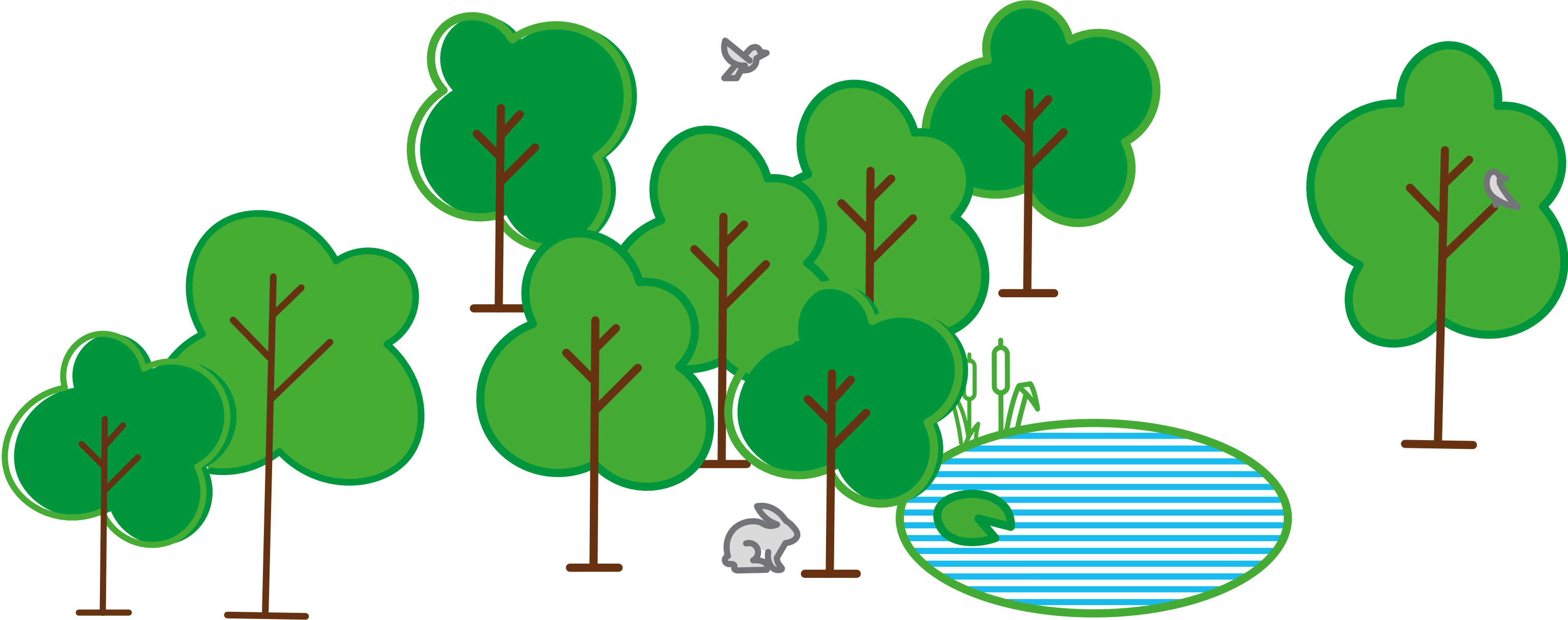


Beavers are a 'keystone species', meaning their activity can actually create wildlife habitats in wetlands, bringing a wide range of ecological and economic benefits, especially in enhancing plant and animal diversity. On the Willington Wetlands nature reserve, a former gravel quarry, Derbyshire Wildlife Trust is encouraging this activity by developing an enclosed Eurasian beaver release site. Here, GBNB support will help provide the ideal conditions for these wetland engineers.

The RSPB at Lake Vyrnwy



The RSPB leases over 4,500 hectares of uplands, pasture and deciduous woodland from Hafren Dyfrdwy within the catchment of Lake Vyrnwy, which is designated as an SSSI. Its proposed restorations include dry heath, blanket bog, wildflower meadows and woodlands, bringing catchment improvements while benefiting a number of key bird species and other wildlife. The work includes removing conifers that have encroached from the commercial forestry plantations. This year we removed 50 hectares of conifers and improved 143 hectares of the SSSI.



Creating a Commonwealth Games legacy



As part of our support for the Birmingham 2022 Commonwealth Games, we'll be working to create 2,022 acres of forest in the Midlands, for our communities to enjoy long after the Games have passed. The trees will also play a vital role in absorbing thousands of tonnes of carbon emissions.

Working in partnership

Through partnerships, we can build the scale required to achieve our goals and create a thriving natural environment. It's a big job and we need some help along the way. Sometimes our partners bring technical capacity or expertise we don't have in house. It's part of our strategy to continue working with some of the most loved and recognised organisations in the UK, but we also work with up to 9,000 farmers in our region, as well as with customers and local community organisations.

Landscape Enterprise Networks

Working through the Midlands Landscape Enterprise Network, initially in collaboration with the National Trust and Nestlé, we are looking at ways of connecting businesses that share an interest in funding nature-based solutions. This will start by funding habitats on farms in the Upper Dove and Upper Derwent catchments. Over time it will involve new businesses, and offer the potential to fund anything from peatland restoration on remote moors, to cycle tracks and greenways on the edge of towns.

Moors for the Future



Biodiversity projects at Hafren Dyfrdwy



Our target this year was to put in place biodiversity improvements across 100 hectares of land, yet we looked to go beyond this figure. When added to our work with the RSPB, our partnerships with regional Wildlife Trusts will see us achieve 208 hectares of improvements this year. We look to collaborate on projects we know will improve the wider environment, and our work with North Wales Wildlife Trust focuses on improving SSSI sites that are open to the public, offering local communities improved access to nature.

The first project, at Marford Quarry Nature Reserve (SSSI), involves landscaping and clearing scrub to create wildflower-rich grassland at a former gravel quarry that is one of the richest habitats in Wales for invertebrates such as bees, ants and wasps, as well as the only site in North Wales for wild liquorice. The second, and larger, project starts next year at Minera Quarry Nature Reserve. With an industrial history spanning over 400 years, the quarry was mined for lead and limestone and now has areas at different stages of re-colonisation by nature. Our injection of project funding will make an enormous difference in achieving the aim of creating a mosaic of habitats – woodland, grassland and aquatic, where rare, threatened and protected plant, invertebrate, bird and aquatic species can flourish.

Also in our plans is support for the ambitious Montgomeryshire Wildlife Trust Pathways for Pearls project. This aims to create a well-connected, wildlife-rich landscape between the towns of the county, of particular benefit to pollinators and very much focused on the rare pearl-bordered fritillary butterfly. The project also aims to inspire local people and tourists, and raise awareness of the value and benefits for all.

Farming for Water

Improving the quality of our rivers

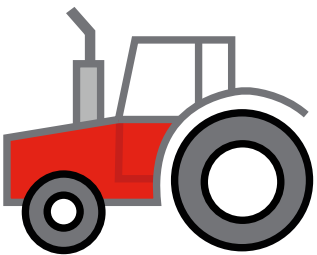
How farmers manage their land in our catchments is one of the key determinants of the health of our region's ecosystem, both on land and in water. Discharges from agriculture are the most significant cause of any failure to meet the Government's targets for good ecological status in rivers. Our catchment-management programme, Farming for Water, works directly with farmers to reduce these discharges, at the same time as boosting on-farm biodiversity, providing grants and free advice to help achieve our aims, and improve the farm environment.

Now we are investing to expand Farming for Water further. Through extensive analysis, we've identified areas where water quality is especially sensitive to how the land and crops are managed, allowing us to prioritise. In some of our catchments we estimate we can reduce farming's contribution to phosphates in watercourses by up to 66%. Our ambitious plans cover 44 catchments and 432,000 hectares, and will see us working with two-thirds of all farmers in our region. This is way above our regulatory commitment to achieve 16 successful catchment-management schemes (when a scheme has met a specific pollution target) by 2025. At the end of year 1, we are ahead of target with six catchments, and remain on track to meet the 2025 target with a further 10 catchments.

Progress over the year

We run many schemes within our Farming for Water programme. This year, although COVID-19 has restricted the amount and type of farmer engagements, we've managed 1,811 COVID-safe meetings with farmers, received 429 STEPS (see right) applications, signed 42,542 hectares of high-risk crops (those needing a lot of pesticide) up to our Farm to Tap scheme, and removed three tonnes of unwanted pesticides from farms. We also launched our Swap your Nozzle scheme, ensuring over 30,000 hectares of agricultural land now has pesticides applied with more accurate low-drift nozzles – reducing the risk of pesticides drifting into watercourses. Some farmers have asked to defer their STEPs grants due to wet weather and Covid affecting their ability to progress the work. To help increase uptake of our schemes, we are running our main STEPs scheme continuously over the next 12 months, rather than having a shorter application period. We are also prioritising the funding available for items that will have a greater impact on our pollution-reduction targets.

Read more online



STEPS

The Severn Trent Environmental Protection Scheme offers grants for farm projects that will bring water-quality improvements. In the last five years, we've distributed over 1,500 grants, worth more than £5 million, negating the need for £74 million of investment in our treatment processes.


On-farm advice

Over the last decade, our 21 farm advisers have built strong relationships with 98% of the farmers in our priority catchments through one-to-one advice, workshops, training and our SOFA (Specialist On-Farm Advice) visits. We visit farms alongside specialist contractors to take samples and provide advice on managing soil, nutrients, water and pesticides. This includes a comprehensive report and recommendations with links to our funding opportunities.

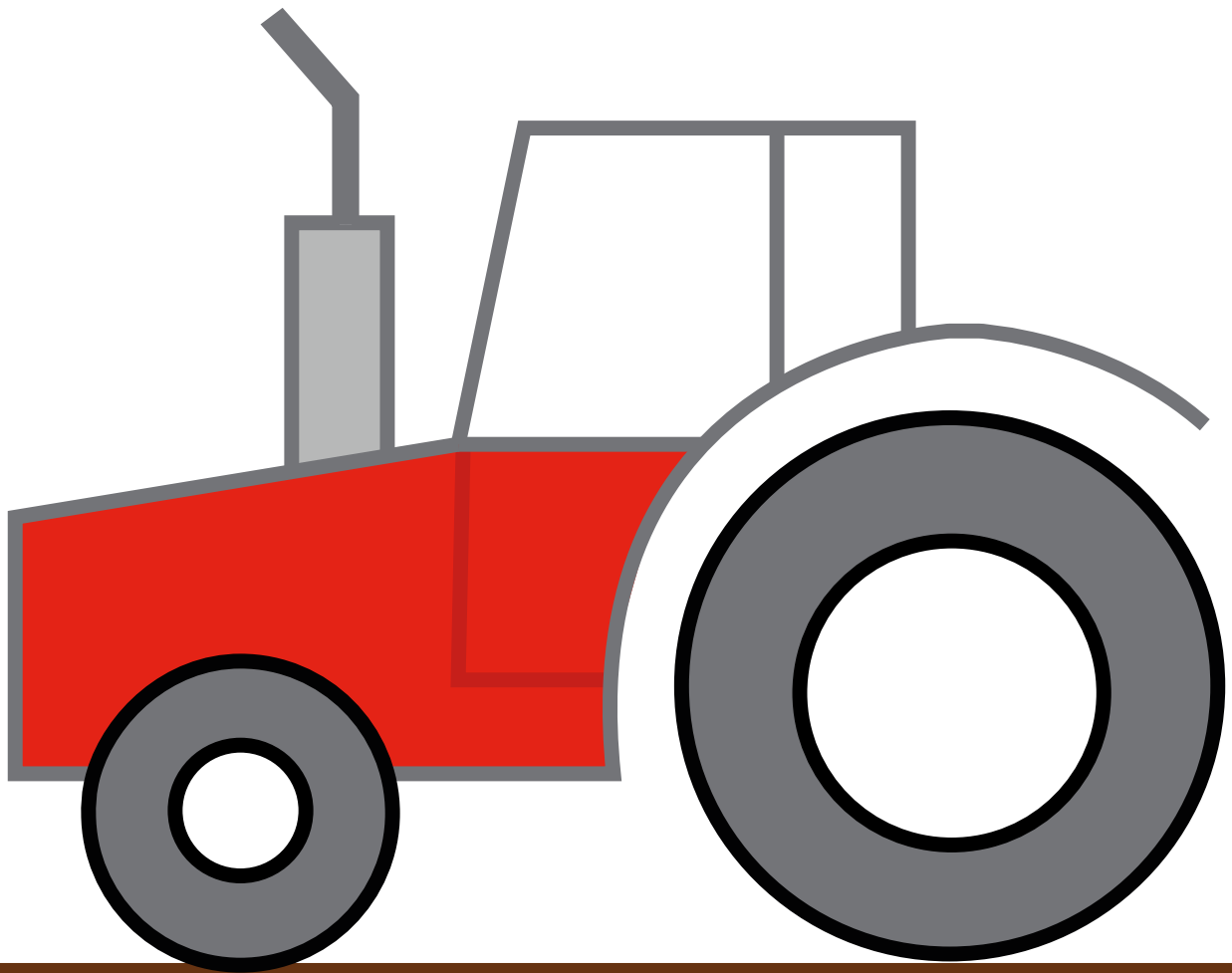
Farm to Tap



Moors for the Future



Run by the Peak District National Park Authority, Moors for the Future partners alongside us include the Environment Agency, National Trust, Pennine Prospects, RSPB, United Utilities and Yorkshire Water. The partnership has so far transformed over 34 square kilometres of bare and degraded peat bogs in the Peak District National Park and South Pennines – and from 2020 to 2025, we will continue to work on over 600 hectares in the Upper Derwent Valley, improving moorland and restoring peat bogs.



Farm to Tap



Our Farm to Tap scheme rewards farmers for producing clean run-off from their farms and keeping pesticides out of watercourses. The scheme works at a catchment scale rather than by individual farm. The encourages co-ordinated action between landowners and farmers to take greater responsibility. The scheme has contributed to a 64% reduction in peak pesticide concentrations coming into our treatment works, improving drinking-water quality and helping reduce energy, chemicals and costs in our processes.

Looking after the world around us Making the most of our resources

While our business is rooted in the natural environment, we depend on systems of engineered infrastructure, plant and machinery. Thinking in systems, it's only natural for us to engineer for efficiency, design out wastage, and find smart ways of making the most of our resources.

Using waste to generate energy

One of our biggest waste streams is sewage from homes and businesses – the sludge from our waste-water treatment is 55% of our total dry waste. We realised 50 years ago that we could generate renewable energy from this. We exported 245 GWh of green gas and generated 319 GWh of electricity from 35 Anaerobic Digestion ('AD') sites this financial year, enough to power around 90,000 households with electricity and 18,000 with gas for a year. This generation replaces fossil fuels that otherwise would have been required, and avoids 19,000 tonnes of carbon dioxide equivalent (CO₂e). We use this energy to power our sites wherever we can. We continue to invest in our AD operations, and we're upgrading from conventional digestion to a Thermal Hydrolysis Process ('THP'). This uses heat and pressure to break down the sludge before digestion, which is more efficient and yields more gas.

Extracting valuable products from waste

Sewage sludge ends up as more than just energy. Our AD operations produce about 145,000 dry tonnes of treated biosolids a year that can be used as agricultural fertiliser, reducing the need to produce conventional fertiliser, and the greenhouse gas emissions associated with that. Our food waste plants, too, produce a rich digestate (the residue after gas is created), highly valued by agriculture. Our composting facilities produce a certified soil improver. We are also looking at other opportunities to recover resources from sludge. At our Nottingham waste-water works, we recover nitrogen and phosphorus in the form of struvite, which has potential for fertiliser use. We have run demonstration trials of other nutrient removal outcomes, such as producing ion exchange and algal bioreactors.

Fertilising innovation

We're working with CCm Technologies to test production of a high-grade fertiliser pellet that uses biosolids, recovered ammonia and CO₂ from our waste-treatment plants. It's win-win-win – a saleable product, a fertiliser that helps reduce nutrient run-off, and avoids emissions.

Making our material use circular

We continue to work with Bureau Veritas to audit our different waste streams to give us better visibility. This year we diverted 87% of our audited waste from landfill. We achieved a 100% landfill diversion rate for Bio Solids. We are now also setting demanding targets for reducing material use, and reusing, recycling and recovering across all waste streams. We prioritise this based on evidence of each material's relative impact and environmental importance.

Office and facilities management

We already achieve up to 99% diversion from landfill in some categories of facilities waste such as sanitary waste. In practice, improving this across the board means:

- being selective and prudent in procurement and use of materials, ensuring items are produced sustainably;
- prolonging the operational life of everything we use; and
- preserving as much value as we can when things reach the end of their useful life.

Sometimes it means targeting materials specifically for their prominence or the effect they have culturally – for example removing single-use plastic cups and bottles from our head office, a practice we'll extend to other sites (though COVID-19 safety practices have made this more difficult this year). Or increasing the rate of paperless billing from the current 42%.

Civil engineering

Waste tonnage is a crude measure of the impact on the environment. So we are building on the data collected from our Scope 3 emissions mapping to identify and target the highest-impact areas of our material use. For example, embedded carbon is a bigger issue with some materials, and we look to reduce the greenhouse gas emissions associated with concrete and steel through:

- looking to source low-emission product;
- reducing material use by re-thinking asset design and management;
- finding ways to extend the life of our infrastructure; and
- working extensively with our contractors and suppliers to influence their operations, a major challenge we're at the early stages of addressing.

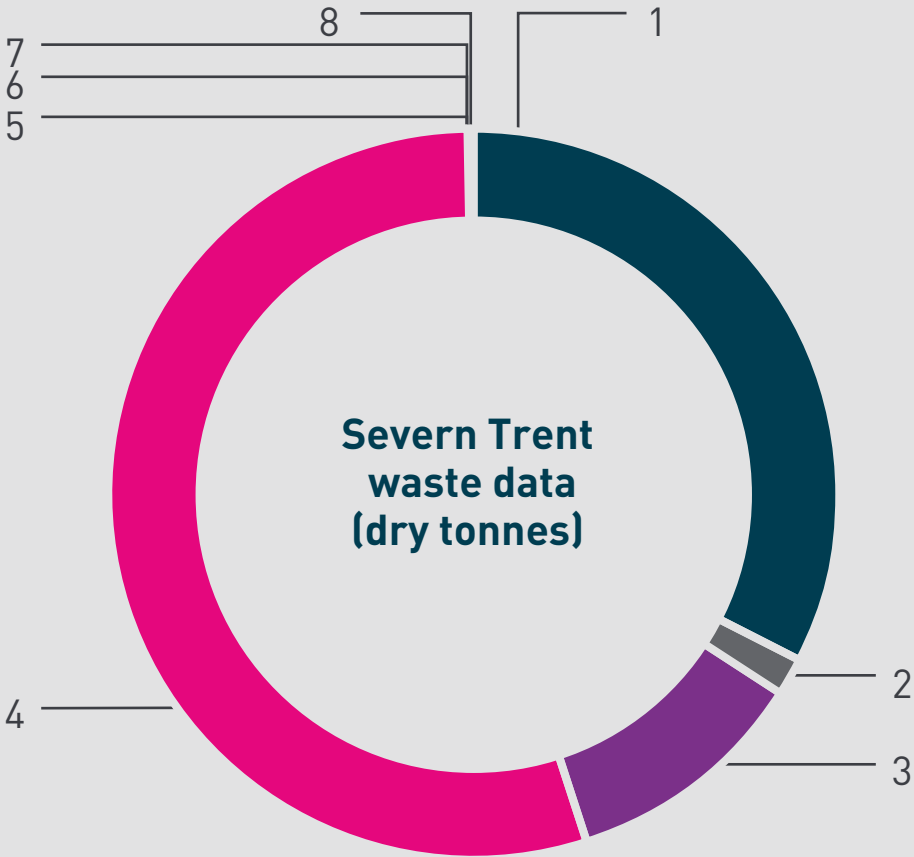
119,000

tonnes of CO₂e avoided by using waste to generate renewable energy

87%

landfill diversion rate for our audited waste streams

Total waste 2020/21



1. Excludes waste infrastructure
2. Waste Electrical and Electronic Equipment



Looking after the world around us

Mitigating climate change

With our Triple Carbon Pledge, we’ve joined the growing number of companies making a firm commitment to net zero operational carbon emissions. Through rigorous carbon accounting and setting clear science-based targets, alongside efficiency and innovation, we aim to reach net zero by 2030.

Science-based targets

In March 2021, we submitted science-based targets for approval. We will reduce our Scope 1 and Scope 2 emissions by 46% by 2030, in line with the Science Based Targets initiative’s guideline. We will also reduce our Scope 3 emissions by working with over 70% of our supply chain to address its own emissions.

Waste and sludge treatment – the emissions challenge

These processes account for 71% of our direct emissions. Our three industry-first monitoring trials that will improve the science of measuring emissions and could show this figure is actually greater than that. We’re not alone with this problem. World emissions of methane and nitrous oxide from waste-water treatment represent 1.3% of all anthropogenic emissions. These gases have, respectively, 28 and 265 times higher global warming potential than CO₂ over a 100 year period.

Minimising unintended escapes of biogas, and improvements to processes, would improve the figures only slightly. To make significant headway, we need deeper technological innovation, as well as changes to future asset design and strategy. We are establishing our options, often in partnerships, based on impact, cost, likelihood and timing, with many innovations and solutions not yet ready for full-scale deployment. This issue is one of the major challenges in our path to net zero.

70%
of our supply chain will be engaged with to address their own emissions by 2025

350+
charging points over 65 sites, will be installed for our electric vehicles

Reducing vehicle emissions

The fuel our vehicles use accounts for 11% of our direct emissions. Changing to electric vehicles will be key to eliminating these emissions. All new company cars will now be electric. We’ve begun to replace our vans with electric alternatives and are working to identify the impact, and suitable models. Electric HGVs and tankers may not be available by 2030, so we are looking into alternative low-carbon options such as hydrogen and biogas, as this market is developing rapidly. This year, we began the first phase of installing over 350 charging points over 65 sites, to be completed by the end of 2021. We continue to join global and UK industry partnerships to both learn from and support other companies with a similar approach for their fleets. We’re also encouraging efficient driving behaviour and eliminating unnecessary journeys, and have launched a scheme to encourage employees to switch to electric.

Sustainable employee travel

All employees can now go electric through a new salary-sacrifice scheme. The monthly lease payment includes insurance, maintenance and roadside assistance, and is taken from gross pay, so reducing tax. We also run a salary-sacrifice tax-saving cycle-purchase scheme, as well as promoting discounts with local travel providers to encourage travel on public transport as COVID restrictions ease.

Finding alternatives to fossil fuel

On-site fossil fuel use is responsible for 18% of our direct emissions. We use gas oil for anaerobic digesters, diesel in our fixed back-up generators and natural gas for boilers and engines. Sometimes one improvement has to be judged on a trade-off basis – for example, using thermal hydrolysis to improve energy extraction from biosolids uses more gas. We can make heating, cooling and insulation in buildings more efficient. But, ultimately, we need to replace fossil fuels with renewable electricity, biofuels, and ground-source and solar-thermal heating. We will appraise our options and invest in these to get as close to zero as possible, before offsetting any remaining emissions.

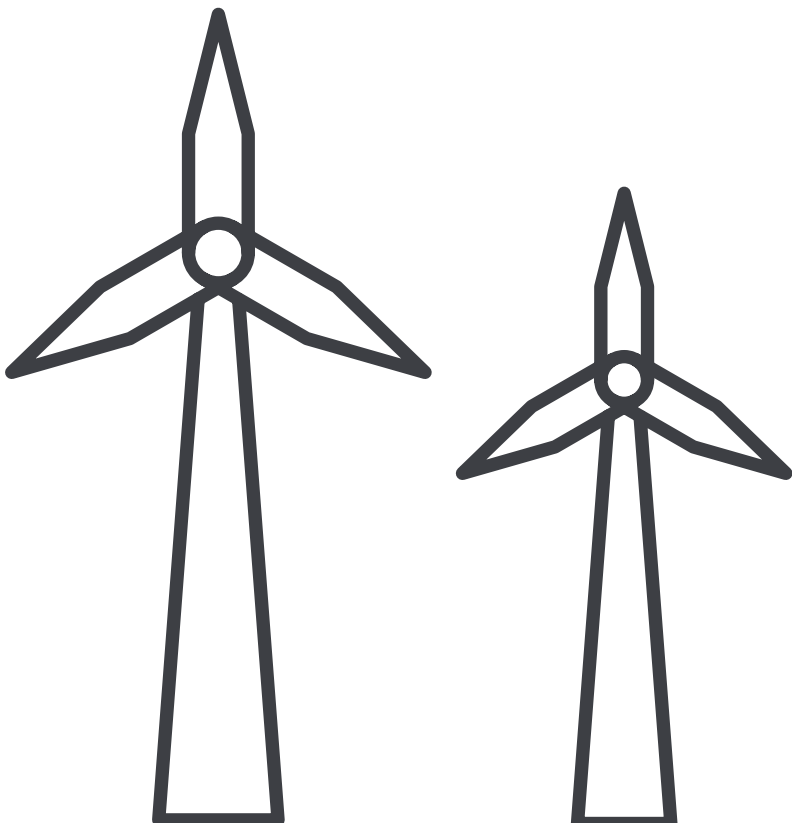


Managing our bought electricity

Pumping is our main source of electricity demand, followed by compressors and blowers for aeration, and these contribute to emissions of 188kt CO₂e a year. Through our efficiency programmes, we can keep this level flat over the next ten years, despite energy-intensive treatment processes and more need for pumping. Our ongoing leakage and efficiency programmes help reduce the volumes of water we need to pump and treat, so contributing to energy reduction, and we can also make operational efficiencies. After that, the decisions come down to our long-term asset strategy and design, based on comparisons of whole-life energy consumption. Where low-energy solutions don’t yet exist, we will invest in innovation – such as in efficient treatment processes – to create them.

Boosting renewable energy supply

Our net operational emissions have reduced by 61% this year, largely because our electricity use is fully renewable-backed for the first time, guaranteeing we are not buying fossil-fuel-generated electricity. We’ve also maintained our sector-leading position of generating renewable energy equivalent to half the electricity Severn Trent Water uses, from our own renewable assets, which include anaerobic digesters, and solar, wind and hydro-power plants. We can now improve on our pledge by linking our energy use explicitly to creating new renewable energy assets and capacity. By 2030, we have the potential to cover 100% of our electricity needs from our own renewable sources or through Power Purchase Agreements that provide capital for new projects while guaranteeing stable future energy prices for us.



[Read more online](#)



Influence over our non-direct emissions

There are significant emissions that indirectly arise from activities of the business, but occur from sources that we do not own or control. These are known as Scope 3 emissions. Some examples include emissions generated from the manufacture and supply of the chemicals and capital goods we use, other goods and services we purchase or the waste generated in operations. Clearly we can change how and what we buy, and influence and support our suppliers in reducing their emissions. As part of setting our science-based targets, we’ve already started quantifying these emissions so we can create a long-term strategy to target the most significant sources. These include construction materials and activities, chemicals we use in water treatment, and fuel used by contractors.

Working with our suppliers

This is one of our priority areas for influencing Scope 3 emissions. We’re developing procedures for our suppliers to demonstrate they are measuring and reducing their emissions. Initially we’ll work with our largest suppliers, asking them to commit to science-based targets for reducing high-potential emissions, and supporting them in their efforts to do so. We’re also putting tools in place to be able to measure embedded carbon in our asset designs, and factoring whole-life carbon into the decision-making process.



SUPPORTING THE REGION: MAKING A POSITIVE DIFFERENCE

We're taking care of one of life's essentials, determined to make a real difference for the **people of our region** and **the communities we serve**

What's in **this section?**

- Overview →
- Our priorities →
- A boost for employability →
- Community Fund →
- Standing by our vulnerable customers →
- Launching the green recovery →

Supporting the region Overview

A boost for employability – offering employment opportunities and employability skills to help our region thrive.

A Community Fund to support the region – awarding grants to boost community wellbeing across our region.

Standing by our vulnerable customers – providing financial support for vulnerable customers and ensuring our customers can deal with us in the ways that suit them best.

Launching the Green Recovery – an ambitious package of investments aimed at delivering long-term, sustainable benefits for current and future generations in our region, through improving the environment and also creating jobs.

100,000+

customers who have additional accessibility requirements supported through our Priority Services Register

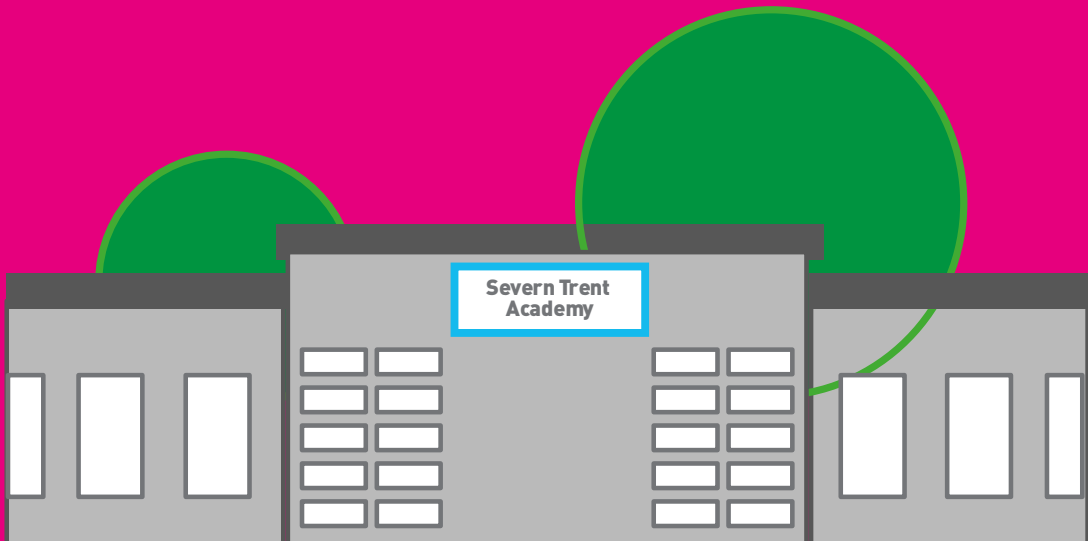
339

local groups supported through our Emergency Coronavirus Fund donations



100,000

hours of employability skills training provided to support communities following COVID-19



150,000+

customers supported through our affordability schemes

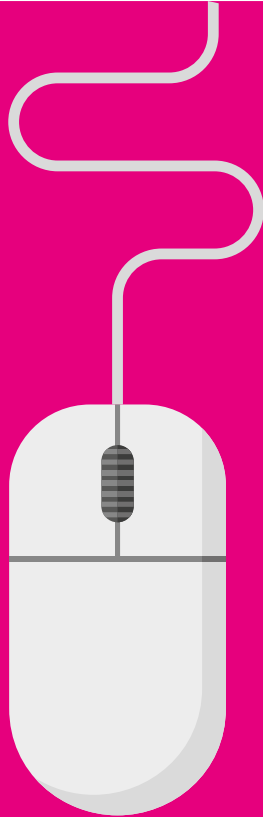


40,728

customers inspired to use water wisely

2,500

jobs directly created from our Green Recovery investment



Supporting the region Our priorities



A boost for employability

We want to create a workforce that reflects the communities we serve, and bring diverse individuals and skills into our organisation. Whether this is through our schools programmes, careers guidance, bursaries or our support of the Government’s Kickstart programme, our aim is to educate, inspire and connect with our communities. We are offering employment opportunities and employability skills to help people into jobs, which is all the more important as local communities recover from the results of the pandemic. As a significant local employer, we can support the skills base of our region, helping our communities thrive and making the Midlands a hub for technical skills and learning. We have also been encouraging more women and those from different ethnic backgrounds to consider a career in water, or choose Science, Technology, Engineering and Mathematics (‘STEM’) subjects to study.

A Community Fund to support the region

Launched in January 2020, our Community Fund aims to donate more than £10 million over five years to charitable causes that aim to boost community wellbeing across the Severn Trent region. The fund will award grants of between £2,000 and £200,000 to support local projects, focusing on three elements of community wellbeing: people, places and the environment. Our fund is overseen by an independent panel, made up of customers from across our region, with different interests and backgrounds. They review the strongest applications and make the final decision on where our money goes. We want our grants to reach those communities most in need, so we are focusing our promotion of the fund on social mobility ‘coldspots’. This year, we donated an additional £1 million to support community projects and charities, helping those most in need during the pandemic.

Standing by our vulnerable customers

Our customers believe water should be affordable for all, and we share that belief. No one should have to worry about struggling to pay for water. Yet over a million households across England and Wales spend more than 5% of their disposable income on water bills. We provide financial support for customers through our Big Difference scheme and social tariffs that can reduce up to 90% of our charge. We also identify customers with additional needs, and make sure they have the right support, especially if their water supply is interrupted. And, as technology advances, we are keeping pace, to ensure our customers can deal with us in the ways that suit them best.

Launching the Green Recovery

With the water sector asked to play its part in the country’s Green Recovery from the COVID-19 pandemic, we proposed an ambitious package of investments aimed at delivering long-term, sustainable benefits for current and future generations in our region, through improving the environment and also creating jobs. Our Green Recovery investments will directly create around 2,500 jobs in the Midlands at a time when employment, and getting people back into work, is vital for our region. Our investments will make our region greener, safer, more resilient to climate change, and more prosperous.

Between

10-90% reduction on our average charge through our Big Difference Scheme



Helping people to thrive

Delivering an affordable service for everyone

Work with our industry to end water poverty by supporting customers who struggle to pay their bills and providing priority support to those who need it.

Investing in skills and knowledge

Support the skills base of our people and our region, and inspire the next generation of customers to adopt more sustainable behaviours.

Making a positive difference in the community

Serve our local communities through community projects and volunteering, and global communities through charity partnerships.

Linked SDGs



Supporting the region A boost for employability

EDUCATING, INSPIRING AND CONNECTING WITH COMMUNITIES

Opportunities for all through Severn Trent programmes

Supporting the Government’s Kickstart Scheme

As youth unemployment reaches alarming levels, we’re offering hundreds of placements in all parts of our organisation.

Launched at the end of 2020, Kickstart is a Government initiative aiming to put 16 to 24-year-olds who are currently on Universal Credit, and unemployed, into six-month work placements. As well as gaining meaningful work experience, Kickstarters spend a proportion of their time learning employability skills, preparing them for the world of work or at least improving their chances when job hunting.

At Severn Trent, we’ve committed to hosting 500 Kickstarters over the course of the year, putting them into all sorts of roles across the business – in operational and customer-facing teams, and support functions such as technology, HR, finance and engineering. As well as learning on the job, they’ll spend four hours a week developing employability skills through our new Academy training facility – significantly more than the scheme requires.

Our Academy sessions for Kickstarters can be virtual or face-to-face, covering topics such as personal impact and effectiveness, leadership, and technology skills. We have also developed a Kick-on phase, as their placements with us come to an end. This looks at their CVs and interview skills, helping them get ready for their first job, wherever that may be.

How we’re helping people onto the jobs ladder
Through a number of initiatives, we’re creating opportunities for people from various walks of life to gain practical work experience and develop the skills they need for the world of work.

Opening our Academy to the community
Our new Academy located in Coventry opened in February 2021 (see feature). This gives us the opportunity to build on our social purpose, by offering to help build employability skills within our community. For example, we’ll continue to develop our WaterMark scheme, that offers Severn Trent certification to approved plumbers. We’ve already had large attendances for virtual training events, such as one recently for women interested in taking up operational roles. We can also extend to other companies within our sector, especially the smaller companies, and have already run training for front-line operatives of other companies.



Kickstarters

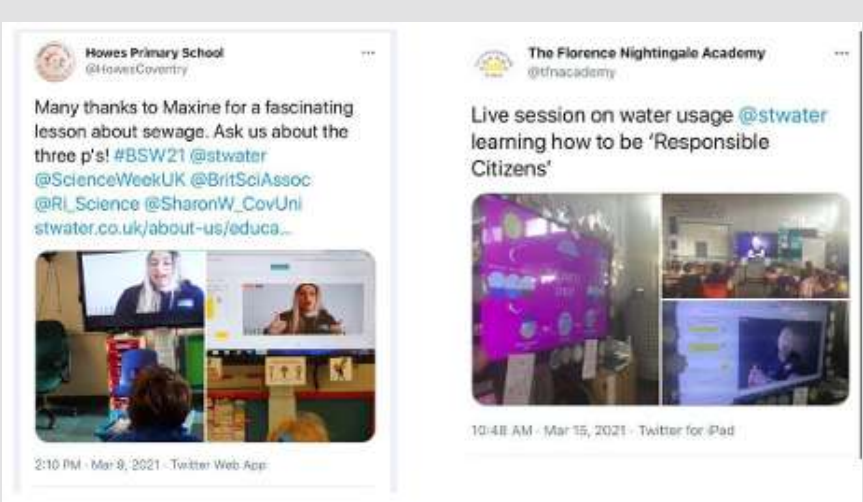


Tia McNicholas joined the Kickstarter programme at Severn Trent in January 2021, in the water regulations and fittings team. Then when a permanent role became available in April, Tia applied and was successful. Tia said: “I’m really excited to continue to grow in my role. I’ve loved the challenge of a new job and being part of a company like Severn Trent. There’s been great support, and I’ve learned so many new skills. Joining the Kickstart programme definitely helped me be successful in gaining the role.”

Ian Mitchell, team leader, added: “This is a great example of how we can harness the skills and talent of young people who had not initially considered a future in the water industry.”

500

young people supported through
the Governments Kickstart Scheme



Careers guidance

We recognise the impact positive, meaningful interactions with employers and careers guidance can have on the prospects of our younger generation, and believe we need much stronger relationships between schools, colleges and employers. Working with the Careers and Enterprise Company, we’ve designed and delivered virtual work experience and employability skills toolkits for over 3,000 students across our region.

Practical training for other water companies

We want to bring our industry together, building networks and exchanging knowledge. And with the growth of virtual learning, we can offer courses to water companies anywhere.

The Andy Duff Bursary – supporting further education +

Teaching children about water

We offer schools free 30-minute lessons on three subjects – using water wisely, learning about what not to flush, and health and hydration – for Key Stage Two, which is seven- to eleven-year-olds.

Due to the pandemic, we weren’t able to visit schools as we normally would. In response, initially we created weekly activity packs as part of our Kidszone, offering over 60 activities children can enjoy at home or at school. But by the end of April 2020, we were able to launch our brand new online learning platform, ‘Molly and the journey of water’, and have since developed a livestream education session which closely mirrors our usual in-school, face-to-face presentation. We’re able to offer our livestream sessions directly to schools and for children working at home, and the response and feedback from children, parents and teachers has been encouraging. Despite the challenges of lockdown we have managed to educate over 40,000 customers, ahead of our target.

When we can get back into school visits, we’ll be able to return to including practical skills like mending pipes as part of trying to inspire STEM skills and careers for females. We’ve also adapted our whole programme for children with vulnerabilities, such as autism, learning difficulties or physical disabilities, so they can participate fully in any of our lessons.

Water wisdom for all +

Fun and Commonwealth Games +

Read more online Molly and Journey of Water

The Andy Duff Bursary – supporting further education +

Water wisdom for all +

Fun and Commonwealth Games +

The Andy Duff Bursary – supporting further education x



This year, we launched our Andy Duff Bursary, initiated by, and named after, our former Chair. It will sponsor twenty-five students through their further education courses over the coming five years. Working with the Social Mobility Foundation, we identified suitable candidates and have welcomed five this year. They all receive a financial bursary for each year of their studies, to support them with things like buying text books and equipment, or accommodation and travel expenses. In addition to the traditional bursary model, we are offering the students mentors and career coaches, paid work experience during the summer break, and free access to courses at our Academy.

Water wisdom for all x

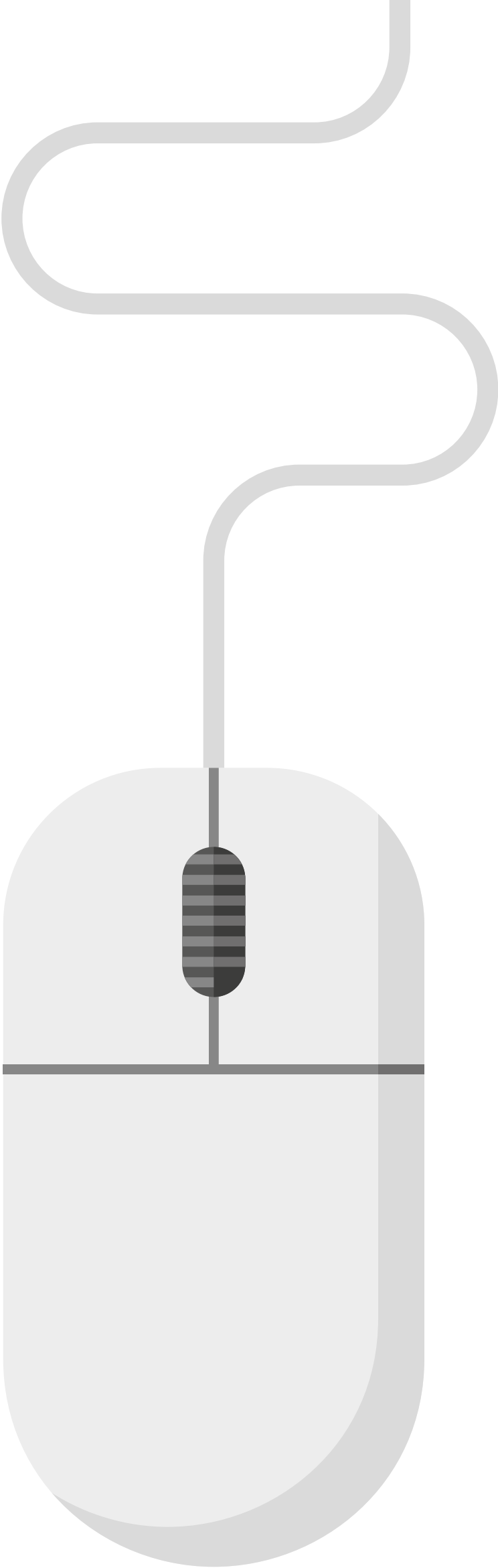


In December 2020 we introduced a new Secondary Education Team who will focus on Key Stage Three children and above, as well as students and community groups, specifically dealing with preventing blockages. We're also talking to Sainsbury's about working together to improve in-store messages about disposal of wet wipes.

Fun and Commonwealth Games x



From April 2021, our yearly education programme will focus on water efficiency and, through our partnership with the Commonwealth Games, we'll also promote health and wellbeing. The Games will give us a great opportunity to enhance our education offer with prizes and competitions.



SUPPORT
FOR LOCAL
CHARITIES

AND
COMMUNITY
GROUPS

Helping boost wellbeing in our region through the Severn Trent Community Fund

Launched in January 2020, our Community Fund donates 1% of our profits each year to charitable causes that aim to boost community wellbeing across the Severn Trent region.

Non-profit organisations can apply for grants between £2,000 and £200,000 to support community projects in three themes:

- People: projects that help people lead a healthier life and gain new skills
- Places: projects that help create better places to live in and use
- Environment: projects that will help look after our natural environment and give people greater access to it, or help look after water.

The beneficiaries of our fund are our customers, so it’s important to us that they are involved in the decision-making process. Therefore an independent panel oversees the fund, made up of customers from across our region with different interests and backgrounds, who review the strongest applications and make the final decision on where our money goes. They help ensure we get a good geographical spread of projects, targeting areas of need where we can have the greatest impact. It’s also important that projects are self-sustaining past the point of funding, for example with volunteers or staff trained to continue running them, and in some cases with the potential to generate an income.

The fund’s impact over the last year

In its first year, our Community Fund awarded over £1.5 million to 93 community projects, benefiting over 580,000 people, improving more than 680,000 square metres of our region’s environment, and creating or enhancing over 90 community spaces. Of this, nearly £250,000 has been awarded to our 10% most deprived communities. We were delighted to make our first awards on time, in April 2020, in spite of the challenges of the Covid-19 outbreak, and to visit several funded projects in between lockdowns.

Perhaps most importantly, we launched our £1 million Emergency Coronavirus Fund, with £500,000 redirected from our Community Fund (see right).

The challenge ahead

The main challenge ahead is reaching the communities we haven’t been able to yet. So, we’re using tools such as the deprivation index and community wellbeing measures to identify the communities most in need of our support. Throughout 2021, our Community Fund team will be encouraging and supporting applications from these areas, where people often have no experience in applying for funding and have previously had limited access to support.

Emergency Coronavirus Fund



With the pandemic having a particular impact on the most vulnerable in our communities, we donated an additional £1 million to help our communities deal with the impact of Covid-19.

We donated the first £500,000 to charities experiencing unprecedented demand for their services, including food banks, mental-health charities, and those supporting the elderly. We worked with community foundations and local authorities to identify the groups most in need of our support – with their knowledge, we could get the money exactly where it needed to be, as quickly as possible. The second half was donated later in the year to charities that had suffered financially through the pandemic, helping them get back on their feet and continue providing their services. In total, we’ve supported 339 local groups. It has been heart-warming to have received so many comments about its positive impact, particularly on how easy we made it for projects to access the funding.

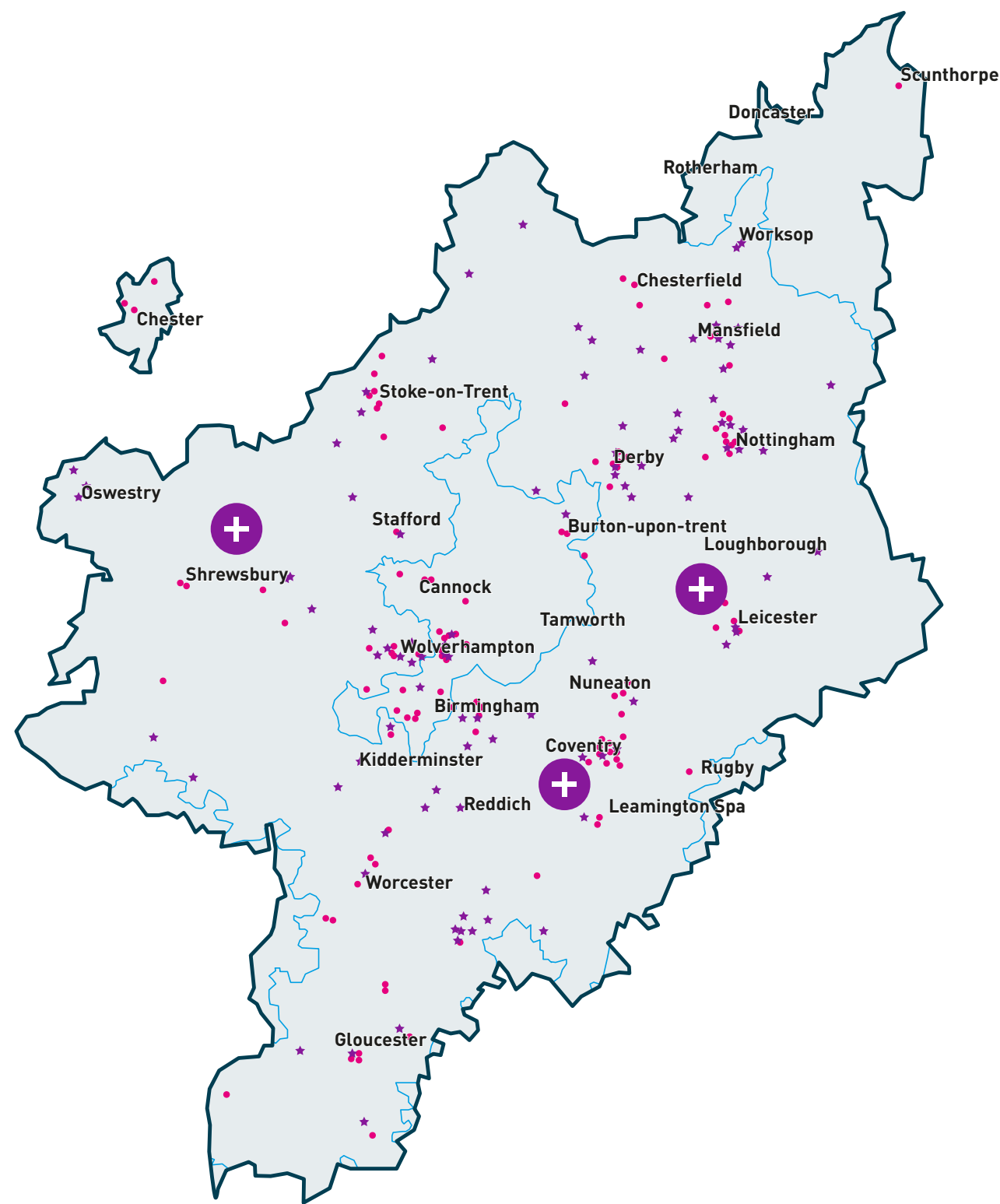
All donations map



Emergency Coronavirus Fund



Supporting the region Community Fund



Help for the elderly



We donated more than £60,000 of the Emergency Fund to organisations providing help for vulnerable elderly people. At Age UK Leicestershire our donation helped the charity support more than 6,500 people with shopping and collecting prescriptions, befriending phone calls and emergency care packages. It's rewarding to know these funds are helping to meet an urgent need, with feedback such as this from Nottinghamshire: "Can I just say this is so welcome. In these difficult times, this is amazing – we've had a 400% increase in calls and with this we can increase our support. From the bottom of my heart, you have put a smile on my face and a tear in my eye."

Stocking the region's food banks



More than £300,000 from the Emergency Fund went to food banks and other food delivery services across the region. Many have told us how important the donations were, including Shrewsbury Food Hub: "All of this work cannot happen without the financial support from you and all our donors and grant givers, or as we call you 'The Friends of the Food Hub', so thank you!"

In Coventry, we've donated £42,000 to the city's Food Hubs. Visiting one of them, our CEO Liv Garfield observed, "It was lovely to see the hard work and dedication of the team and volunteers. I am thrilled that we've been able to support this great initiative in the city. They're feeding around 2,000 people in need each week and offering a delivery service throughout – amazing!"

Support for domestic abuse victims



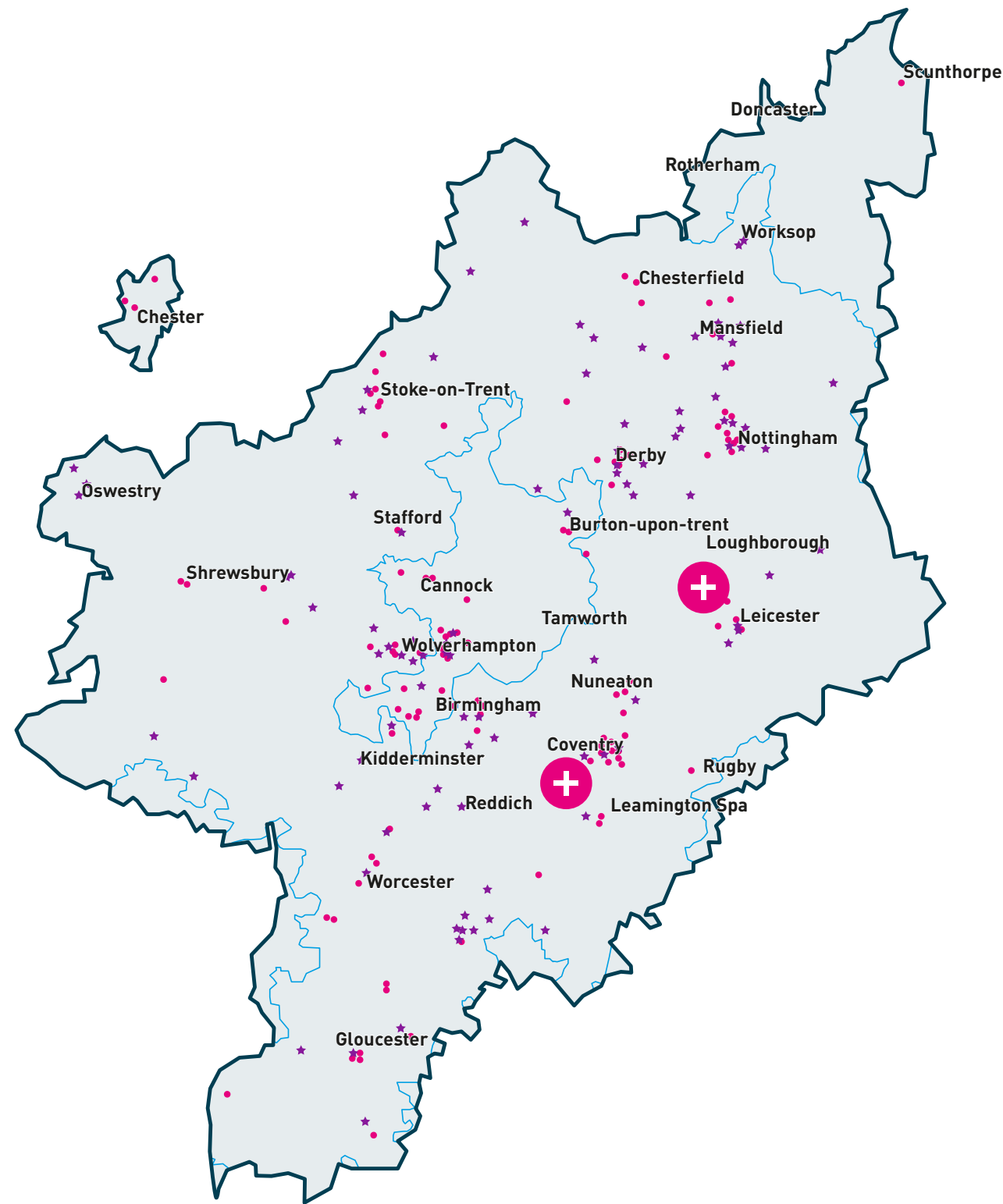
Coventry Haven provides advice and support for women and children dealing with domestic abuse. A donation of £2,000 from the Emergency Fund helped continue this vital work – as a spokesperson from the charity said, "We are trying so hard to adapt our services to help women who need it, and this will really help – you have made my day!"

We've made similar donations to the Domestic Abuse Safety Unit in Wrexham and to The Haven Wolverhampton. Members of the latter have shown their gratitude by giving some of our HR team specialist training in dealing with staff problems relating to domestic abuse.

Explore our data

- + Community Fund donations
- + Emergency Fund donations

Supporting the region Community Fund



Explore our data

Community Fund donations

Emergency Fund donations

The National Space Centre

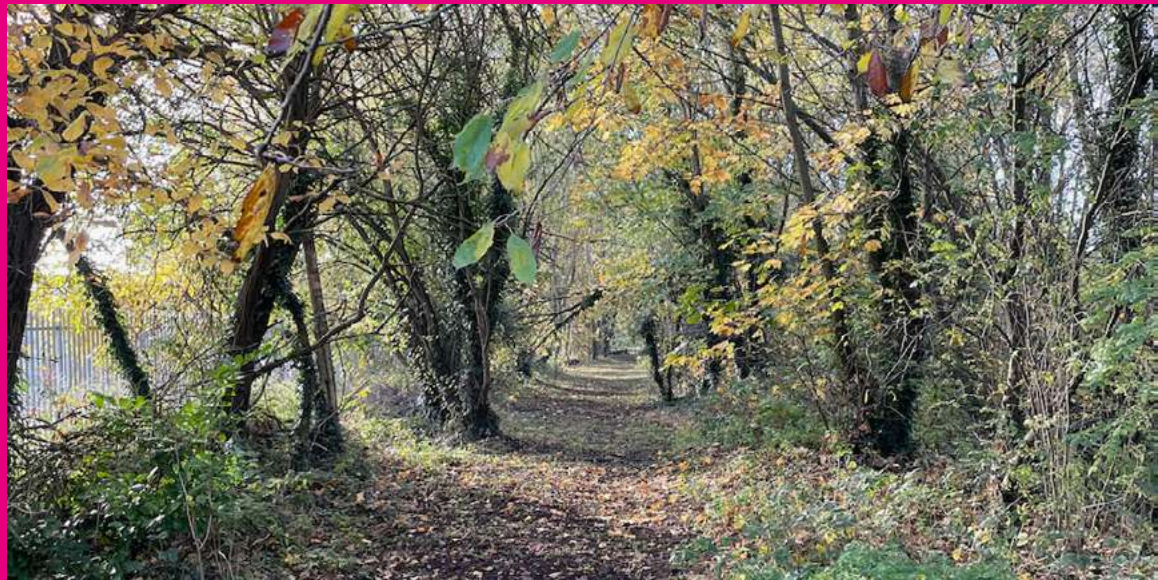


Our first flagship project received a grant from the Community Fund for a new exhibition space in Leicester.

The National Space Centre is expected to welcome around 250,000 visitors a year, educating them on how to sustain the health of our planet. It will also provide employment for more than 30 local people.

The centre will focus on how satellite technology can benefit the environment, helping us monitor issues ranging from flooding to biodiversity. An interactive exhibition will use live data from NASA and other space agencies, and programmes will be designed for local schools. Built in one of our old storm tanks, the centre fits well with our 'people, places and environment' themes.

Historic Coventry Trust



A new heritage project, supported by £198,460 from the Community Fund, will rejuvenate a derelict railway line in Coventry, transforming it from a magnet for fly-tipping and anti-social behaviour into a new walking and cycling path.

This will give the local community access to 70 acres of green space, supervised by a funded ranger who will engage volunteers in landscape management and maintenance, and provide education opportunities on wildlife and heritage.

LOOKING
AFTER
OUR
VULNERABLE
CUSTOMERS

2030
is the year by which we want
to end water poverty by working
with others in our sector

67,000+
customers currently supported
with our social tariff, 'The Big
Difference Scheme'

Making water affordable for everyone

Steps we're taking to end water poverty

As providers of an essential public service, we need to ensure it's available to every household in our region – and we've designed support schemes to help.

Although our water and waste-water bills are among the lowest in the UK, some of our customers struggle to pay their bills. Working with others in our sector, we want to end water poverty by 2030 – which means no customer will have a water bill that's more than 5% of their disposable income.

Currently, research shows that around 9% of our customers in the Severn Trent region find bills unaffordable. For 2020/21, we aimed to support 150,000 customers (34% of those struggling to pay) and succeeded in helping 153,825. We aim to increase this to 42% from 2021/22. We'll do this through a variety of schemes.

The Big Difference Scheme

Our social tariff, The Big Difference Scheme, offers customers a reduction in their bill, anything from a 10% reduction up to 90% of our average charge. We're currently supporting more than 67,000 customers in this way. We've recently reviewed the eligibility criteria, and now assess customers on their household income rather than their disposable income. Our ambition is to help those with the lowest incomes, who are struggling the most.

Our Through Care scheme

We're working closely with local authorities to help provide financial support to young adults leaving the care system. By offering a fast-track route onto The Big Difference Scheme, we're helping care leavers as they adjust to independent living. We launched this initiative with the Through Care team at Coventry City Council, becoming the first utility company to join forces with a local authority to provide this type of support. Eventually, we aim to expand the scheme to include education and employment opportunities through work experience and apprenticeships.

Severn Trent Trust Fund



Here's how our Trust Fund works. Miss S suffers from long-term mental health issues, which deteriorated last year. As a result her ex-partner and father of her three children took over their care.

Her income reduced drastically and she had to apply for Universal Credit. In late 2020, her partner took his own life. Fortunately, Miss S is now receiving the health support and guidance she needs. For her water, the Severn Trent Trust Fund has cleared her arrears and we have put her forward for The Big Difference Scheme for future support.

Severn Trent Trust Fund

Each year, we donate £3.5 million to the Severn Trent Trust Fund, an independent local charity that administers grants to support those in financial difficulty. Since it began in 1997, it has helped households with water grants, financial and budgeting advice and, in exceptional circumstances, buying essentials such as beds and kitchen appliances. This year, the charity provided just under 4,000 grants to help people in arrears with their water bills.

Covid response

With many more customers facing financial difficulty due to the pandemic, we've simplified our processes to make it easier to get onto our support schemes – for example, offering auto-enrolling rather than the usual application procedure. We also launched our Back-on-Track scheme, offering a 50% discount to customers who've suffered financial hardship due to the impact of COVID-19. In addition, we worked with Leicester City Council to help provide financial assistance through the Government's Covid Winter Support Fund.

Read more online

Widening our support further

By 2025, we aim to support 195,000 customers financially each year. This will mean widening our commitment to include those supported through payment plan concessions ('PPCs'), the Severn Trent Trust Fund and other schemes. As we don't have direct access to information on customers' incomes or personal circumstances, we're working with charities to help identify those most in need – and to provide general debt advice, as well as help alleviate water poverty.

We're also talking to other water companies, to ensure we align the criteria behind our social tariffs. These differ around the UK – we want to keep them focused on the customers in greatest need of support.

BACK-ON-TRACK

scheme, offering a 50% discount to customers who've suffered financial hardship due to the impact of COVID-19



Supporting the region Standing by our vulnerable customers continued

Helping customers at Hafren Dyfrdwy

At our Welsh water and waste-water company, Hafren Dyfrdwy, we have a separate target of helping, by 2025, 73% of those who have difficulty paying their bills, and eventually all customers who find bills unaffordable.

We're now supporting 35% of customers struggling to pay their bills and have been working closely with Welsh Government, the Consumer Council for Wales and stakeholders such as Dwr Cymru to understand what additional support we can offer.

Working with Wrexham and Powys Councils

Through a new relationship with our local councils, we've installed debt advisers who sign residents up to our schemes there, instead of them having to come directly to us. And while they're talking to us about water debt, we can refer them to a Wrexham or Powys adviser who can look at all their finances.

North Wales Resilience Forum

We've been working with our Local Resilience Forum (a multi-agency partnership set up to help respond to emergencies), as well as with Wrexham and Powys Councils, to look at growing the number of customers on our priority services register. This is helping us gather more accurate customer data, so if there's an unplanned supply interruption, we can contact the people who need support – they don't have to contact us.

Getting back to face-to-face contact, too

As soon as the restrictions allow, we'll be setting up events in local communities – such as fortnightly drop-ins and 'cafés' where customers can come along and ask questions. Through these, we want to build awareness among our customers about how we can help them.

How we're improving the accessibility of our service

We want to identify customers with additional needs, and make sure they have the right support, especially if their water supply is interrupted.

For some of our customers, a medical condition, disability or additional need can add to the difficulty if there's a problem with their water supply. They might rely on high or constant water use (such as those on home dialysis), or may even struggle to access our service generally. Whatever their circumstances, they can join our Priority Services Register ('PSR'), a list of customers who qualify for extra support during a supply interruption.

Why giving priority to some customers is so important

As well as needing help if the water supply is interrupted, many of the customers on our PSR require other forms of support to use our service at any time – and we see it as our responsibility to ensure they receive them. For example, they might need to nominate someone to speak to us on their behalf or, if we're calling at their home, they might simply need more time to answer the door. Working closely with PSR customers and experts like St John Ambulance and Guide Dogs for the Blind, we've designed our services for a range of scenarios.

Increasing the numbers we help

Since last year's report, we've been able to identify many more people who need our help, and doubled the size of our PSR from around 50,000 customers to over 100,000. This is due largely to the emails we sent out at the start of the pandemic, informing customers of how we were responding and offering enhanced support. Raising awareness of the PSR, this encouraged many people to put themselves – or family members or friends – forward for registration.

Of our billable customers, 2.6% have now joined the PSR. Once registered for two years, they have to re-consent or leave – and our target last year was to attempt to contact 45% of the customers in this group, and to actually reach 17.5% of them. We've exceeded both of these targets, again helping to grow the numbers on our PSR.

There's still a lot more to do

Although we've made good progress, we still need to get more people onto our PSR. Our goal is for 9.7% of our customers to be on it by 2025 – higher than the 7% target Ofwat set for us. Reaching this means finding out more about our customers, even though we simply serve everyone in our region, and don't have contracts with individuals. So we need to find new ways to identify vulnerable customers. The Covid-related emails mentioned above were highly effective, and we're also teaming up with local authorities, social housing groups and organisations such as the Citizens' Advice Bureau to spread the word about the register, and about other support available from Severn Trent.

Making communication easier, for more people

Our rapid development of digital channels

As technology advances, we're keeping pace, to ensure our customers can deal with us in the ways that suit them best.

We've always wanted to make contacting us as easy as possible. That's how customers can make the most of our services, and tell us where any improvements are needed. And if they prefer to do that digitally, it's up to us to make it happen.

We've found digital channels are particularly important for customers who want to discuss difficult personal circumstances – such as those who have additional needs, experiencing bereavement, social anxieties or who struggle to pay their bills.

Reducing reliance on our call centres

At the start of the pandemic, concern about the risk of a Covid outbreak at one of our call centres really focused our minds on offering customers more communications channels. If phoning us was to become more difficult, they would need a range of options for getting in touch. So we accelerated our work on developing WhatsApp, two-way SMS, web messaging and Apple Chat, as well as our social media channels. We've seen a big surge in customers taking these digital routes, and received positive comments on how useful they are.

Dealing with queries more efficiently

One particular benefit of communicating digitally is customers can send us photos when they're reporting a problem – whether it's a leak or part of a bill they don't understand. This helps us deal with the issue much more efficiently.

Also, our virtual assistant Juno provides an answer to around 18% of queries without any human interaction. This saves time for our customers and for us, letting our teams focus on dealing with more complex or sensitive issues.

We've developed the functionality of our website. Our 'self-serve' strategy has made reporting problems and resolving queries much quicker, without having to speak to anyone. Around 70% of all contacts now go through the website.

“My query was never abandoned and passed on from one rep onto another rep. This is the best customer service I have received across a multitude of companies in the past 12 months. I was left feeling valued, listened to and that I had been helped by Severn Trent Water. Fantastic service.”

Response from a customer who called and chose to complete the query in Whatsapp

HELPING THE
UK THRIVE
BEYOND
THE PANDEMIC

Our role in the Government’s Green Recovery initiative

As we emerge from the COVID-19 pandemic, the Green Recovery is central to the Government’s plans to get the country back on its feet. Like other water companies, Severn Trent has been challenged to play its part.

Our response included an ambitious package of investments aimed at delivering long-term, sustainable benefits for current and future generations in our region, through improving the environment and also creating jobs. These investments will make the Severn Trent region greener, safer, more resilient to climate change, and more prosperous. Our Green Recovery investments will directly create around 2,500 jobs in the Midlands at a time when employment, and getting people back into work, is vital for our region.

Importantly, we’ll make these investments while keeping our bills affordable by raising new finance from investors. We estimate the cost to customers will be around £5 extra a year on average – so despite the big improvements we’re intending to make to everyone’s lives, our bills will still be one of the lowest in the country.

The projects we’re planning will help us achieve six goals:

Green Recovery Project 1:
Rivers safe for swimming



Part of our response to the Government’s Green Recovery initiative

We’re going to make stretches of the River Leam and River Teme healthy enough to swim in. And we’ll pass on what we learn to other organisations, as part of our efforts to understand what it takes to achieve bathing quality rivers and also to ensure the UK’s rivers can achieve ‘good ecological status’.

Reaching our goal will involve working with and encouraging other parties in the catchments, such as farmers to prevent pollution getting into rivers. We’ll also install ozone effluent disinfection at three sewage treatment works, as well as building new storage and sewer capacity to help us reduce the environmental impact of around 25 storm overflows.

This investment will create more leisure opportunities and improve wellbeing, deliver environmental benefits which includes enhanced biodiversity and healthier aquatic life.

Green Recovery Project 2:
More water for more customers



Part of our response to the Government’s Green Recovery initiative

Preparing for the future, we’re going to increase water supplies to meet a peak demand of 95 ML/d – that’s enough to serve a city the size of Derby. We’ll do this in a carbon neutral way, and let other companies know how we’re doing it, supporting the water sector’s aim to be net zero by 2030.

To achieve our goal, we’ll start using the abstraction licence we bought from a decommissioned power station at Rugeley, and upgrading two existing treatment works to accommodate new sources of water. This project will also help 3,000 financially stressed businesses save money, and reduce waste by retro-fitting grey water and smart storage systems, saving up to 4 ML/d.

All this extra water supply will increase resilience to hotter, drier summers and wetter winters, securing water resources for future generations. Plus, our work to achieve this will enhance 46 hectares of habitat, creating a net gain in biodiversity.

Green Recovery Project 3:
Homes protected from flooding



Part of our response to the Government’s Green Recovery initiative

A key method for reducing flooding is a new ‘nature-based’ approach, which will create the first catchment-scale flood-resilient community. The trial is centred around the Mansfield area of Nottinghamshire, where we aim to store the equivalent of 58,000m³ of surface water in ‘blue-green’ infrastructure – a range of natural surface-flood defences, such as green embankments, rain gardens, drainage ponds, grassed areas and permeable hard paving.

The project involves working collaboratively with a range of partners, such as with local councils, the communities, universities and environmental groups. We’re focusing on areas with high proportions of financially vulnerable customers, and aim to protect around 90,000 people. This work will also reduce the broader harm flooding brings to communities and create a more pleasant natural environment for local people to enjoy – including around 15 hectares of biodiversity-rich habitat. It will also improve water quality, by reducing the risk of storm overflows being triggered at around 20 discharges.

**Green Recovery Project 4:
Leadership on removing lead**



**Part of our response to the Government’s
Green Recovery initiative**

Customer-owned supply pipes are a hidden financial and health liability for many people. Over 40% of households don’t have the savings to fix a burst pipe, and up to half of all pipes could contain lead – which the World Health Organisation warns is unsafe at any level in drinking water.

Instead of adding more chemicals to reduce the lead, we’re going to fix the problem at the source. In an ambitious pilot, we’ll work with plumbers to replace the pipes in 25,000 homes across Coventry. We’ll also replace around 1,000 lead and leaking pipes in a smaller, rural community in Shropshire. Through this trial, we want to show how to tackle this national problem, and how we can avoid chemical use. We’ll also reduce leaks by around a million litres a day, as around 25% of leaks come from these customer-owned pipes.

We’ll prioritise areas we work with based on lead risk, estimated leakage and deprivation. This will mean trialling lead-detection technology and new pipe-replacement techniques.

**Green Recovery Project 5:
Lower water consumption**



**Part of our response to the Government’s
Green Recovery initiative**

We’re rolling out a large-scale trial of 157,000 smart water meters across Coventry and surrounding areas in Warwickshire. In total, we’ll install 66,000 new meters and 91,000 replacements, mainly in water-stressed areas. These will help us reduce peak-time demand as customers use water more efficiently, while also helping us reduce leakage by enough to supply a town the size of Market Harborough (population over 22,000).

Through this project, we’ll raise awareness of water efficiency, making customers more conscious of the environmental impact of their usage and of unchecked leaks. The smart meters will help them save water, while saving money on their water bills. We’ll also be able to target high users during periods of high demand, reducing interruptions for all customers.

Smart meters will also improve our data capture, giving us a better understanding of our water balance. Perhaps most importantly, with these savings, we’ll reduce the need for future investment in water resources – a Government objective for the whole country.

**Green Recovery Project 6:
Faster environmental improvements**



**Part of our response to the Government’s
Green Recovery initiative**

We’ll support environmental improvements to 500km of river, by fulfilling more quickly our Water Framework Directive statutory obligations and speeding up improvements to storm overflows. Overall, this will involve 35 additional phosphate-removal projects, extra monitoring and investigative measures at 150 sewer overflows, and fast-tracking improvements at 100 overflows.

We’ll upgrade chemical dosing and invest in new technologies to enhance the removal of tertiary solids. Where possible, we’ll use chemical-free methods, such as enhanced biological phosphate removal and, in some cases, constructed wetlands. We’ll also increase storm overflow monitoring to 100% and improve IT to achieve almost real-time public reporting of sewer overflows. Other measures will include raising weir heights and increasing pump capacity on short-duration, low-volume sewer overflows.

A wide range of environmental improvements will result from these measures. In particular, we’ll see aquatic wildlife thrive. And taking this opportunity to contribute to the Green Recovery means we’ll be seeing these benefits five years earlier than we would have done otherwise.



BUILDING A BETTER BUSINESS: FIT FOR THE FUTURE

Our approach includes shared Values, and open and innovative culture, an inclusive workplace, and working for the **mutual benefit of all stakeholders**

What's in this section?	
Overview	→
Fit for the future	→
Building an innovative business	→
Future-proofing our skills and knowledge	→
Supporting our employees	→
Working with our suppliers	→
Making decisions for the long term	→

Building a better business Overview

Building an innovative business – creating the right conditions for innovation in all areas of our business, prioritised on our strategic goals.

Future-proofing our skills and knowledge – developing our people, with a wide range of learning programmes, and through established graduate and apprentice schemes.

Creating a diverse and inclusive environment – representing and making the most of the diversity in the communities we serve.

Supporting our employees – establishing a culture that guides us in doing the right thing in all circumstances.

Working with our suppliers – building relationships so our suppliers know how they can help us achieve our sustainability goals.

Making decisions for the long term – focusing not only on what we do, but also on how we do it.

BUILDING

partnerships to solve our biggest industry challenges

Leading

on two ground-breaking projects as part of the Ofwat Innovation Fund – on leakage and supporting vulnerable customers

1,000+

suppliers have signed up to our Sustainability Supply Chain Charter



BEST EVER

health and safety performance

8.3/10

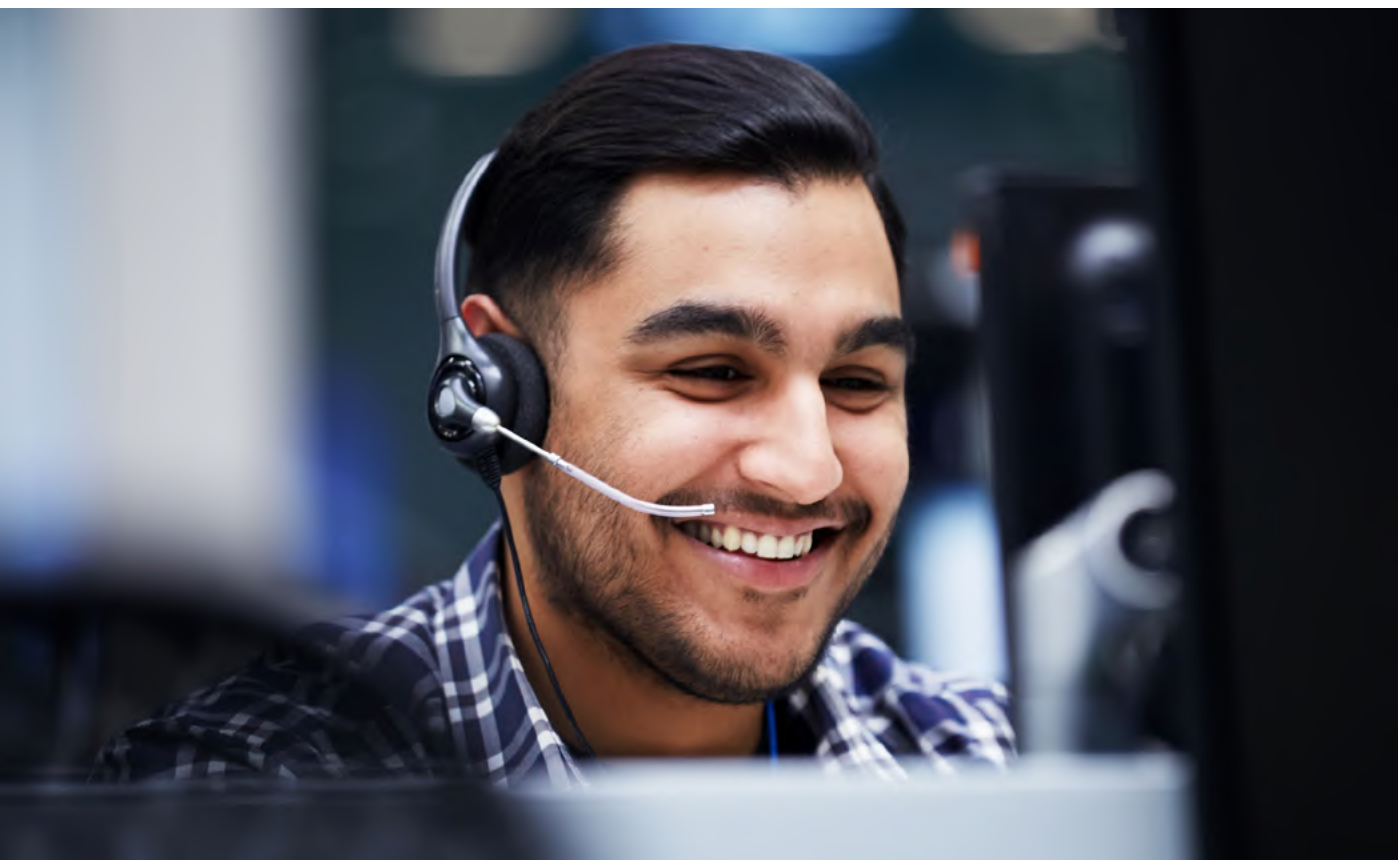
employee engagement score that places us in the top 5% of global utilities

£10m

investment in our Academy to future-proof our skills and Academy



Building a better business Fit for the future



Building an innovative business

As our sustainability depends on finding new ways of working, any progress we make is inextricably linked to our ability to innovate. Which is why we have such a strong focus on creating the right conditions for innovation in all areas of our business. We have created a new innovation framework, designed to ensure we maintain an appropriate balance of projects, prioritise them based on our strategic goals, and build the right processes and partnerships to achieve their aims. We are also using our Resource Recovery and Innovation Centre at Spernal, in Warwickshire, to test new technologies quickly. And we are bidding for funding from Ofwat’s innovation funds to forge close links with the wider water sector and to help accelerate projects of all sizes. And our established World Water Innovation Fund helps us solve problems and exchange ideas globally.

Future-proofing our skills and knowledge

Skills and knowledge are at the heart of our success as a business. We want to have the most skilled workforce in our sector, keeping us at the forefront of innovation and service. That means we place a high priority on developing our people. Our Severn Trent Academy provides the structure for this, a range of learning programmes on health, safety and wellbeing, technical, customer experience, leadership and professional development, all run out of a new purpose-built facility opened in February 2021. We also build on our skills and knowledge through our graduate and apprentice schemes.

Creating a diverse and inclusive environment

Our region is home to a diverse population, and we want to tap into that diversity, by having a workforce that reflects the communities we serve. A truly diverse workforce brings different ideas and perspectives to improve how we work, and helps us understand and meet the needs of the communities we serve. Therefore, we have set a long-term ambition to work towards a fair and inclusive environment for all our colleagues. We want our people to come to work and feel they can bring their whole self to work.

Supporting our employees

Our culture makes us one team and guides us in doing the right thing in all circumstances. It is also what allows our stakeholders to have confidence in us, and builds trust and a more sustainable business over the long term. In addition, no one should be hurt or become unwell by what we do and the health, safety and wellbeing of colleagues, customers and contractors is critical to the success of our business. During this last year, this was tested like no other year as we responded to the pandemic with appropriate Covid-19 support initiatives.

Working with our suppliers

We spend over £1.2 billion with our suppliers every year. Without their support, we would struggle to achieve our ambitious sustainability goals. We’ve been working hard to ensure they understand how they can help us, dealing with each of our 2,800 suppliers in a way that is relevant and appropriate to their scope of work. We will continue to build on these relationships over the coming years. We have developed our Supply Chain Sustainability Strategy and established sustainability considerations throughout our procurement and contract management process. We now ask suppliers to sign up to the principles outlined in our Supply Chain Sustainability Charter.

Making decisions for the long term

We believe a business with a strong sense of social purpose will achieve better and more sustainable outcomes for stakeholders. To earn the trust of our stakeholders, we focus not only on what we do, but also on how we do it, keeping to our commitments, reporting on our progress, and creating a governance framework that ensures effective decision making. This is all fundamental to our ability to interact with our stakeholders.

Helping people to thrive



Investing in skills and knowledge

Support the skills base of our people and our region, and inspire the next generation of customers to adopt more sustainable behaviours.



Providing a fair, inclusive and safe place to work

Build a workforce that is reflective of the community we serve, and foster a culture where everyone can be themselves, driving better decision making and performance.

Being a company you can trust



Living our Values

Nurture a strong, open, one-team culture based on Company Values that articulate what we stand for.



Balancing the interests of all our stakeholders

Understand the needs of stakeholders in order to make business decisions that benefit shareholders, society and the environment.



Running our company for the long term

Put strong governance – leadership, ethics, and management of risks and opportunities – at the heart of our business.



Being open about what we do and sharing what we know

Build trust through transparency, and work with our sector on innovative solutions to our shared challenges.

Linked SDGs



Linked SDGs



Building a better business Building an innovative business

Innovation is critical to a sustainable future

Our success in sustainability depends heavily on innovation, and we’ve recognised the need for a more wide-ranging, inclusive approach. We’ve adopted the ‘open’ innovation model, involving suppliers and industry partners, rather than relying just on our own R&D – and this has supported a number of recent developments.

Our new innovation framework

As an organisation focused on being at the forefront of technology and best practice, our innovation framework creates an effective approach to prioritising projects based upon business outcomes, balances work across different time horizons, and helps us to target initiatives with our wider ecosystem. We have successfully integrated the service, digital, data, physical and biological innovation skills and capabilities from across the business, and redesigned our innovation operating model with a focus on achieving tangible value more effectively and efficiently.

The framework allows us to use better data and new technology that is close to being ready for deployment, while targeting research into new technologies that, if proven, will boost resilience and reduce process emissions in the future. It also allows us to work with the wider organisation to identify the key opportunities for recovering resources and energy across our value chain, aiding the transition to a circular economy.

The framework helps us work towards these objectives in three ways:

- Identifying opportunities and prioritising them by value and the availability of the technology and skills needed to realise them.
- Proving each initiative’s desirability, financial viability (both costs and benefits) and technical feasibility.
- Developing multi-sector partnerships to support our innovation ambitions through collaboration, investment and influencing.

Resource Recovery and Innovation Centre (‘R2IC’)

The R2IC is our testbed for demonstrating the technology we need to move to a much more circular approach for running our treatment plant. It allows us to investigate things like low-energy treatment processes for recovering materials from waste water. Importantly, it’s open to collaboration with technology providers, academics and other partners, widening its scope and making the most of the expertise available to our industry.

Innovations currently in development here include:

- membrane-aerated biofilm reactors which provide a cost-effective way of significantly reducing the power needed to treat waste water;
- the anaerobic membrane bioreactor, the largest trial in Europe of a waste treatment process for reducing carbon emissions and energy consumption, and providing a purer ammonia stream to support recovery of resources;
- chemical-free phosphorus removal to build confidence in our ability to achieve the low phosphorus permits;
- hydrogen from waste, where we are developing a prototype electrolyser that will generate hydrogen from ammonia recovered from sewage treatment; and
- sludge to fertiliser technology that converts sludge, ammonia from our effluent stream, waste heat and CO₂ from our biogas engines, into high-grade fertiliser. We are building the pilot plant at the R2IC annexe at Minworth.

World Water Innovation Fund



Ofwat Innovation Fund

In its latest round of funding, Ofwat has reserved £200 million to promote collaborative innovation across the water sector. Bids are invited for large and small projects, and all intellectual property, data and insights developed as a result of a successful bid must be made freely available to all water companies for the benefit of all customers. Our strategy is to produce targeted bids in partnership with other organisations, developing our capability to learn from others. This will ensure we maximise the value we derive from the fund. In April 2021, we were awarded £420,000 funding for two ground-breaking projects in Ofwat’s first Innovation in Water Challenge:

- Fibre leak detection is an emerging technique that uses a laser to detect noise at intervals along a fibre inside or alongside a water main or waste-water network. As there’s already a significant fibre telecoms network, we could use this to lower the cost of detecting leaks. Hafren Dyfrdwy will be working with Dŵr Cymru (Welsh Water), Costain and Focus Sensors to investigate the possibilities.
- We’ll be working with the Consumer Council for Water, South East Water and Thames Water on using behavioural and data science to support customers in vulnerable circumstances. This will include improving contact with hard-to-reach customers and communities during both planned and unplanned events, including help to manage bills and understanding which forms of communication customers prefer.

Future bids will focus on water-sector challenge where we need collaboration, such as reducing process emissions, removing microplastics and pharmaceuticals from waste, chemical-free treatment and managing water resources.

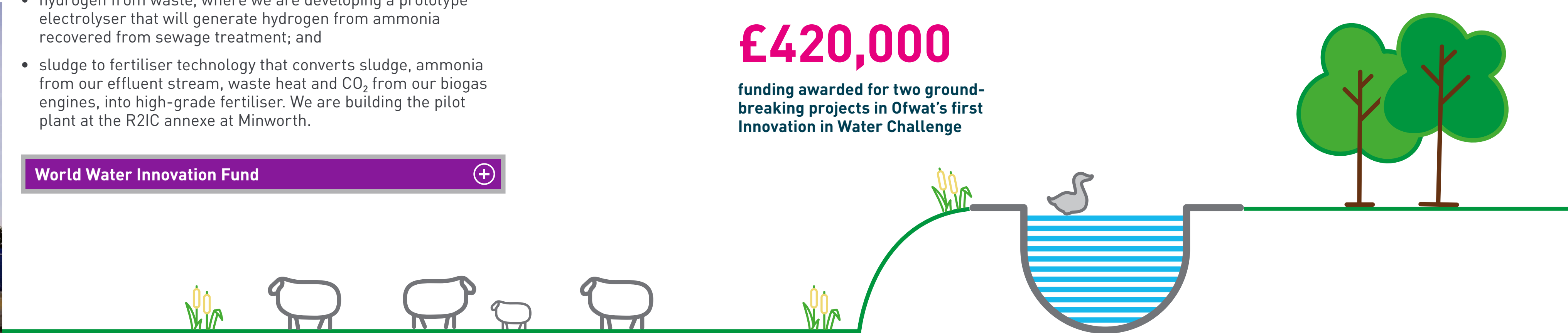
£420,000

funding awarded for two ground-breaking projects in Ofwat’s first Innovation in Water Challenge

The Severn Trent Challenge Cup



In our annual competition, we invite everyone in the organisation to offer ideas on how to improve our business. This year’s winner, from 112 entries, was the Bio-Trap Bucket, designed to filter out the droppings that land in sheep’s drinking water during lambing time. Without this innovation, farmers empty all the waste into surface-water drains. So, as well as reducing the need for waste-water treatment, the bucket, developed by one of our employees, Marion Perrett-Pearson, who also has a farm, helps farmers understand how they can contribute to water quality. It was a huge hit with the farmers who trialled the innovation, and has the potential for filtering thousands of cubic metres of contaminated water before it enters our network or rivers.



World Water Innovation Fund

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Set up recently to help us work with partners globally, solving problems and exchanging ideas and opportunities, the fund has developed a specific focus.

We're now using it in a targeted way to work towards a circular economy for the water industry. With 12 members in locations such as the UK, Singapore, Australia, Europe and the US, the aim is to collaborate on a range of circular economy and carbon-offsetting projects:

- The extraction of cellulose from toilet paper for use in processing into biofuel.
- The capture of heat from waste water from sewers and treatment works for heating domestic and commercial properties.
- Fertiliser from sludge, as above.
- Ammonia and hydrogen recovery from waste water and sludge.
- Pyrolysis to decompose waste screenings can recover two-thirds of the energy in sludge.
- Anaerobic digestion of sludge can recover the remaining one-third of the energy in sludge.



OUR NEW
ACADEMY



Learning and skills development for
Severn Trent and our communities

With a syllabus launched in July 2020 and a purpose-built facility opened in Coventry in February 2021, the Academy provides training across all aspects of Severn Trent’s business.

The aim is to have the most skilled workforce in the industry, and the Academy provides the structure for that. It offers learning opportunities for everyone, whatever stage of their career, as well as the potential for people to reskill as jobs change over time, or as they seek a change of direction in their career.

We’ve invested £10 million to give our Academy a genuine focus on experiential learning. Teams get to practise a range of skills in simulations of the real world, with operations rigs covering activities such as leakage, water pressure and valving. This gives learners the opportunity to test the theory they learn in the classroom, make and correct mistakes, and build the confidence to apply what they’ve learnt on our water network.

As well as operations and engineering skills, the syllabus includes the whole range of business skills, from customer service to leadership and management. We’ve invested heavily in virtual reality, and this is proving especially valuable in training for high-risk scenarios where health and safety factors would limit real-world, physical methods – for example, where heavy lifting or handling chemicals are involved. We’ve even developed an immersive learning experience for personal effectiveness skills to coach our managers how to handle tricky conversations.

Our flexible approach has helped us continue training our people throughout the restrictions and other challenges of the pandemic. This has been especially vital for our many key workers – and wherever course content demands physical methods, we’ve kept everyone safe by ensuring our training environments are Covid-secure, and have reduced the numbers at training sessions.

So, despite the difficult conditions affecting our Academy’s first few months, we’ve succeeded in establishing a facility fully equipped to provide all the training we need – from operational apprenticeships to professional development.

119
people reskilled, as part
of our planning and scheduling
change programme

Improving skills and creating careers through
graduates and apprenticeships

Despite Covid, we have continued with our apprentice and graduate development programmes throughout the year. We currently have 152 apprentices and graduates in the business, at different stages of their course, and we welcomed an additional 69 in August and September 2020. This January, we announced and started the application process for this year’s intake, with 86 new apprentice or graduate roles available for a variety of occupations and levels. Apprenticeship qualifications range from level 2 (GCSE equivalent) to level 5 (foundation degree equivalent) and now span a broad variety of roles, including maintenance technicians, farm-liaison officers, HR consultants and quantity surveyors.

At a time when young people across our communities need access to meaningful, well-paid jobs, our new-talent programmes are a great way to bring diverse skills into our organisation. Of those currently on our programmes, 20% are female and 15% are from an ethnic minority. Of our 2020 intake, 42% joined us from social mobility ‘coldspots’, a number that increases to 49% for our apprentice intake.

Reskilling and adapting to new roles
As part of a planning and scheduling change programme, and in consultation with our trade unions, we agreed that for anybody affected, we would guarantee to find them a job somewhere in the Company. We have found opportunities for 119 people, reskilling them in the process. It has even proven to be a good model for future change programmes, where we may be able to offer our people not only second careers and job security, but also progression in new directions.

152
apprentices and graduates
in the business

A WORKPLACE
WHERE PEOPLE
CAN BE
THEMSELVES

Our approach to diversity and inclusion ('D&I')

Our diversity and inclusion ambition is two-fold. On diversity, we want a workforce that reflects the communities we serve, and on inclusion, a fair working environment where everyone feels they can succeed.

Our region is home to a diverse population, and we want to tap into all that diversity at Severn Trent. A diverse workforce helps us better understand and meet the needs of our customers, and keep improving how we work, through a greater variety of ideas and perspectives.

We've made good progress, but we know there is still much work we must do. As our CEO Liv Garfield says, "We can always do more to represent the communities we serve, to be welcoming and inclusive of all, to champion and promote the very best talent. We shouldn't see that as daunting or dull, but as exactly the kind of exciting challenge on which we all thrive."

Each year we produce a Gender Pay Gap Report, showing the difference between the average hourly pay for men and women across all ages, roles and levels of the business. Our latest figures show a median gap of 9.3% (last year: 9.8%) and a mean gap of 2.3% (last year: 3.6%). The decrease in our median continues to be positively affected by a high proportion of women within our management and senior management roles, and the decrease in our mean gender pay gap reflects a greater weighting towards higher-earning women and a shift in our overall quartile distribution. We've raised awareness in attracting and retaining women in senior positions, making them visible role models as we challenge and change perceptions of gender equality. One result is we're starting to see women go into operational roles that were traditionally seen as male, such as tanker driving, and we are encouraged by the successes so far.

Employee Advisory Groups

We now have employee advisory groups for LGBTQ+, Ethnicity and Disability. They work alongside external experts like Stonewall, to help define our policies and initiatives. They also help raise awareness of the issues and what we can do about them. Each working group now has an employee Chair and an Executive sponsor, to offer greater support.

Ethnic diversity

We are at an earlier stage in our efforts to improve the representation of ethnic minorities at Severn Trent. Although our minority representation is stronger than the industry average, it doesn't yet reflect the ethnic diversity of our local community. It's increasing across our graduate and apprenticeship schemes, but we need to do more to create a truly diverse workplace. We have signed up to the Business in the Community ('BiTC') Race at Work Charter. Also, in summer we are joining the 10,000 Black Interns programme, which offers paid work experience, training and development opportunities, across a wide range of sectors, to black students in the UK. We will be taking 100 of this summer's UK cohort of 2,000.

Social mobility

We operate across more areas of low social mobility than any other water company in England. A third of the nation's social mobility 'cold spots' are in the communities we serve, so we can make a real difference by creating opportunities that otherwise wouldn't be there. We work hard to remove barriers to people joining us, such as removing degree requirements from role specifications where feasible. Also, we're a founder member of the Social Mobility Pledge and are ranked in the top 10 of the Social Mobility Index for a second year.

Gender diversity



We are proud to be one of the first two companies in the history of the FTSE100 to have a majority of women on the board – including our CEO and Chair, our Board is now 55.6% female. And of the graduates and apprentices who represent the next generation of leaders, 20.7% are women. Across the Company, 28.6% of our employees are female.

Read more online

55.6% FEMALE

We are proud to be one of the first two companies in the history of the FTSE100 to have a majority of women on the board – including our CEO and Chair, our Board is now 55.6% female

SOCIAL
MOBILITY
PLEDGE

We're a founder member of the Social Mobility Pledge and are ranked in the top 10 of the Social Mobility Index for a second year



Building a better business Creating a diverse and inclusive environment continued

LGBTQ+

Our well-established LGBTQ+ Employee Advisory Group works to maintain an inclusive culture for LGBTQ+ people at Severn Trent. Since 2017, the network has teamed up with Stonewall to help get us into the top 200 of the Stonewall Index. We have promoted diversity within the organisation and updated our policies and procedures to be more inclusive. In addition, our LGBTQ+ Allies programme offers training to help our employees understand the role they can play in creating a safe, inclusive workplace for everyone. The group also ran virtual webinars and awareness sessions to mark LGBTQ+ history month.

Colleagues with disabilities or health conditions

We support those with a disability, health condition or illness to ensure they can reach their full potential. If any employee becomes disabled during their time with us, we will re-train them and, where possible, make reasonable adjustments to their work environment. Our Disability Employee Advisory Group contains representatives from across the organisation who highlight opportunities to continue to create an accessible and inclusive environment for our colleagues. This year we signed up to the Hidden Disability Sunflower Programme, which aims to indicate discreetly that wearers of the sunflower have a hidden disability and may need additional support, help or more time.

Reverse mentoring



Family-friendly policies

We offer all the normal policies expected of a major company – maternity, paternity, adoption, and flexible working (including early retirement). All go beyond statutory legal requirements other than our shared parental leave, an offer that has seen a very low uptake nationally. We aim to follow the best practice guidance provided to us by experts in their fields. In addition, we subscribe to Working Families to ensure we are benchmarking the policies, and work with Stonewall to ensure they are appropriate for LGBTQ+ colleagues. Some of our latest developments include special policies to support neonatal care leave, leave for fertility treatment and IVF, and emergency dependency leave.

Tackling and supporting ‘taboo’ topics

We’ve shown our public support for topics people often have difficulty talking about – the menopause, mental health and endometriosis, for example – with a series of informative internal communications as well as support for those who might need it. Future guides include those on living with cancer, and neurodiverse conditions.

Active Leadership

We need active leadership on diversity and inclusion, so we’re educating and equipping our managers. All 300 of our senior management team and business leaders are taking part in awareness training run by external experts.

Recognition of our progress

We’re pleased to report we’re doing well in working towards our diversity and inclusion goals. We constantly monitor our progress through a number of indices and rankings – and although we welcome the recognition, we also see these placings as opportunities to do more.

The Hampton-Alexander Review

We now rank second in this survey of female representation in senior leadership roles.

Equileap Gender Equality Global Report

We rated 5th best in the UK and are the only UK-based utility company to feature in the top 100. We also rated 31st globally out of over 4,000 organisations analysed.

The Social Mobility Index

We’ve been in the top ten for two consecutive years.

The Stonewall Index

In this listing that measures LGBTQ+ inclusion, we’ve moved in the past year from 414th to 175th place.

The Tortoise Sustainability Index

Also known as The Responsible Business Index, this ranks us fourth in the FTSE100 for equality and the highest ranking utility in sixth overall.

The Diversity Leaders

Ranked by the Financial Times, this index assesses companies for inclusivity by surveying their employees. We’re one of only six UK utilities to place in the top 200, coming 198th out of 15,000 organisations.

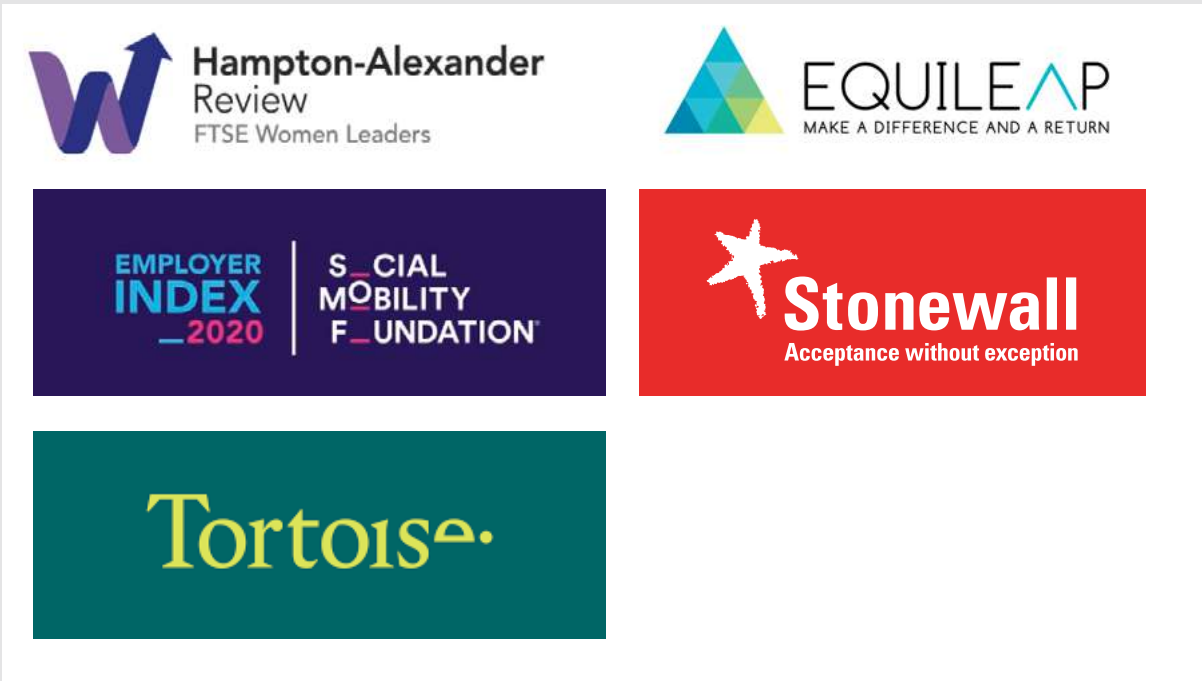
Joining charters and campaigns

We’ve signed up to a number of new charters, including the following:

- **The BiTC Race at Work Charter**, promoting racial equality and zero tolerance on racial discrimination
- **The Dying to Work Charter**, giving terminally ill employees options about how they want to work
- **The Government’s Disability Confident Scheme**, helping employers attract, recruit and retain disabled employees
- **Stonewall Diversity Champion**, helping organisations create inclusive working environments for LGBTQ+ employees
- **Social Mobility Pledge founder member**, which is one of the highest accreditations, signalling our commitment to social mobility

Listening to our employees

Although our rankings and memberships are clear indicators of our progress in diversity and inclusion, the true measure of success is having a diverse workforce and a culture of fairness where everyone feels included and can succeed. So we devote a lot of time to finding out our employees’ views on these matters – mainly through Quest, our annual employee engagement survey. Our highest-rated question in this is on equality, where we score 8.9 out of a possible 10, against a benchmark of 8.



Reverse mentoring 



We've matched several of our Executive team and senior managers with reverse mentors – the process of 'more junior' employees passing on their knowledge – and in this case, lived experiences – to senior employees including our Chief Executive Officer and Directors of Human Resources and Customer Operations.



Building a better business Supporting our employees

Nurturing a sustainable culture

In the previous year, we took the opportunity to refresh our Purpose and our Values to make sure they were fit for the world we operated in and for the culture we wanted to create. In the face of the pandemic, and the unique challenges it presented, these Values – showing care, taking pride, having courage and embracing curiosity – provided solid and effective guidance for how we went about supporting our people and communities through the crisis. At our annual Company awards ceremony this year, we created specific awards to celebrate individuals or teams who had exemplified the very best of each of these Values throughout the year.

Meet some of our Awesome Award winners



As well as our Values, we have continued to promote our outlook on sustainability throughout the business, continuing our CEO’s employee roadshows and hosting specific leadership events to communicate our net zero commitment. This year’s new graduate intake embarked on a newly established project called ‘engaging the business on sustainability’. We are now integrating many of these ideas – presented to senior leaders within the business – within our wider engagement strategy – for example, the electric vehicle purchase scheme that every employee can now access.

We created a number of internal initiatives this year to maintain momentum in our work on inclusion and belonging. This included talking about difficult subjects such as mental health, using a series of colleague-hosted podcasts to break down the stigma and give people confidence to share their own experiences. In March, we launched our campaign in support of No More, the global anti-domestic violence initiative, helping raise awareness and create a safe space for people at work.

And finally, in response to the lockdown restrictions after Christmas, we launched our Share a Smile campaign, creating an opportunity for employees and their families to come together for a series of virtual fun events, including well-known stand-up comedians, pub quizzes, bingo and ‘rockaoke’. Each event brought a smile to over a thousand Severn Trenters and their families, to start 2021 with some cheer.

A strong health and safety culture

Our true ambition is for no one to get hurt or be made unwell by what they do at work. As our safety culture has evolved, we’ve seen significant improvements and would like to achieve an industry-leading lost-time incident (‘LTI’) rate of under 0.10. This is total incidents divided by total hours worked. For the year ended March 2021, we had 21 LTIs and will achieve our target for the year of an LTI rate of 0.16, making it our best safety performance ever (2019/20: 0.20).

Health and safety strategy

To improve performance, we have a simple but effective four-part strategy, understood by the whole business:

1. Focusing on the things that occur most frequently – the three areas that are our biggest causes of absence are: driving; manual handling, slips, trips and falls; and mental ill health.
2. Ensuring people understand our safety management systems, which provide resilience against harm.
3. Providing managers with real-time safety data as well as detailed monthly reports, so they can assess performance and make improvements.
4. Using data analytics to identify opportunities for improvement and target underperforming areas.

By focusing for the last year on the things that occur most frequently, we have achieved the following:

- There has been a 53% reduction in all driving accidents, and a 67% reduction in driving accidents resulting in absence from work.
- We have seen a 45% reduction in all accidents causing musculoskeletal injuries that resulted in absence from work.
- Following a quarter’s focus, there was a 71% increase in the use of our Employee Assistance Programme, and the Occupational Health and Wellbeing team noticed a definite uptake in requests for training on mental health.

High-risk activities

Following the Wessex Water tragedy at Avonmouth, we conducted a full review of all our high-risk activities. Though we identified no material safety issues, and are managing these activities effectively, the review highlighted broader opportunities to undertake continuous improvement work related to some of our high-risk activities. These include building on our management information, ensuring clarity of responsibilities and advancing the overall safety competence of employees.

Health & Safety Executive award

In April, we won the prestigious Risk Reduction through Design award, for the work Network Maintenance Technician, Anthony Skellet, conducted with equipment provider Langham Industrial Controls to design out the musculoskeletal disorder risks of lifting heavy standpipes during routine flushing operations.

Royal Society for the Prevention of Accidents award

In June, we received a Silver Achievement Health, Safety and Wellbeing award from the Royal Society for the Prevention of Accidents for working hard to ensure our employees, customers and contractors could get home safely to their families at the end of every working day – in effect through our four-part strategy above.

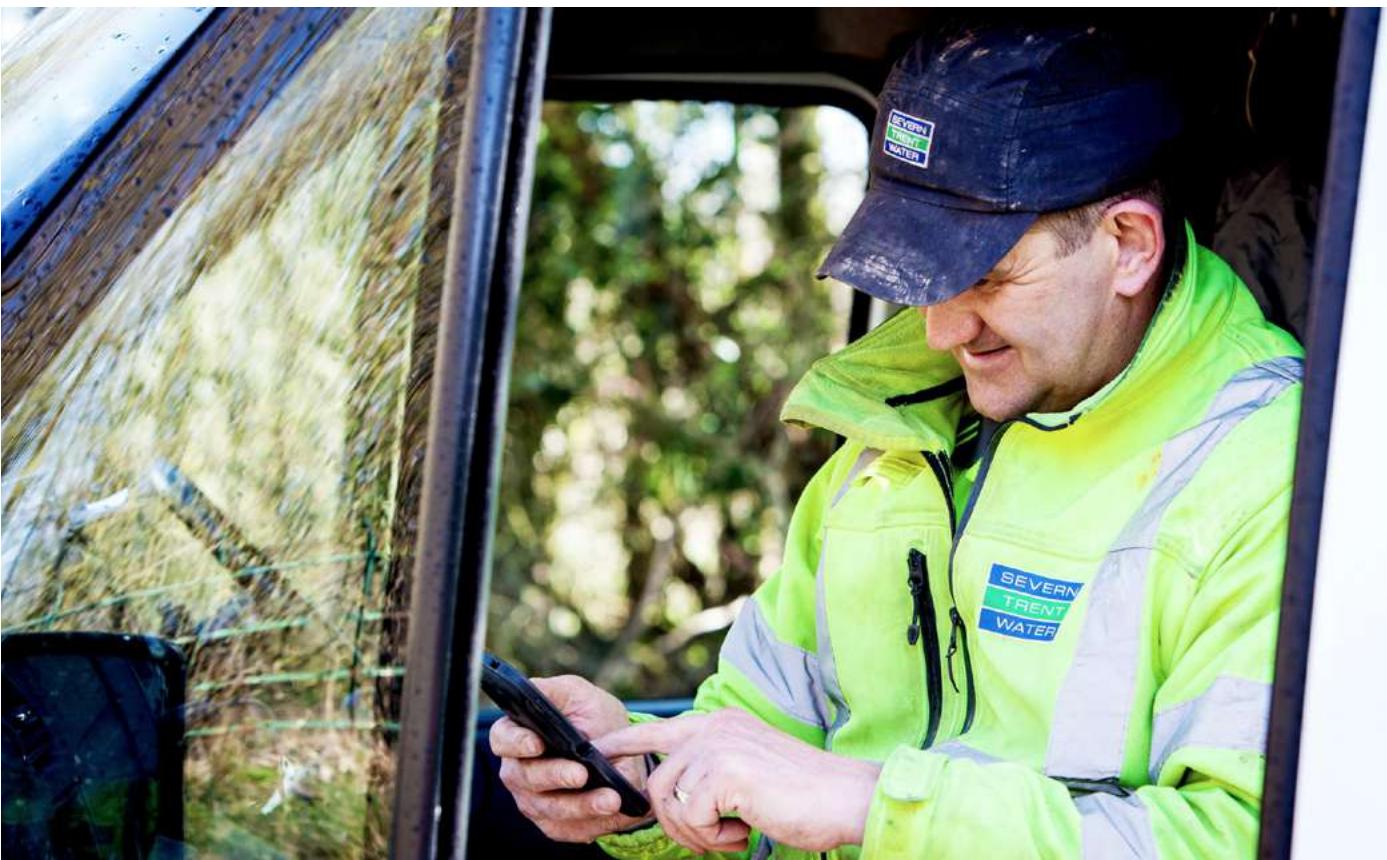
Partnership

We continue to work with RoSPA and our trade unions to support our ‘whole person’ approach to health and safety. This uses the workplace as a conduit for broader improvements to individual safety and that of people’s families and the wider community. More accidents happen in the home than anywhere else, and the four hazards that cause the most harm at work also cause the most harm at home. Therefore the project focuses on safety outside of work as a great way to encourage our employees to take key safety messages into their homes and communities.

Keeping our colleagues safe and secure during the pandemic

During the Covid-19 pandemic, for those employees who need to attend a workplace, we’ve been ensuring these are Covid-secure, using extensive weekly risk assessments at all locations. However, over half our workforce has been working from home, and for those we’ve provided equipment such as laptops, keyboards and chairs, to ensure their workplaces meet the required standards.

 [Read more online](#)



Creating appropriate wellbeing support

We’ve been working closely with our three trade unions and senior company forum reps, with weekly sessions prioritising the health, safety and wellbeing of all colleagues. Through these, we believe our employees’ voice really did lead us through the year, which was very much one of being able to care for colleagues through strong and regular communications. We developed a broad suite of help and support initiatives, including increasing awareness of mental health and promoting our employee assistance programme. This included our Share a Smile programme, helping connect people socially throughout the lockdowns.

We haven’t just focused on people isolated as a result of lockdown, but also on keeping people safe when they enter customers’ homes, and on communications explaining to the public why we are out working on the roads during lockdown. We’ve maintained a watchful eye on anyone with a significant vulnerability or heightened reaction to the virus. Just over 1,000 employees responded to a question of whether they felt a degree of vulnerability, and each received a call from the HR team, who then maintained regular contact where appropriate. We also enabled some people who were shielding to come into the workplace but still have a degree of safe human contact.

Domestic violence increased during the lockdown, and we engaged The Haven in Wolverhampton to provide training and tools for us to support colleagues who were affected or worried about their domestic safety. While we have retained everybody in work and paid our normal bonuses, we recognised the strain on households dependent on more than one source of income. So we also arranged access to new financial wellbeing tools that offered advice on Government support and various budgeting tools.

Meet some of our
Awesome Award winners

Employee of the year: Neil Tsang of Customer Operations set his focus on how we can support our vulnerable customers with bottled water and alternative water supplies when things go wrong, which was particularly important in the challenging times of last year. Whatever time of day, night or weekend Neil was throwing himself into his work; he was always an inspiration to colleagues across the business.

Embracing curiosity: The hard-working Nature-Based Solutions Team established a group to look at alternative, more natural options for removing phosphorous, currently our biggest pollutant risk. The group has helped come up with an industry-leading matrix that will not only help us meet our tight compliance limits, but also reduce our carbon footprint, and all at a sensible and manageable cost.

Showing care: Hayley Locking of Customer Operations cares deeply about nurturing newcomers within our business, helping them reach their full potential and have the best start possible to their career at Severn Trent. She invests much of her own time in support. Many apprentices who have gone on to be successful in their roles have spent part of their apprenticeship with Hayley.

Having courage: Natasha Haywood of HR has taken the co-chair role of the LGBTQ+ network in her stride and has acted as an LGBTQ+ mentor, working to create an inclusive culture at Severn Trent. She's also shown an immense amount of personal courage in describing her own experiences and stories to help educate others and raise awareness of LGBTQ+ issues.

Taking pride: Gulbinder Sandhu of Customer Operations is the epitome of a Severn Trent unsung hero. He knows some very complicated stuff inside out and plays a crucial role in helping many people with data and information. But he never makes a fuss about it, so his huge contribution to the smooth running of the business is often overlooked.



Building a better business Working with our suppliers

Our suppliers are key to our goals

Our supply chain plays a crucial role in our business. We want to make sure our suppliers can help us in our goal of making a positive impact on the communities we serve, the people who live here and the environment around us.

Supply Chain Sustainability Strategy

Our thinking on sustainable procurement is evolving, and we are using the principles of ISO 20400 to develop an ambitious Supply Chain Sustainability Strategy. In time, we will continue to embed sustainability throughout the procurement and contract management life cycle. Our contract and procurement managers are now trained in ethical sourcing and supplier management, and have sustainability included within their job descriptions and personal objectives. We've updated our supplier-selection criteria, with a tailored approach that takes into account the size and relevance of procurement activity. For example, in our chemicals tender, we introduced specific questions on carbon management and the intensity of products.

Our Sustainable Supply Chain Charter

We aim to work only with organisations who respect our principles and socially purposeful standards of working – and to help achieve that, our Sustainable Supply Chain Charter outlines those principles. It sets out our minimum expectations for our supply chain. We updated the Charter in 2020, making it more ambitious, in line with our new Sustainability Framework, and we are pleased that a further 649 suppliers have signed it since September 2020, now making the total over a thousand since 2016.

The Charter acknowledges that organisations are at different stages on the road to sustainability. Also that we are here to help with the development of their approach on any given issue case by case. For example, for modern slavery, we identify high-risk suppliers, offering guidance and free awareness sessions. For carbon reporting and reduction, while our approach is in its infancy, we will initially focus on suppliers whose carbon impact is high, and the mechanisms we need to put into place to support them with reporting and management. Our focus over the last year has been to establish our Scope 3 baseline, which has highlighted where these high-impact areas are, and we'll use this insight to improve the accuracy of our Scope 3 data. Importantly, it allows us to support suppliers.

Supplier pledges



To make it easier for our suppliers to support our goals we've developed a standard set of pledges to encourage collaboration on the key principles outlined in our charter. Currently 60 suppliers (representing 56% of our spending) have pledged to act on biodiversity, carbon reduction, resource efficiency and social mobility.

Supply Chain Sustainability School



We're working with the Supply Chain Sustainability School. Made up of over 100 partner companies, the school represents a common approach to addressing sustainability by building knowledge, capability and collaboration opportunities across a shared supply chain. It offers free resources, tools and training, which we'll be using with employees and suppliers.

CIPS Ethics Mark



Following specific training, we were awarded the Chartered Institute of Procurement and Supply's ('CIPS') Ethics Mark. We have trained all colleagues who select and manage our suppliers in ethical sourcing and supplier management.



Valued partnerships and collaboration with our supply chain are essential parts of achieving better and more sustainable outcomes for all our stakeholders, and we want everyone to support us in taking care of our customers, communities, colleagues and the environment around us.



Liv Garfield,
Chief Executive

Tackling modern slavery

We continue to take our responsibilities for modern slavery risk seriously within our organisation, and have this year focused our communication with our supply chain on this as an extension of our zero-tolerance approach. We refreshed our approach to assessing risk and launched a new Modern Slavery Supplier Assurance Programme, where we apply a risk assessment following a self-certification questionnaire. We then discuss the issue with those that score as high risk, and develop plans together to improve their approach.

We work closely with the Slave-Free Alliance, a group of over 20 organisations working together to tackle this issue by identifying a common approach to supplier due diligence, risk mapping, and training and awareness. Building on our previous face-to-face workshops, we have provided their awareness workshops to an additional 100 colleagues working in relevant roles. We've also established some collaboration across the industry, being one of over 20 organisations now part of the utilities sector Modern Slavery Working Group, helping us to share best practice.

Real Living Wage accreditation

In March 2020, we became an accredited Living Wage Foundation employer and we are working with our supply chain to ensure they all adopt the real Living Wage as a minimum for all direct employees who working on our contracts. Several suppliers increased employees' wages immediately. Since achieving our accredited status as a real Living Wage ('RLW') employer, we have focused our attention on raising awareness across our supply chain and ensuring RLW applies to all new contracts and contract extensions.

The Prompt Payment Code

We remain a signatory of the Prompt Payment Code. To 31 March 2021 we were paying SMEs immediately, in recognition of the pandemic circumstances. Generally, we make 98% of supplier payments within 60 days and, on average, pay suppliers within 26 days of receiving their invoice.

Supplier Spotlight

Our Supplier Spotlight platform continues to be an important two-way channel for positive and constructive feedback on the work our supply chain undertakes. This year we made over 156 contacts through the Spotlight platform.

Building a better business Making decisions for the long term

Evolving our approach to sustainability governance

Our people work towards our sustainability commitments every day as part of their roles. A performance-management system ensures we adhere to our Sustainability Framework and agreed metrics.

Our governance framework is approved by the Chair of the Severn Trent Plc and supports the Board in making decisions and maintaining oversight, identifying and managing non-financial risks and opportunities, and ensuring we remain on track to meet our sustainability commitments. During the year, the Board provided input into our carbon and waste strategies. Page 93 of our Annual Report and Accounts details which Directors have sustainability – particularly climate change – experience.

Our Board-level Corporate Sustainability Committee, chaired by Non-Executive Director Dame Angela Strank, oversees sustainability risks, commitments and performance, as well as the Company’s Values. Pages 92 – 94 of our Annual Report and Accounts give an overview of the Committee’s activities in 2020/21.

A Sustainability Steering Committee, composed of Executives and senior management and reporting to the Corporate Sustainability Committee, oversees our performance on all the topics in our Sustainability Framework. From 2021 onwards, the Steering Committee will hear regularly from our sustainability subject expert groups, and provide guidance and oversight of our overall approach. Each subject expert will have senior-level sponsors accountable for specific sustainability commitments and targets, and subject matter experts to provide guidance and measurement.

Other committees discuss sustainability topics. For example, in 2019 the Energy Steering Committee made the decision to commit to 100% renewable energy. Also, employee rewards are linked to our performance in sustainability and health and safety.

Ethics

Our Code of Conduct, Doing the Right Thing, sets out the cultural norms and behaviour expected of everyone at Severn Trent, and provides a consistent framework for responsible business practices. A number of policies support the Code, helping employees act on suspected wrongdoing, maintain safety standards and use sound judgment – these include our Group Data Protection Policy, Group Conflict of Interest Policy and Group Financial Crime Policy. We also require suppliers to sign up to the Code of Conduct as part of their contract with Severn Trent.

Whistleblowing

We encourage all our employees to raise concerns at work through their line manager or senior management. They can also use our confidential whistleblowing helpline or email service, operated by an independent company. Every concern raised is investigated independently and reported to the Audit and Corporate Sustainability Committees. In a recent survey, staff rated the following statement 8.2 out of 10 (where 10 is highest and 1 is lowest): ‘If I suffered or witnessed wrongdoing at work, I’d be confident Severn Trent would respond appropriately.’

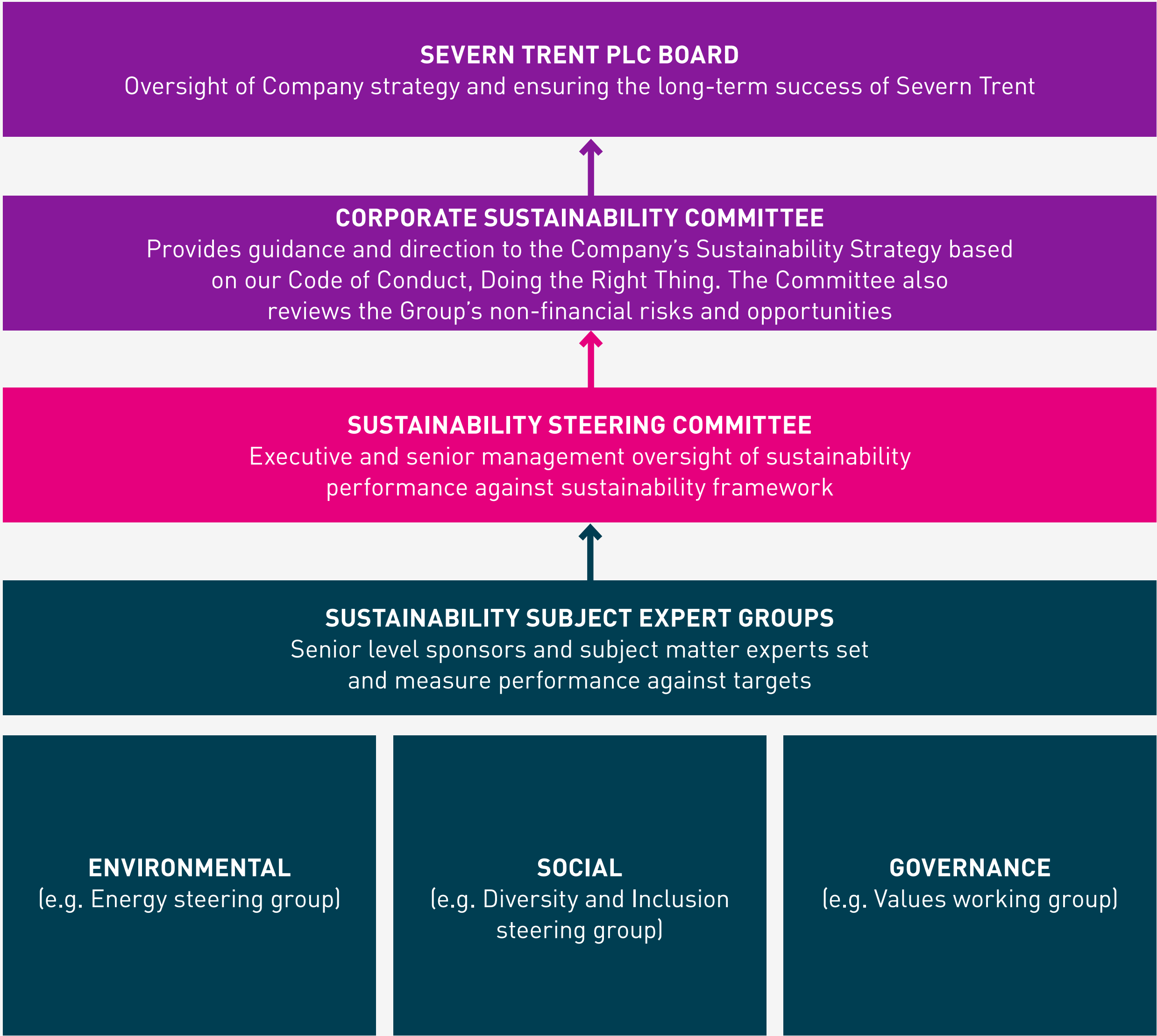
Bribery and fraud

Our Financial Crime Policy prohibits bribery, corruption and fraud in all our business dealings. Employees’ in roles identified as high risk, through a risk review for all roles, are asked to take part in online training and a test to ensure they’re aware of, and comply with, our Anti-Bribery and Corruption Policy.

Managing risk

As a provider of one of life’s essentials, failing to manage risk can have serious consequences for our customers and communities. We identify, assess, manage and monitor the significant risks on our risk register through our Enterprise Risk Management (‘ERM’) process. This allows us to adapt rapidly to emerging and changing risks by accelerating action or even changing course. Our significant risks are reported to the Executive Committee, Audit Committee and Board every six months, and the Board discusses specific risk topics throughout the year. The Audit Committee is responsible for assessing the effectiveness of the ERM system and internal controls on behalf of the Board.

Sustainability governance





APPENDIX

What's in **this section?**

- Additional Information** →
- Stakeholder engagement and materiality assessment** →
- Full dataset** →
- GRI/SASB content index** →

Additional information

About this report

This report covers the most significant environmental, social and governance issues for the financial year 1 April 2020 to 31 March 2021. We have designed the contents to complement the information in our Annual Report and Accounts.

Our regulated water and waste water business includes the wholesale water and waste water activities of Severn Trent Water Limited and its retail services to domestic customers, and Hafren Dyfrdwy Cyfyngedig , the information in this report relates to Severn Trent Water, which makes up 98% of our total customer base. Unless stated otherwise

Our reporting is guided by our Materiality Assessment, which is informed by the GRI and SASB reporting frameworks and the UN Sustainable Development Goals. We take into account the GRI's Reporting Principles of stakeholder inclusiveness, sustainability context, materiality and completeness, which are complemented by the subset of sustainability issues that are financially material to our sector, as identified by SASB's materiality map. Using these standards together ensures a holistic picture of our corporate performance on sustainability. This approach is further supported by our examination of how our efforts contribute to the UN's Sustainable Development Goals, which set our local efforts with the context of these global goals.

The independent and external indices and awards shown on this page help validate the credibility of our sustainability performance, and we recognise their importance to investment decisions. However, they do not show the whole story, and this report serves to add to the honest assessment of our performance and the work we know we still have to do.

Partnerships/memberships/recognition Benchmarking



CDP
CDP (formerly the Carbon Disclosure Project) is a not-for-profit organisation that runs the global disclosure system for investors, companies, cities, states and regions to manage their impact on the environment. CDP helps assess our plans for climate change and the action we're taking. We were rated B in 2020, and we're working hard to improve our future responses.



FTSE4Good

FTSE4Good
As a FTSE100 company, we are part of the FTSE4Good Index Series, designed to measure the performance of companies demonstrating strong environmental, social and governance practices. Our latest review was in June 2020.



Sustainalytics
Based in Amsterdam, Sustainalytics is a company that rates the sustainability of other organisations based on their environmental, social and corporate governance performance. In early 2021, Sustainalytics gave us a risk rating score of 14.4, which means we are assessed to be at low risk of experiencing material financial impacts from ESG factors. This rating places us second within the water utilities sub-industry.



MSCI
(formerly Morgan Stanley Capital International) is based in New York and provides a range of market and business analysis to investors around the world. MSCI scores companies based on their plans and behaviours in relation to issues including climate change, pollution and waste, human capital, social opportunities, and corporate governance and behaviour. In February 2021, MSCI rated us A (Scale AAA to CCC).



Bloomberg Gender-Equality Index
In 2021, we were announced as one of the 380 companies across 44 counties and regions included in the 2021 Bloomberg Gender-Equality Index (GEI). The Index tracks the performance of public companies committed to supporting gender equality through policy development, representation, and transparency



Tortoise Intelligence Responsibility100 Index
We were ranked sixth in the April 2021 refresh of the Tortoise Intelligence Responsibility Index. An index unique for ranking whether companies do what they say they will – providing a 'walk' as well as a 'talk' perspective on performance. The index ranks the FTSE100 companies on their commitment to key social, environmental and ethical objectives, inspired by the UN Sustainable Development Goals. This index is updated on a quarterly basis. social and governance practices. Our latest review was in April 2021.



Institutional Shareholder Services (ISS) ESG
ISS Corporate Performance analyses a company's management of ESG issues on the basis of up to 100 rating criteria. We received a B+ 'Prime status' for our assessment that took place on August 2020, awarded to companies with ESG performance above sector specific thresholds.



Carbon Trust
We have held the Carbon Trust standard for over 10 years, recognising our best practice in measuring, managing and reducing our environmental impact. We receive valuable feedback from the Carbon Trust on how to improve on these topics.



Task Force on Climate-related Disclosures
Task Force on Climate-related Disclosures The Taskforce on Climate-related Financial Disclosures (TCFD) recommendations are designed to achieve consistent, decision-useful, forward-looking information on the material financial impacts of climate-related risks and opportunities, including those related to the global transition to a lower-carbon economy



United Nations Global Compact
Through the delivery of our sustainability ambitions, Severn Trent is committed to upholding the UN Global Compact's Ten Principles on human rights, the environment and anti-corruption. This report along with our GRI Content Index acts as our Communication on Progress.

Data quality and assurance

In ensuring data quality for this report, we followed the GRI's Reporting Principles of balance, clarity, accuracy, reliability, timeliness and comparability.

Data assurance

Across our Sustainability Report, we have used our established risk based, three lines of assurance approach, with our most material sustainability metrics being independently assured.

As part of the ARA and APR process, Jacob have assured our sustainability-related Performance Commitments and Deloitte has assured our financial data. Other high-risk sustainability information has been assured by Internal Audit with the remaining lower risk areas being second line assured.

Full assurance statements can be found on in the Severn Trent Plc Annual Report and Accounts 2021 and Severn Trent Water Annual Performance Report 2021.

Carbon reporting

Our approach to carbon reporting is based on the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and we have included only emissions from the assets which we own and operate and which we can directly influence and reduce, known as the financial control boundary.

Additional information

Cautionary statement regarding forward-looking statements

This document contains statements that are, or may be deemed to be, ‘forward-looking statements’ with respect to Severn Trent’s financial condition, results of operations and business and certain of Severn Trent’s plans and objectives with respect to these items.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as ‘anticipates’, ‘aims’, ‘due’, ‘could’, ‘may’, ‘will’, ‘would’, ‘should’, ‘expects’, ‘believes’, ‘intends’, ‘plans’, ‘projects’, ‘potential’, ‘reasonably possible’, ‘targets’, ‘goal’, ‘estimates’ or words with a similar meaning, and, in each case, their negative or other variations or comparable terminology. Any forward-looking statements in this document are based on Severn Trent’s current expectations and, by their very nature, forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance and no assurances can be given that the forward-looking statements in this document will be realised. There are a number of factors, many of which are beyond Severn Trent’s control, that could cause actual results, performance and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to: the Principal Risks disclosed in our latest Annual Report and Accounts (which have not been updated since the date of its publication); changes in the economies and markets in which the Group operates; changes in the regulatory and competition frameworks in which the Group operates; the impact of legal or other proceedings against or which affect the Group; and changes in interest and exchange rates.

All written or verbal forward-looking statements, made in this document or made subsequently, which are attributable to Severn Trent or any other member of the Group or persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. No assurances can be given that the forward-looking statements in this document will be realised. This document speaks as at the date of publication. Save as required by applicable laws and regulations, Severn Trent does not intend to update any forward-looking statements and does not undertake any obligation to do so. Past performance of securities of Severn Trent Plc cannot be relied upon as a guide to the future performance of securities of Severn Trent Plc.

Nothing in this document should be regarded as a profits forecast.

This document is not an offer to sell, exchange or transfer any securities of Severn Trent Plc or any of its subsidiaries and is not soliciting an offer to purchase, exchange or transfer such securities in any jurisdiction. Securities may not be offered, sold or transferred in the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act of 1933 (as amended).

Glossary

AMP7: Asset Management Period for the five-year regulatory period starting 1 April 2020.

BAME: Black, Asian and Minority Ethnic.

CSO: Combined sewer overflow – an asset on our sewer network that acts as a relief point when combined sewers are overwhelmed with rainwater allowing discharge into rivers/watercourse.

DWMP: Drainage and Wastewater Management Plan – covers the investments we plan to make over the next five-year period, 2020-25, as well as setting out a long-term (25-year) strategy for how we are going to deliver a reliable and sustainable waste water service.

GRI: The GRI Sustainability Reporting Standards (GRI Standards) are the most widely adopted global standards for sustainability reporting.

Living Wage: The real Living Wage is an independent calculation of the cost of living, based on a basket of household goods and services.

Natural capital: The value created for people, directly or indirectly, by ecosystem services from the natural world.

ODI: Outcome Delivery Incentive – a framework made up of outcomes, measures, targets and incentives which provides companies with rewards for achieving stretching performance targets and compensates customers if performance is below performance commitments.

Paris Agreement: An agreement within the United Nations Framework Convention on Climate Change, with a long-term goal to keep the increase in global average temperature to well below 2°C above pre-industrial levels; and to pursue efforts to limit the increase to 1.5°C, recognising that

this would substantially reduce the risks and impacts of climate change.

Parker Review: Independent review by Sir John Parker into the ethnic diversity of UK Boards.

PCC: Per capita consumption is the average amount of water used by each person that lives in a household property.

PR14/24: The price review is a financial review process led by Ofwat where wholesale controls for water and sewage companies are set every five years.

REGO: Energy which is backed by Renewable Energy Guarantees of Origin. The REGO scheme is a Government scheme, regulated by Ofgem, which provides transparency to consumers about the proportion of electricity that suppliers source from renewable generation.

Scope 1 emissions: All direct emissions from the activities of the business.

Scope 2 emissions: Indirect emissions from electricity purchased and used by the business.

Scope 3 emissions: All other indirect emissions from activities of the business, but occur from sources that we do not own or control.

Social capital: The value created through improved individual or societal wellbeing and prosperity.

WRMP: Water Resources Management Plan – sets out how we’ll manage supply and demand to mitigate the impact of climate change and meet our environmental obligations for the next 25 years.

Stakeholder engagement and materiality assessment

Our business model means we have significant impacts on a variety of stakeholders. We identify stakeholders to engage with, based on the likelihood and consequence of our activities to have a positive or negative impact on them.

We engage with stakeholders to understand these impacts and their views on our company. This process is part of our corporate governance. We aim to report clearly on how we have taken the views of our stakeholders into account, the impact of our decisions on them and any actions we have taken as a consequence. You can read more in our s.172 statement on pages 72 to 74 of our Annual Report and Accounts for more information on our overall stakeholder engagement.







Because of the nature of our business, sustainability is already a key topic of conversation with many stakeholder groups. For this year’s report, we have examined the results of our stakeholder engagement throughout the year as an important input into identifying and prioritising our material issues. We use our analysis to help determine what information we should include in our Sustainability Report.







In general, we engage with stakeholders continuously throughout the year. How and when we do this depends on different internal and external events. We may engage proactively or reactively in response to these events.







STAKEHOLDER	WHY WE ENGAGE	HOW WE ENGAGE	HOW THIS HAS INFLUENCED OUR BUSINESS AND SHAPED OUR SUSTAINABILITY APPROACH
Customers	Our customers are at the heart of our business. Our business plan is built around understanding and meeting their needs.	<p>We contact customers directly through a quarterly customer survey and ongoing qualitative research with members of Tap Chat, our online community panel. In advance of our business-plan submissions, which occur every five years, we conduct extensive customer engagement. Our latest plan, called PR19, featured our largest and most in-depth programme of insight to date, engaging with over 32,000 customers. This engagement has informed our material issues.</p> <p>We also gather customer sentiment and issues of importance indirectly through media monitoring and social-media tracking.</p>	<p>Regular customer engagement has affected a range of our operations and communications, e.g. our Covid and affordability communications.</p> <p>The sustainability issues our customers are most interested in include leakage, climate change, investment in our infrastructure and environmental improvements. Meeting our customers’ needs is critical. COVID-19 customer research shaped our promotion of affordability and vulnerable customer schemes, water-efficiency products and sewer-misuse communications.</p>
Investors	The importance of the natural environment to the success of our business cannot be understated. We see our investors as our partners in moving our sustainability agenda forward. We work to ensure our shareholders, investors and investment analysts have a strong understanding of our strategy, performance, ambition and culture, to ensure continued access to capital for our business, and to ensure investors and shareholders understand the sustainability value proposition of our business.	<p>We have a regular programme of investor engagement, including calls, virtual meetings with Executive and Board, capital markets day and a newsletter, which all include sustainability topics. During the financial year, we held over 140 investor meetings, attended by 56 shareholders, representing c.64% of our register.</p> <p>In 2020, our annual capital markets day was themed on sustainability. We are ranked by ESG rating agencies and sustainability stock indices.</p>	<p>We have enhanced our reporting for ESG and sustainability-focused investors. We are reporting to the TCFD, SASB and CDP to provide investor-ready sustainability data and metrics.</p> <p>We have developed a Sustainable Finance Framework based on the following international standards:</p> <ul style="list-style-type: none">• The Green Bond Principles (‘GBP’), Social Bond Principles (‘SBP’) and Sustainability Bond Guidelines (‘SBG’) as published by the International Capital Market Association (‘ICMA’) in June 2018• The Green Loan Principles (‘GLP’) and Sustainability Linked Loan Principles (‘SLLP’) as published by the Loan Market Association (‘LMA’) in March 2018 and March 2019
Suppliers	Along with our employees, our suppliers support us in providing for our customers. We recognise suppliers are key to achieving our ambitious sustainability commitments and we outline our expectations in our Sustainable Supply Chain Charter. Strong supplier relationships ensure sustainable, high-quality delivery for the benefit of all stakeholders.	<p>We discuss issues of importance with suppliers monthly. These discussions include sustainability-related issues and occur through our tender process and contract management.</p> <p>We publish supply-chain newsletters throughout the year to inform our suppliers of topics of interest, while providing an opportunity to gather feedback on these topics.</p> <p>We continue to hold regular Supplier Summits, to provide an opportunity to share best practice insights and identify areas for collaboration to achieve shared sustainability outcomes.</p>	<p>We have a customised approach to supporting suppliers based on their size, including supplier payment terms for SMEs.</p> <p>We evaluate suppliers for key environmental and social issues. To date, 60 suppliers (representing 56% of our spending) have pledged to act on biodiversity, carbon reduction, resource efficiency and social mobility</p>




Stakeholder engagement and materiality assessment




STAKEHOLDER	WHY WE ENGAGE	HOW WE ENGAGE	HOW THIS HAS INFLUENCED OUR BUSINESS AND SHAPED OUR SUSTAINABILITY APPROACH
Regulators, Government and NGOs	<p>The policy framework for the water sector in England and Wales is set by the English and Welsh Governments, respectively. We seek to engage constructively with both Governments to achieve the best outcomes for customers and the environment.</p> <p>Below the policy framework, our industry is regulated by Ofwat and others. We agree commitments with our regulators and continually report our performance to these.</p> <p>We work constructively with our regulators to help ensure the right outcomes for customers and the environment. We engage with Ofwat, the Drinking Water Inspectorate, Defra, the Environment Agency, Natural England, Public Health England, Public Health Wales, Environmental Health, Natural Resources Wales, MPs, Local Resilience Forums and a range of environment and farming NGOs.</p>	<p>We engage regularly through meetings, email, calls, and consultation responses with Government officials and elected representatives on water and environment-related issues.</p>	<p>Our engagement with regulators aims to find constructive solutions to mutual aims, and has shaped both parties’ approaches to PR19, including incentives and the treatment of costs, and other areas, such as our ambitious Green Recovery package of investment.</p>
Colleagues	<p>Our experienced, diverse and dedicated workforce is key to achieving our ambitions and purpose. Our social purpose and commitment to sustainability helps attract, retain and inspire our employees.</p>	<p>Our quarterly company forum facilitates ongoing dialogue between management, employee representatives and unions. Topics include updates on health and safety, engagement survey outcomes, business performance and sustainability initiatives, e.g. net zero commitment and electric vehicle roll-out.</p> <p>Our CEO continued our employee roadshow tour, and we’ve hosted specific leadership events focused on our net zero commitment.</p> <p>Our employee engagement survey gathers employee perceptions. We introduced additional questions on diversity and inclusion to allow us to better understand views in this area.</p>	<p>Our colleagues are responsible for producing business plans (e.g. WMRP19, Drought Management Plan) which shape our sustainability approach.</p> <p>Our intranet allows colleagues to contribute to our sustainability approach by interacting through article comments or posts on our internal social platform, and sharing best practice.</p> <p>This year’s new graduate intake also embarked on a newly set project on ‘engaging the business on sustainability’. Presenting their ideas to senior leaders within the business, we are now integrating many of these ideas into our wider engagement strategy.</p> <p>Domestic violence has increased during lockdown restrictions and we engaged The Haven in Wolverhampton to provide training, specialist support and tools to support colleagues who were affected or worried about their domestic safety.</p> <p>Our employee advisory groups help define our policies and interventions.</p>
Communities	<p>Our aim is to be a force for good in the communities we serve and, in doing so, create value for all our stakeholders.</p>	<p>We engage with local communities through our large capital schemes. This will include organising drop-in sessions for residents, attending parish council meetings and setting up project exhibitions to raise awareness of our schemes, and address people’s needs and concerns.</p> <p>Our Community Fund enables local community groups to seek funding for projects that will enhance environmental and social capital.</p>	<p>We engaged directly with communities to understand their needs, which led us to design our fund to improve community wellbeing. Specifically this means funding people, places and environment projects. You can read more in the section ‘Supporting the region Community Fund’.</p>




TAKING CARE OF THE ENVIRONMENT							
	THEME	SCOPE	UNIT	20/21 PERFORMANCE	20/21 TARGET	TARGET MET	2020-2025 COMMITMENT
<div>Ensuring a sustainable water cycle</div> <div></div>	Leakage (Three year average)	STW	ML/d	Reduced leakage by 2.2% to 414.6 ML/d	418.2		ODI target: 15% reduction Long-term ambition: 50% reduction by 2045
	Per capita consumption (Three year average)	STW	litres/head/day	133.4	128.2		ODI target: Reduce per capita water consumption by 3.5% to 129
	Number of Water meters installed	STW	Nr	83,274	41,131		ODI target: Install 324,999 meters by 2025
	Climate Change Adaptation	Plc	N/A	Second disclosure in line with the Task Force on Climate-related Financial Disclosures on pages 54 to 67 of the 2021 Annual Report and Accounts	N/A		Continue to build adaptation to the effects of climate change into our long-term planning
	Treatment Work Compliance	STW	%	99.6	Deadband of 99		ODI target: 100% Treatment Works Compliance
	Water Quality improvement against Water Framework Directive	STW	N/A	On track to deliver our 2025 performance commitment	N/A		ODI target: Improve 211 WFD points by 2025 Improve the quality of a further 2,100 km of river by 2025, meaning over half the rivers in our region will have improved by the end of AMP7
	Water Quality Drinking Water Complaints	STW	Nr	We received 9,468 complaints which is a 8.9% year on year improvement	9,800		ODI target: 9,500 drinking water quality complaints
	Compliance Risk Index	STW	Nr	Our final position has not been confirmed but we expect to see a 60% improvement compared to 2019/20, resulting in a score of <2	Deadband of 2		ODI target: CRI score of 0
	Catchment management	STW	N/A	At the end of year one, we are ahead of the ODI target with six catchments, and remain on track to meet the rest by 2025	N/A		ODI target: Implement catchment management in a further 16 catchments Long-term ambition: to improve the effectiveness of catchment management activities across 44 catchments, covering more than 432,000 hectares, by 2025

TAKING CARE OF THE ENVIRONMENT							
	THEME	SCOPE	UNIT	20/21 PERFORMANCE	20/21 TARGET	TARGET MET	2020-2025 COMMITMENT
<div>Enhancing our natural environment</div> <div></div>	Biodiversity	STW	Hectares	Improved biodiversity in over 2,632 hectares of land	190.5		ODI target: Improve 1090 ha of biodiversity by 2025 Long-term ambition: Improve the biodiversity of 5,000 hectares, across our region by 2027
	Pollutions	STW	Nr/10,000km waste network	20.6 Category 1-3 incidents which is a 21% year on year reduction.	24.51		ODI target: 29% reduction in pollution incidents by 2025 to 19.5 incidents per 10,000 km of waste network Long-term ambition: Reduce total number of pollution incidents by 50% by 2025
<div>Making the most of our resources</div> <div></div>	Biosolids	STW	%	In the 2020 calendar year we recycled around 145,000 tonnes of dry solids to agricultural landfill with 100% Satisfactory sludge use and disposal	100		ODI target: 100% Satisfactory sludge use and disposal
	Waste diverted from landfill	STW	%	87	N/A		Long-term ambition: We are actively working to set clear targets across all waste streams, with an ambition of zero waste to landfill
<div>Mitigating climate change</div> <div></div>	Total Annual Net Operational Emissions	Plc	tonnes CO ₂ e	102,113	N/A		Triple Carbon Pledge: Net zero operational emissions by 2030
	Gross Location-Based Operational GHG emissions of Severn Trent per £m turnover	Plc	tonnes CO ₂ /£m turnover	190.0	N/A		
	Electric vehicles	Plc	N/A	On track to install over 350 charging points by 2021. 5% of our company cars are now electric and we launched a new staff incentive for take up of electric vehicles.	N/A		Triple Carbon Pledge: 100% electric vehicles by 2030 (where specialist vehicles such as tankers become available within that time)
	Renewable energy	Plc	%	We have procured 100% of our imported electricity from renewable backed sources. We continue to generate more renewable energy than any other UK water company and now generate an equivalent of 53% of Severn Trent Water Limited’s electricity needs. This was up from 51% in 2019/20.	N/A		Triple Carbon Pledge: 100% energy from renewables by 2030
	Total Energy Consumption	Plc	GWh	2,076	N/A		We continually invest in improving energy efficiency and we have a dedicated energy management team focused on driving operational change to reduce energy
	Total Energy per unit of revenue	Plc	GWh/£m	1.14	N/A		

HELPING PEOPLE TO THRIVE							
	THEME	SCOPE	UNIT	20/21 PERFORMANCE	20/21 TARGET	TARGET MET	2020-2025 COMMITMENT
<div>Delivering an affordable service for everyone</div> <div></div>	Help to pay when you need it	STW	%	35	34		ODI target: By 2025 support 43% of customers who struggle to pay (195,000 customers annually) Long-term ambition: Eradicating water poverty, meaning that none of our customers will be faced with a water bill that is more than 5% of their disposable income by 2030
	Trust Fund	STW	N/A	£3.5 million annually donated to the Severn Trent Trust Fund	£3.5 million		Commitment to contribute £3.5m annually to support customers in need
	Priority services register	STW	%	2.6	2.1		ODI target: 9.7% of customers with additional needs on our Priority Services Register by 2025
	Value for Money	STW	%	67.1	62.5		ODI target: 65% customers rating us good value for money by 2025
<div>Providing a fair, inclusive and safe place to work</div> <div></div>	Employee engagement	Plc	N/A	Employee engagement score of 8.3/10 in employee survey, placing us in top 5% of utilities globally.	N/A		Maintain high employee engagement across our workforce
	Gender Diversity	Plc	N/A	All employees – 71.4% male and 28.6% female Graduate and apprentices – 80% male and 20% female	N/A		Gender equality is a big part of our commitment to all aspects of diversity and inclusion. It is absolutely central to everything we do, and we know just how much it means to our own people while also being something we believe will help us attract the best diversity of talent
	BAME Diversity	Plc	N/A	All employees – 9% ethnic minority Graduate and apprentices – 15% ethnic minority	N/A		We are committed to creating an environment where everyone can bring their whole self to work. Continuing to embed our allies network in our working practices is vital to that.
	Supporting colleagues with disabilities	Plc	N/A	Launched our Disability Advisory Group and signed up to the Hidden Disability Sunflower programme	N/A		Work towards Disability Confident Employer status
	Social Mobility	Plc	N/A	Maintained a Top 10 position in the Social Mobility Index for the second year running	N/A		We believe we have a role to play in helping communities thrive and we are actively targeting our employment campaigns in areas classed as social mobility cold spots.
	Health and safety	Plc	LTI rate per 100,000 hours	Severn Trent – 0.16 One Supply Chain contractors – 0.21 for our One Supply Chain We have had zero employee or contractor fatalities	N/A		We are committed to reducing LTIs with a Goal Zero mindset

HELPING PEOPLE TO THRIVE							
	THEME	SCOPE	UNIT	20/21 PERFORMANCE	20/21 TARGET	TARGET MET	2020-2025 COMMITMENT
<div>Investing in skills and knowledge</div> <div></div>	Employee training	Plc	Nr	7152	N/A		To have the most technically skilled workforce
	Inspiring our customers to use water wisely	STW	Nr	40,728 commitments collected	31,050	<div></div>	ODI target: 155, 250 behavior change commitments by 2025 Long-term ambition: Educate 500,000 school children in the next 5 years around responsible water use, sewer misuse and healthy hydration.
<div>Making a positive difference in the community</div> <div></div>	Community Fund	STW	N/A	Over £3.5 million donated to our communities	N/A		Donate 1% of profits via the Severn Trent Community Fund

Being a company you can trust							
	Theme	Scope	Unit	20/21 Performance	20/21 Target	Target Met	2020-2025 Commitment
<div>Living our values</div> <div></div>	Purpose and Values	Plc	N/A	At our annual Company awards ceremony this year, we created specific awards to celebrate individuals or teams who had exemplified the very best of each of these Values throughout the year.	N/A		Put our Purpose and Values at the heart of our culture
	Supplier sustainability	STW	N/A	Currently 60 suppliers (representing 56% of our spending) have pledged to act on biodiversity, carbon reduction, resource efficiency and social mobility. We make 98% of supplier payments within 60 days and, on average, pay suppliers within 26 days of receiving their invoice.	N/A		We are committed to develop a holistic approach to supplier sustainability, including high-level supplier heat mapping against key environmental and social issues
<div>Balancing the interests of all our stakeholders</div> <div></div>	Stakeholder Engagement	Plc	N/A	Second dedicated s.172 disclosure, see page 76 to 78 in our Annual Report and Accounts.	N/A		The principles underpinning s.172 are not something that are only considered at Board level, they are part of our culture. Impacts on stakeholders are considered in the business decisions we make across the Company at all levels.
<div>Running our company for the long term</div> <div></div>	Board Leadership	Plc	N/A	This year's effectiveness evaluation concluded that the Board and committees perform very well, with positive feedback received from both within and outside the Board. A summary of the evaluation can be read on pages 98 to 99 of the Annual Report and Accounts.	N/A		Maintain a high-performing, effective and diverse Board to provide effective oversight and ensure our long-term success
	Board Diversity	Plc	N/A	At the date of this report, our Board is comprised of the Chair (who was independent on appointment), six independent Non-Executive Directors and two Executive Directors. 56% of the Board are female and 11% are from an Ethnic minority background.	N/A		In line with our new Board Diversity Policy, the Board remains focused on promoting broader diversity, embedding inclusivity into our succession planning and talent development work and creating an inclusive culture

Being a company you can trust							
	Theme	Scope	Unit	20/21 Performance	20/21 Target	Target Met	2020-2025 Commitment
<div>Running our company for the long term</div> <div></div>	Remuneration	Plc	N/A	<p>The ratio of CEO's single total remuneration figure, in 2020/21, compared to the employee at the 50th percentile is 62.2. For more information, see page 139 of the Company Remuneration report in the Annual Report and Accounts.</p> <p>73.9% of employees participated in our employee Sharesave scheme</p>	N/A		Deliver balanced and aligned remuneration
	Business Ethics	Plc	N/A	<p>In a recent survey, staff rated the following statement 8.2 out of 10 (where 10 is highest and 1 is lowest): 'If I suffered or witnessed wrongdoing at work, I'd be confident Severn Trent would respond appropriately.'</p> <p>28 Speak Up cases were raised across the Severn Trent Group. Following internal investigations, 14% of cases were found to be partly substantiated and 21% of cases were found to be substantiated and viewed as Code of Conduct breaches; for example, dishonest behaviour, health and safety and breaches of policy.</p>	N/A		<p>Target: 100% of employees complete annual e-learning on the Code of Conduct and business ethics by those able to do so.</p> <p>Maintain employee confidence in whistleblowing</p>
	Sustainable finance	Plc	N/A	In June 2020, Severn Trent Water Limited successfully completed its inaugural sustainable GBP bond raising £300 million for 20 years at a coupon of 2.0%	N/A		Continue to raise funds under our Sustainable Finance Framework
	Modern slavery	Plc	N/A	98% of employees completed bespoke modern slavery e-learning	95%	<div></div>	Continue to raise awareness around modern slavery and how to raise concerns. Targeted awareness will be rolled out to customer contact centre teams over next 12 months.
<div>Being open about what we do and sharing what we know</div> <div></div>	Industry collaboration	STW	N/A	<p>Through our World Water Innovation Fund we work with 12 partners globally to collaborate on a range of industry issues.</p> <p>We are working companies in our sector as part of the Ofwat innovation fund on leakage reduction and supporting vulnerable customer projects</p>	N/A		Trial innovative solutions to industry challenges through the World Water Innovation Fund and Ofwat Innovation Fund
	Transparent reporting	Plc	N/A	<p>Second dedicated sustainability report</p> <p>First combined GRI and SASB disclosure</p>	N/A		We are committed to communicate clearly with stakeholders on our strategy and performance
	Fair Tax mark	Plc	N/A	Fair Tax mark accredited	N/A		We are committed to act in line with the principles of the Fair Tax mark
	Living Wage	Plc	N/A	We are a real Living Wage Employer	N/A		Target: 100% of supplier contracts specifying the real Living Wage

SASB/GRI content index

Introduction

This GRI Index provides more detail to internal and external stakeholders on Severn Trent PLC sustainability-related policies, programmes and performance. This index highlights the disclosures from our 2021 Annual Report and Accounts (‘ARA’) and Sustainability Report (‘SR’) that are in line with the Global Reporting Initiative (‘GRI’) Standards. During the preparation of the Sustainability Report, we took into account the GRI’s Reporting Principles of stakeholder inclusiveness, sustainability context, materiality and completeness. Unless stated otherwise, the period covered is the fiscal year 1 April 2020 to 31 March 2021. Unless stated otherwise, the information in this report refers to Severn Trent Water, which makes up 98% of our total customer base. This GRI Index, alongside our Sustainability Report, serves as our 2021 Communication on Progress (‘COP’) to the United Nations Global Compact (‘UNGC’).

SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
ORGANISATIONAL PROFILE			
	102-1	Name of the organisation	Severn Trent Group Plc
	102-2	Activities, brands, products and services	About Us, Our Businesses
	102-3	Location of headquarters	Severn Trent Centre, 2 St John’s Street,Coventry, CV1 2LZ
	102-4	Location of operations	About Us, Our Businesses
	102-5	Ownership and legal form	Refer to “Directors Report – Substantial Shareholdings” section of the 2021 ARA, page 156
	102-6	Markets served	Refer to the “Business Model” section of the 2021 ARA, pages 6 to 7 and the “Making a difference together” section of the 2021 SR
IF-WU-000.A IF-WU-000.C IF-WU-000.D IF-WU-000.E	102-7	Scale of the organisation	Refer to sections “Making a Difference Together” (inside cover), “Key Performance Indicators” pages 18 to 19, and “Business Services Performance Review” page 30 of the 2021 ARA Additionally: IF-WU-000.C Total water delivered to: (1) Total billed measured residential = 181948.85 thousand m3 (2) & (3) Total billed measured business = 101553.95 thousand m3 Distribution input = 722886.15 thousand m3 IF-WU-000.D Average volume of wastewater treated per day, by (1) Sewage treatment works = 3118155.81 m3/d
	102-8	Information on employees and other workers	Total of full time and part time female employees: 2029 Total of full time and part time male employees: 5058 Total of temp (indirect female): 132 Total of temp (indirect male): 211 Total of full time permanent and full time indirect female: 1708 Total of full time permanent and full time indirect male: 5162 Total of part time permanent and part time indirect female: 453 Total of part time permanent and part time indirect male: 107 All data expressed as headcount
	102-9	Supply chain	Refer to the ‘Working with our suppliers’ section of the 2021 SR

SASB/GRI content index

SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
	102-10	Significant changes to the organisation and its supply chain	Refer to sections “Chief financial officer’s review” pages 31 to 37 and “Substantial Shareholdings” page 156 of the 2021 ARA
	102-11	Precautionary principle or approach	Refer to section “Strategic Report – Approach to Risk” pages 38 to 39 of the 2021 ARA
	102-12	External initiatives	Refer to sections “Introduction from our CEO”, “Ensuring a sustainable water cycle”, “Making the most of our resources”, “Mitigating climate change”, “Standing by our vulnerable customers”, “Creating a diverse and inclusive environment”, “Supporting our employees”, and “Community fund” in the 2021 SR
	102-13	Membership of associations	Refer to “Market and Industry Overview” section page 14 of the 2021 ARA and sections “Building an innovative business”, and “Working with our suppliers” of the 2021 SR
	102-14	Statement from senior decision-maker	Refer to “Introduction from our CEO” section in 2021 SR
	102-15	Key impacts, risks, and opportunities	Refer to sections Key performance indicators” pages 18 to 19, “Our TCDF Disclosures” pages 54 to 67, “Engagement with our stakeholders” pages 68 to 71, and “Our approach to risk” pages 38 to 39 of the 2021 ARA and “Full data set” section of the 2021 SR
	102-16	Values, principles, standards, and norms of behavior	Refer to sections “Chief executives review” pages 10 to 12, “Our people” pages 72 to 75, and “Chair’s introduction to governance” pages 80 to 82 of the 2021 ARA, and “Supporting our employees” section of the 2021 SR
	102-17	Mechanisms for advice and concerns about ethics	Refer to the “Corporate Sustainability Committee report” section pages 116 to 119 of the 2021 ARA and the “Making decisions for the long term” section of the 2021 SR In 2020 to 2021, 28 whistleblowing cases were raised across the Severn Trent Group. Following internal investigations, 14% of cases were found to be partly substantiated and 21% of cases were found to be substantiated and viewed as code of conduct breaches. For example, unethical behaviour, health and safety and breaches of policy. This indicates that our culture fosters an environment in which employees are encouraged to report any concerns and believe we will act on them.
GOVERNANCE			
	102-18	Governance structure	Refer to the sections “Governance report” pages 80 to 89 and “Corporate Sustainability Committee Report” pages 116 to 119 of the 2021 ARA, and the “Making decisions for the long term” section of the 2021 SR
	102-19	Delegating authority	Refer to sections “Governance report” page 89 and 95 of the 2021 ARA and “Making decisions for the long term” section of the 2021 SR
	102-20	Executive-level responsibility for economic, environmental, and social topics	Refer to the sections “Governance report” pages 89 and 95, and “Corporate Sustainability Committee Report” pages 116 to 119 of the 2021 ARA and “Making decisions for the long term” section of the 2021 SR
	102-21	Consulting stakeholders on economic, environmental, and social topics	Refer to the “Engagement with our stakeholders” section pages 68 to 71 of the 2021 ARA, and the sections “Our most material issues” and “Stakeholder engagement and materiality assessment” of the 2021 SR
	102-22	Composition of the highest governance body and its committees	Refer to the "Governance report" section pages 84 to 89 and 95 of the 2021 ARA

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SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
	102-23	Chair of the highest governance body	Refer to the "Governance report" section pages 84 to 89 and 95 of the 2021 ARA
	102-24	Nominating and selecting the highest governance body	Refer to the "Governance report" section pages 96 to 99 and 101 to 106 of the 2021 ARA
	102-25	Conflicts of interest	Refer to the "Governance report" section pages 96 and 103 of the 2021 ARA
	102-26	Role of highest governance body in setting purpose, values, and strategy	Refer to sections "Our approach to risk" pages 38 to 39 and "Governance report" pages 80 to 90 of the 2021 ARA
	102-27	Collective knowledge of highest governance body	Refer to the "Corporate governance statement" section pages 90 to 100 of the 2021 ARA
	102-28	Evaluating the highest governance body's performance	Refer to the "Corporate governance statement" section pages 98 to 99 of the 2021 ARA
	102-29	Identifying and managing economic, environmental, and social impacts	Refer to sections "Engagement with Stakeholders" pages 68 to 71, "Our approach to risk" pages 38 to 39, and "Governance report" pages 89 to 94 and 116 to 119 of the 2021 ARA and "Making decisions for the long term" section of the 2021 SR
	102-30	Effectiveness of risk management processes	Refer to sections "Our approach to risk" pages 38 to 39, "Emerging risks" page 46 and "Governance report" pages 107 to 113 of the 2021 ARA
	102-31	Review of economic, environmental, and social topics	Refer to sections "Our approach to risk" pages 38 to 39, "Our TCFD disclosures" pages 54 to 67 and "Governance report" pages 92 to 94 and 116 to 119 of the 2021 ARA, and "Making decisions for the long term" and "Stakeholder engagement and materiality" sections of the 2021 SR
	102-32	Highest governance body's role in sustainability reporting	Refer to sections "Our approach to risk" pages 38 to 39, "Our TCFD disclosures" pages 54 to 67 and "Governance report" pages 92 to 94 and 116 to 119 of the 2021 ARA, and "Making decisions for the long term" and "Stakeholder engagement and materiality" sections of the 2021 SR
	102-33	Communicating critical concerns	Refer to the "Governance report" section pages 89 and 107 to 113 of the 2021 ARA
	102-34	Nature and total number of critical concerns	Refer to sections "Our approach to risk" pages 38 to 39, "Our principal risks" pages 40 to 45, and "Emerging risks" page 46 of the 2021 ARA
	102-35	Remuneration policies	Refer to the current remuneration policy on pages 120 to 128 of the 2018 ARA here: https://www.severntrent.com/content/dam/stw-plc/investors/1.Severn_Trent_AR18_Full_bookmarked.pdf Our current Policy was approved at our 2018 AGM and is due for renewal at our 2021 AGM. For information on this refer to the sections "2021 Remuneration Policy Review" pages 122 to 123 and "Remuneration Policy" pages 145 to 153 the 2021 ARA.
	102-36	Process for determining remuneration	Refer to our remuneration sections on pages 120 to 153 of the 2021 ARA
	102-37	Stakeholders' involvement in remuneration	Refer to our remuneration sections on pages 120 to 153 of the 2021 ARA
	102-38	Annual total compensation ratio	Refer to "Company remuneration at Severn Trent" section, page 139 of the 2021 ARA
	102-39	Percentage increase in annual total compensation ratio	Refer to "Company remuneration at Severn Trent" section, page 139 of the 2021 ARA

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SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
STAKEHOLDER ENGAGEMENT			
	102-40	List of stakeholder groups	Refer to sections “Market and industry overview” page 14 and “Engagement with our Stakeholders” pages 68 to 71 of the 2021 ARA and the “Stakeholder engagement and materiality assessment” section of the 2021 SR
	102-41	Collective bargaining agreements	<p>We have a strong partnership across three trade union groups; Unison, GMB and Unite, and we come together to discuss the areas that are most important and impactful for the majority of the workforce. An important function of the Company and Business Forum covers collective bargaining between the Company and its recognised Trade Unions.</p> <p>Any agreements which require substantive changes in pay and other conditions of employment are referred to the Company Forum for approval. This function covers all employees excluding middle and senior managers and all employees of Severn Trent Services, which is approximately 91% of employee’s in total.</p>
	102-42	Identifying and selecting stakeholders	Refer to sections “Engagement with our Stakeholders” pages 68 to 71 and “Market and industry overview” page 14 of the 2021 ARA and the “Stakeholder engagement and materiality assessment” section of the 2021 SR
	102-43	Approach to stakeholder engagement	Refer to sections “Engagement with our Stakeholders” pages 68 to 71 and “Market and industry overview” page 14 of the 2021 ARA and the “Stakeholder engagement and materiality assessment” section of the 2021 SR
	102-44	Key topics and concerns raised	Refer to sections “Engagement with our Stakeholders” pages 68 to 71 and “Section 172 statement” pages 76 to 78 of the 2021 ARA and the “Our most material issues” and “Stakeholder engagement and materiality assessments” sections of the 2021 SR
REPORTING PRACTICES AND TRANSPARENCY			
	102-45	Entities included in the consolidated financial statements	Refer to the “Notes to the Group financial statements” section pages 179 to 182 and 229 to 231 of the 2021 ARA
	102-46	Defining report content and topic Boundaries	Refer to the “Our most material issues”, “additional information” and “Stakeholder engagement and materiality assessments” sections of the 2021 SR
	102-47	List of material topics	Refer to the “Our most material issues” section of the 2021 SR
	102-48	Restatements of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period	1st April 2020 to 31st March 2021
	102-51	Date of most recent report	Refer to the “additional information” section of the 2021 SR
	102-52	Reporting cycle	2020/21
	102-53	Contact point for questions regarding the report	corporate.responsibility@severntrent.co.uk
	102-54	Claims of reporting in accordance with the GRI Standards	Refer to the “GRI/SASB Content Index” section and “How we prioritise” under “Our most material issues” of the 2021 SR
	102-55	GRI content index	Refer to the “GRI/SASB Content Index” section of the 2021 SR
	102-56	External assurance	Refer to the “Additional Information” section of the 2021 SR

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SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
MANAGEMENT APPROACH			
	103-1	Explanation of the material topic and its Boundary	We explain each material issue in the “Our most material issues” section of the 2021 SR. These are: Carbon and climate change Water resources for the future Skills and Employment Enhancing nature Supporting vulnerable customers
	103-2	The management approach and its components	Refer to the following sections of the 2021 SR: “Mitigating climate change”, “Ensuring a sustainable water cycle”, “Future- proofing our skills and knowledge”, “Enhancing our natural environment”, “Standing by our vulnerable customers” and “Making decisions for the long-term”
	103-3	Evaluation of the management approach	Refer to the following sections of the 2021 SR: “Mitigating climate change”, “Ensuring a sustainable water cycle”, “Future- proofing our skills and knowledge”, “Enhancing our natural environment”, “Standing by our vulnerable customers”, “Making decisions for the long-term” and “Full data set”
ECONOMIC PERFORMANCE			
	201-1	Direct economic value generated and distributed	a. Refer to the “Chief Financial Officer’s review” section of the 2021 ARA pages 31 to 37. Also, £3.5 million annual donation to the Severn Trent Trust Fund – an independent charity that administers grants to support those in financial difficulty. In its first year our core Community Fund awarded over £1.5 million to 93 community projects, benefiting over 580,000 people, improving more than 680,000 square metres of our region’s environment, and creating or enhancing over 90 community spaces. With the pandemic having a particular impact on the most vulnerable, we donated an additional £1 million to help our communities deal with the impact of Covid-19. In total, this extra fund supported 339 local groups, including food banks, mental-health charities, and those supporting the elderly.
	201-2	Financial implications and other risks and opportunities due to climate change	a. Refer to sections “Our approach to risk” pages 38 to 39 and “Our TCFD Disclosures” pages 54 to 67 of the 2021 ARA
	201-3	Defined benefit plan obligations and other retirement plans	b. A separate fund exists to pay the pension plans liabilities and is managed by a trust structure which is separate to the Company. The scheme’s funding level is 82%. This has been calculated by the Scheme Actuary and agreed with the Company and its advisors. The latest triennial valuation as at 31 March 2019 c. A scheme recovery plan has been agreed between the trustees and the Company. This plan is expected to achieve full funding by 31 March 2032 through a combination of additional cash contributions and investment performance. Additional cash contributions are expected to cease by 31 March 2027. d. Contributions to the current defined contribution plan are based on a 2:1 structure i.e. the Company pays twice the employee e.g. employee pays 3%, Company pays 6%. Employer contributions are capped at 15% (where the employee pays 7.5%). e. 99% of employee’s participate in retirement plans. This is due to auto-enrolment legislation. The 1% of employees not in the scheme have opted-out of participation due to a variety of reasons including some employees having reached the maximum allowed under current tax legislation.

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SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
WATER AFFORDABILITY AND ACCESS			
IF-WU-240a.1		Average retail water rate	For information relating to our average retail water, rate refer to our (1) Household scheme of charges, available here: https://www.stwater.co.uk/content/dam/stw/my-account/our-charges/2020/hh-charges-scheme.pdf (2) and (3) Non-household scheme of charges, available here https://www.stwater.co.uk/content/dam/stw/my-account/our-charges/2020/nhh-wholesale-charges-scheme.pdf
IF-WU-240a.3		‘Number of residential customer water disconnections for non-payment, percentage reconnected within 30 days.’	We do not disconnect household customer’s for non-payment of bills
IF-WU-240a.4		‘Discussion of impact of external factors on customer affordability of water, including the economic conditions of the service territory’	Refer to ‘Our material issues in focus supporting vulnerable customers’ and ‘Standing by our vulnerable customers’ sections of the 2021 SR
MARKET PRESENCE			
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	a, c, d. No employees are paid at or near the National Minimum Wage with every employee being paid at least the current real Living Wage. Our pay framework does not vary based on location of operations. All other workers across our c.2,800 suppliers receive at least the National Minimum Wage and they will move to adopt the real Living Wage. This is enforced through contractual mechanisms and through expectations set out in our charter, tender process and contractor engagement.
	202-2	Proportion of senior management hired from the local community	Between 1st April 2020 and 31st March 2021, 87% of senior management hires came from local communities. Senior management is categorised as level three and above. Severn Trent categorises employment across levels 1,2,3,4 and 5, where 1= frontline and 5 = director. We define local as from areas that our group directly serves.
INDIRECT ECONOMIC IMPACTS AND PROCUREMENT			
	203-1	Infrastructure investments and services supported	a. Refer to "Independent Auditor's report" section pages 159 to 165 of the 2021 ARA
	203-2	Significant indirect economic impacts	Refer to ‘supplier payment policies’ in the 2021 ARA for our prompt payment support
	204-1	Proportion of spending on local suppliers	We provide services to businesses and households in the Midlands, UK and are committed to making a positive impact upon the environment and society within our region. This includes local businesses within our supply chain a. In this reporting year, around 99% of our total £1.2bn spend was with UK-based suppliers. b. We don’t currently report on this by region. c. Our supply agreements are awarded in compliance with the Utilities Contract Regulations (UCR). In line with these principles, location cannot form part of the criteria for successful award of contract.

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SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
ANTI-CORRUPTION AND ANTI-COMPETITIVE BEHAVIOR			
	205-1	Operations assessed for risks related to corruption	a. 100% of the operating companies within Severn Trent PLC have been risk assessed. b. We have not identified any significant risks in the last financial year. We consider risks across the Severn Trent Group on an annual basis through our enterprise risk management system and have mitigating actions in place against these.
	205-2	Communication and training about anti-corruption policies and procedures	Refer to the “Corporate Governance statement” page 94, “Corporate Sustainability Committee report” pages 116 to 119 sections of the 2021 ARA and the “Making decisions for the long term” section of the 2021 SR
	205-3	Confirmed incidents of corruption and actions taken	a. There were eight confirmed breaches of our Anti-Bribery and Anti- Corruption policy, breaches related to isolated examples of dishonest behaviour. b. Employee’s were dismissed in six of these cases. c. Zero incidents of business contracts being terminated or not renewed due to violations relating to corruption. d. There were zero legal cases brought against the company in the last year reporting year
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	a. We have not had any competition investigations during the reporting year. We manage the risk on a regular basis all year round as part of our ERM programme and ensure that controls are reviewed and kept updated..
TAX			
	207-1	Approach to tax	Awarded Fair Tax Mark. Refer to the “Chief Financial Officer’s Review” section of the 2021 ARA, pages 34 to 35, our “Tax Strategy” and “Explaining our Tax Contribution 2020/21” reports, available here
	207-2	Tax governance, control, and risk management	Refer to the “Chief Financial Officer’s Review” section of the 2021 ARA, pages 34 to 35, our “Tax Strategy” and “Explaining our Tax Contribution 2020/21” reports, available here
	207-3	Stakeholder engagement and management of concerns related to tax	Refer to the “Chief Financial Officer’s Review” section of the 2021 ARA, pages 34 to 35, our “Tax Strategy” and “Explaining our Tax Contribution 2020/21” reports, available here
	207-4	Country-by-country reporting	All of the Group’s revenues and profits are generated in the UK and are subject to UK tax
ENERGY			
IF-WU-130a.1	302-1	Energy consumption within the organization	Refer to the section “Carbon and Energy Performance” pages 65 to 67 of the 2021 ARA
	302-2	Energy consumption outside of the organization	Refer to the section “Carbon and Energy Performance” pages 65 to 67 of the 2021 ARA
	302-3	Energy intensity	Refer to the section “Carbon and Energy Performance” pages 65 to 67 of the 2021 ARA
	302-4	Reduction of energy consumption	Refer to the section “Carbon and Energy Performance” pages 65 to 67 of the 2021 ARA

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SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
WATER			
IF-WU-140a.1		Water main replacement rate	This year our water main replacement rate was 0.28%
IF-WU-140a.2 IF-WU-420a.2 IF-WU-440.a.3	303-1	Water as a shared resources, including: Distribution network efficiency, End-use efficiency, and Water supply resilience	Refer to “Ensuring a sustainable water cycle” section of the 2021 SR Additionally: IF-WU-420a.2 Leakage is one of our most important measures and we have seen our lowest ever levels of District Metered Area (‘DMA’) leakage. We report leakage as the volume of water we lose from the network each day as a three-year average. This year has seen us reduce leakage by 2.2% starting us on our journey to delivering a 15% reduction from our 2019/20 baseline over the next five years. IF-WU-420a.2 Excluding leakage and metering, we delivered demand-side (water efficiency) benefits of 1087700 m3.
IF-WU-140b.2	303-2	Management of discharge-related impacts	Refer to the “Ensuring a sustainable water cycle” section of the 2021 SR Additionally: IF-WU-140b.2 For further discussion regarding effluents of emerging concern, refer to section 1.4 of the “Creating bathing rivers” Green Recovery business case, available here .
IF-WU-000.B IF-WU-440a.1	303-3	Water withdrawal	IF-WU-000.B Distribution input = 72288615 m3 Total water sourced by source type: Impounding reservoir 25% Pumped storage reservoir 14% River abstractions 34% Groundwater works 27% IF-WU-440a.1 No water was sourced from high or extremely high baseline water stress regions as defined by the World Resources Institute’s (WRI) Water Risk Atlas tool Aqueduct available here
IF-WU-140b.1	303-4	Water discharge, including effluent quality management	Refer to table 7B and 7D of the 2021 APR Additionally: IF-WU-140b.1 Refer to the “Full dataset” section of the 2021 SR
IF-WU-440a.2		Volume of recycled water delivered to customers	0% of our distribution input derived from water reuse schemes.

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SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
BIODIVERSITY			
	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Severn Trent manages its assets and subsequent impact on a number of protected areas across our region. We own around 497 hectares of Sites of Special Scientific Interest in the Severn Trent region and around 5952 hectares in the Hafren Dyfrdwy region, 4480.55 hectares of which are leased to RSPB.
	304-2	Significant impacts of activities, products, and services on biodiversity	Ecology reports are completed for all construction activities. Where protected habitat or species are known to be present for reactive works, then the relevant surveys are undertaken and we endeavour to right and enhance any impact we have on the environment through our work. Across AMP7, we have WINEP commitment in place to monitor pathways of INNS across our network and investigate options on how to manage or mitigate their impact.
	304-3	Habitats protected or restored	<p>Our AMP7 Year One Biodiversity ODI resulted in the improvement of 2,632ha against an ODI target of 190.5ha and a Great Big Nature Boost target of 1044.5ha. Works included reducing phosphate outputs from waste water treatment works, catchment management, and managing the water levels at some of our reservoirs to maintain the ecology of the shore, essential for wading birds</p> <p>Severn Trent’s Great Big Nature Boost is our commitment to create or enhance 5,000ha by 2027 for biodiversity. To help us reach this target we are forming partnerships with third parties to enable large scale habitat improvement projects. Partners include RSPB, Warwickshire Wildlife Trust, Nottinghamshire Wildlife Trust, National Trust.</p> <p>As part of our ambition to demonstrate environmental leadership we want to make sure we get the basics right too. We have updated our Environment Strategy and are currently writing biodiversity, national pollinator, and tree strategies.</p>
EMISSIONS			
	305-1	Direct (Scope 1) GHG emissions	Refer to “Carbon and energy performance” pages 65 to 67 of the 2021 ARA
	305-2	Energy indirect (Scope 2) GHG emissions	Refer to “Carbon and energy performance” pages 65 to 67 of the 2021 ARA
	305-3	Other indirect (Scope 3) GHG emissions	Refer to “Carbon and energy performance” pages 65 to 67 of the 2021 ARA
	305-4	GHG emissions intensity	Refer to “Carbon and energy performance” pages 65 to 67 of the 2021 ARA
	305-5	Reduction of GHG emissions	Refer to “Carbon and energy performance” pages 65 to 67 of the 2021 ARA
NETWORK RESILIENCY AND IMPACTS OF CLIMATE CHANGE			
IF-WU-450a.2		Network Resiliency and Impacts of Climate Change	Information on number, and duration of sanitary sewer overflows can be found here under the title “Event Duration Monitor (EDM) Data 2020”
IF-WU-450a.3		Service disruption	Refer to page 19 of the “Key Performance Indicator” section of the 2021 ARA
WASTE			

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SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
	306-1	Description of waste generated by the business	Refer to “Making the most of our resources” section of the 2021 SR
	306-2	Waste by type and disposal method	<p>This year we diverted 87% of our audited waste from landfill.</p> <p>1) Excavated Highway Waste (excluding waste infrastructure) i. Water Infrastructure – 86,646.64 tonnes – 84.95% diversion from landfill</p> <p>2) FM and Operational Waste i. Property/ Production/ Capital Delivery and Commercial/ Visitor Experience Team – 4,011.36 tonnes – 88.49% diversion from landfill ii. Sanitary Waste – 47.04 tonnes – 99.13% diversion from landfill iii. Used Chemical Containers – 43.69 tonnes – 91.64% diversion from landfill iv. Packaging (bottled water) – 81.15 tonnes – 50.16% diversion from landfill</p> <p>3) Grit and Screenings i. Non-Infrastructure Waste – 24,770.64 tonnes – 26.17% diversion from landfill ii. Digester Cleaning – 1,064.00 tonnes – 70.77% diversion from landfill iii. Wet Well Cleanse – 2,916.00 tonnes – 0.00% diversion from landfill</p> <p>4) Bio Solids (water and waste) – 144,553.42 tonnes – 100% diversion from landfill</p> <p>5) IT Hardware and IS WEEE Waste – 31.54 tonnes – 99.98% diversion from landfill</p> <p>6) Fleet Consumables (tyres) – 71.70 tonnes – 100% diversion from landfill</p> <p>7) Pallets (wood) – 36.00 tonnes – 100% diversion from landfill</p> <p>8) Vehicle disposal (end of use vehicles) – 80.63 tonnes – 95.30% diversion from landfill</p>
ENVIRONMENTAL COMPLIANCE			
	307	Non-compliance with environmental laws and regulations	We received a fine of £800,000 in relation to non-compliance with our environmental permit at Acton Burnell sewage treatment works in July 2020
SUPPLIER ENVIRONMENTAL ASSESSMENT			

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SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
	308-1	New suppliers that were screened using environmental criteria	<p>All suppliers are assessed against environmental criteria at tender. This criteria is tailored for each contract depending upon the service provided or goods procured and its associated environmental impact. Suppliers may be assessed on, but not limited to environmental policy and management, environmental certification, pollution incidents, carbon consumption, water consumption and waste. This assessment informs our purchasing decisions, ensuring that the most capable supplier is selected.</p> <p>In 2021-2022 we will review environmental issues per supplier category and their level of impact to ensure assessment criteria remains effective and proportionate. In 2020, we commenced a migration from our existing procurement system to the SAP Ariba platform, which will provide an enhanced procurement and contract management solution. Once this is implemented, we will assess system solutions to automate supplier assessment of environment and social compliance</p>
	308-2	Negative environmental impacts in the supply chain and actions taken	<p>We expect all our suppliers and their subcontractors to commit to and deliver against the principles set out in our Sustainable Supply Chain Charter. Compliance with this charter is stipulated in our standard contractual terms and conditions and is available here. Minimisation of negative environmental impact is also stipulated within the contract specification and supplier standard terms and conditions.</p> <p>We take a tailored and proportionate approach to the assessment and management of environmental impact throughout contract management. A dedicated Contract Management team ensures specific KPI's are set in relation to the activity undertaken or product sourced and its associated environmental impact. Supplier performance is monitored and non-compliance addressed to ensure corrective action plans are in place and improvements made. Significant negative environmental impacts are dealt with on a contract by contract basis and reported directly to the relevant senior lead to ensure resolution and mitigation against potential future incidents. Root cause analysis is a key part of this. We do not currently report this information centrally.</p> <p>We have developed a new Environmental and Sustainability design manual which mandates a high level of environmental compliance. This will be monitored contractually throughout design and delivery. This includes the addition of 15% biodiversity net gain to all capital delivery projects requiring a P.E.A. (preliminary ecological appraisal). The delivery against the mandatory requirements in the new design manual is now part of the design health safety and environment assurance review process.</p> <p>Carbon accounting for our capital projects has been established to align with future Ofwat obligations. In addition mandatory carbon reduction targets for design have been published in the design manual to further reduce our environmental impact from our construction activities.</p> <p>Our dedicated channel, Supplier Spotlight, allows for internal teams to provide supplier feedback, including on environmental issues. For this reporting period, 5 reports of internal supplier feedback were received in relation to environmental impact – 0 of which was positive. All reports have been resolved and plans are in place to prevent future occurrences. We would not terminate a contract as a result of negative environmental performance alone. Instead we are committed to working collaboratively with a supplier to help develop and improve their approach.</p> <p>Through our Supplier Summits, AMP 7 Supplier onboarding events and dedicated supplier communications we aim to raise awareness of potential negative environmental impacts and work collaboratively to mitigate this risk and identify opportunities to enhance the environment. Actions are formalised through supplier pledges tracked on the Pledge 2021 Tracker.</p> <p>In 2020, we commenced a migration from our existing procurement system to the SAP Ariba platform, which will provide an enhanced procurement and contract management solution. Once this is implemented, we will assess system solutions to automate supplier assessment of environment and social compliance</p>

EMPLOYMENT

SASB/GRI content index

SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
	401-1	New employee hires and employee turnover	Rate of employee hire across the group is 8.31% Rate of employee turnover across the group is 6.39%
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	All employees, permanent and fixed term contract (whether full-time or part-time) are entitled to annual leave, life-cover, pension scheme membership, flexible benefits, recognition scheme, standard allowances, sick-leave, parental and maternity leave and Sharesave Fixed-term contractors are not entitled to specific exit provisions which include retirement, enhanced ill health/ capability exits and redundancy. Whilst fixed term contractors are not specifically excluded from career breaks there is an eligibility criteria that employees must have 5 years' service so this will preclude most/all FTC employees.
	401-3	Parental leave	5058 male and 2029 female colleagues are covered by our family policies. Within the reporting period in 2020/21 116 males and 154 females had time off for the following reasons: maternity, paternity, adoption and shared parental leave. 202 employees returned from these leave types in 2020/21. Of those taking leave in 2019/20, 88% of females are employed 12 months later, and 96% of males.
	402-1	Minimum notice periods regarding operational changes	We abide by the legal requirements and in most cases exceed them dependent on the level of change. (Legal requirement is at least 30 days for a change which impacts 20 – 99 employees and 45 days for impact to 100 or more employees). Our Partnership agreement outlines the 'processes for consultation and sharing information' but does not specify timescales for notice periods.

OCCUPATIONAL HEALTH AND SAFETY

SASB/GRI content index

SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
	403-1	Occupational health and safety management system	Refer to the “Supporting our employees” section of the 2021 SR. Additionally: We are not accredited, however our management system is based on a best practice framework and legislation allowing us to identify and assess risk
	403-2	Hazard identification, risk assessment, and incident investigation	<p>Refer to the “Supporting our employees” section of the 2021 SR. Additionally: We encourage a culture where all employees seek to acknowledge, report and remediate all hazards and unsafe behaviours that could potentially bring harm to ourselves or our colleagues. We also encourage a culture where all employees positively embrace and share safe behaviours. As set out in the employee roles and responsibilities guidance, all employees have a specific responsibility for, 1) Challenging unsafe acts and conditions and engaging with those involved to agree the necessary improvements required and 2) Taking ownership of identified hazards and taking immediate corrective action where it is safe to do so.</p> <p>To enable us to track, monitor and identify areas for improvements we report hazards, safe and unsafe behaviours using the Company reporting system, SafetyNet. Data is analysed routinely by the HSW Performance and Reporting team and as part of the performance measurement and monitoring process. Any identified changes are made within the relevant standards and risk assessments; and are communicated accordingly.</p> <p>We report all HSW incidents openly, honestly, promptly, accurately and consistently. We promote a strictly no blame culture; the purpose of reporting incidents is to identify root causes, learn lessons and avoid reoccurrences. All incidents are recorded on the HSW reporting system, SafetyNet which is simple to use and easy to access on all desktop and mobile internet devices. Detailed guidance and training are available on our Company Intranet to ensure all those required to use Safety Net are competent to do so. In addition we have nominated SafetyNet champions across the business, who are available to support and help managers and individuals in the use of the system. The HSW Performance and Reporting team are accountable for analysing HSW data, identifying trends and areas for continuous improvement, then providing insight to the business</p> <p>We take an eight step approach to investigations: Step 1 – create a Safety Alert to communicate immediate essential information to the business, Step 2 – gather evidence, Step 3 – create a timeline of events, Step 4 – undertake Root Cause Analysis, we use the five Why’s approach to establish the root causes. We are clear that there may be several root causes to an incident and more than one remedial action to address each root cause, Step 5 – assign and carry out actions , Step 6 – update the company reporting system incident record, Step 7 – communicate and finally,Step 8 – investigation review and sign off.</p>
	403-3	Occupational health services	Refer to the “Supporting our employees” section of the 2021 SR. Additionally: If individuals are exposed to hazards such as: noise, display screen equipment, hazardous substances, or working at night – dependent on their role – their manager will be prompted to book the individual onto our health surveillance programme. The health surveillance team can be contacted by calling or emailing our external provider. The health surveillance programme is designed to measure the effect of the working environment and the effectiveness of any controls put in place. It protects employees, it protects the company, and it’s also a legal requirement.
	403-4	Worker participation, consultation, and communication on occupational health and safety	Refer to the “Supporting our employees” section of the 2021 SR. Additionally: We seek input and feedback from all of our colleagues and HSW representatives. We will also commit to ongoing constructive dialogue with our Trade Union members; fostering a joint understanding of HSW needs and helping deliver common solutions that will make our people safe and well. The Company Forum is the medium used for discussing and, where appropriate, reaching agreement on HSW issues which affect the whole of STW. As different parts of the organisation will have different business priorities and issues, there are also a number of Business Forums operating under the umbrella of the Company Forum. We have a number of Safety Improvement Teams (SIT) active across our business. SITs are groups of people who meet regularly to discuss team specific HSW performance and issues, and work to resolve those.. In teams we also have appointed Wellbeing Champions. The Champion works with our Wellbeing team, are a point of contact within the team to share comms and campaigns, but also support the Team Manager in spotting and resolving individual wellbeing issues. The HSW team work closely with all groups, providing regular lead measures relevant to each to ensure they understand performance issues and are working to resolve them. We actively invite participation and feedback from our employees through a number of mediums including the annual engagement survey and behavioural safety surveys.

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SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
	403-5	Worker training on occupational health and safety	Refer to the “Supporting our employees” section of the 2021 SR. Additionally: Training is a key enabler for us to deliver against our Goal Zero ambition. It’s really important that all colleagues know what training needs to be completed as a minimum – and what training is available – if employees need more help or development. Our Safety Culture pack is available to new starters to Severn Trent. All training to help keep our employees safe, secure and well at work, can be found on our intranet. Employees have access to several training interventions to help keep them safe and well – whether they are an employee, or a people manager. General training categories provided are: Asbestos, Banksman, DSE, Fire Marshall, First Aid, Health, Institute of Occupational Safety and Health Leading HSSW in Operations, Institute of Occupational Safety and Health Leading Safely in the Office, Line Manager Journey, Managing Contractors and Suppliers, Mental Health First Aid Lite for managers, Personal Safety, Trench Timbering, Water Safety and Work at Height. All people managers are required to review relevant safety standards and assess their team against these, through which training needs may be identified.
	403-6	Promotion of worker health	Refer to the “Supporting our employees” section of the 2021 SR. Additionally: Occupational Health: Our aim is to prevent health problems from occurring in the first place, although if an individual is off sick, we want to make sure they’re supported to return to work, as quickly as they’re able. Through the relationships we have with our external health partners, our employees have access to doctors, occupational health advisors, ergonomists, hygienists, psychotherapist, counsellors and physiotherapists. Anybody can make a referral to access help, advice and guidance. Employees can make a referral for themselves, or somebody that works for them. Manager referrals are made to a company called Duradiamond. Employees can get access to direct help, advice or guidance relating to both physical and mental health. If the referral is for pain or injury, employees can get advice, treatment and rehabilitation through our external physiotherapy partner: Vita Health Group. Mental health and wellbeing: We have trained over 400 mental health first aiders. Everyone can access our Employee Assistance Programme for free by phone. All information is treated confidentially and employees can access help and advice on all sorts of matters. People managers can also access a line manager toolkit for mental health and wellbeing.
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Refer to the “Supporting our employees” section of the 2021 SR. Additionally: We drive HSW performance by using a risk based approach to the planning and setting of HSW objectives. In order to achieve our ambition that no one gets hurt or made unwell by what we do, we are working towards six key HSW objectives: <ul style="list-style-type: none">• We understand our risks we face and the controls• Our people are fit to work• Our people are competent to work• People work safe and stay well• Work is adequately supervised• We are learning from our work and fixing problems
	403-8	Workers covered by an occupational health and safety management system	Refer to the “Supporting our employees” section of the 2021 SR. Additionally: We are not accredited, however our management system is based on a best practise framework and legislation allowing us to identify and assess risk
	403-9	Work-related injuries	Refer to the “Supporting our employees” section of the 2021 SR. Additionally: In the company there were 0 fatalities, 21 LTIs (high consequence injuries) (rate 0.16) and 157 accidents overall including LTIs (rate 1.2). The main types of work related injury were manual handling, slips, trips and falls, being hit by a moving/flying/falling object, and road traffic accidents. Hours worked : 13141200 For our supply chain contractors there were 0 fatalities, 7 LTIs (rate 0.21) and 16 accidents overall including LTIs (rate 0.39). The main types of work related injury were manual handling, slips, trips and falls, struck something fixed or stationary. Total hours worked: 4,106,566 and our rate calculation constant is 100,000
	403-10	Work-related ill health	Refer to the “Supporting our employees” section of the 2021 SR. Additionally: In 2020-21 the were 0 fatalities, 0 LTIS, and 2 cases of work related ill health overall (rate 0.015). The main types of ill health were exposure to sewage pathogens and work related ill health due to vibration.

TRAINING AND EDUCATION

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SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
	404-1	Average hours of training per year per employee	We delivered a total of 7152 training days in the reporting year, on average this is 1.02 training days per employee or 8.19 hours. There is a slight decrease on last year as we move to provide training in a more focused and blended way including online learning, optimising when, where and how we deliver training to maximise its value, whilst improving the learner experience. For some courses we had to lower attendance to adhere to social distancing guidelines. The training covers the following areas: technical, core business, leadership development and Health and Safety.
	404-2	Programs for upgrading employee skills and transition assistance programs	Refer to “Future proofing our skills and knowledge” section of the 2021 SR Our performance management approach, Inspiring Great Performance, is critical to ensuring employee competency, by driving continuous performance improvement and encouraging personal growth and development. Inspiring Great Performance enables this through every-day feedback conversations, regular one to one meetings between individuals and line managers and quarterly performance reviews. These reviews include coaching, feedback and development planning. All employees are actively encouraged to create Personal Development Plans to develop their knowledge, skills and behaviours they need to perform at their best. We offer a pre-retirement course that helps our employees plan for a life outside Severn Trent. The course covers a range of topics including how to adapt to a different lifestyle, financial planning, Severn Trent pensions, state entitlements, planning your estate and a personal action plan.
	404-3	Percentage of employees receiving regular performance and career development reviews	During the reporting year two formal performance assessments were carried out, the first at the end of Q2 and the second at the end of Q4. On average, over the two assessments, an average of 93% of our employee’s had completed their performance reviews by our internal deadline.
DIVERSITY, EQUITY AND INCLUSION			
	405-1	Diversity of governance bodies and employees	a – 55.6% of the Severn Trent Board are female in 2020/21. 12% are between 30 and 50. 88% are over the age 50*. 33% of the Severn Trent Executive Committee are female in 2020/21. 67% were between 30 and 50. 33% are over the age 50 b – 29% of all employees are female in 2020/21, 20% of all employees are under 30, 54% are between 30 and 50. 26% are over 50. 86% of all employees are white in 2020/21. 9% of all employees are from an ethnic minority background. 5% of employee’s did not state their ethnicity. 44% of our employees live in a social mobility coldspot
	405-2	Ratio of basic salary and remuneration of women to men	Refer to “Company remuneration at Severn Trent” section pages 132 to 141 of the 2021 ARA Also refer to our 2020 Gender Pay Gap report here .
	406-1	Incidents of discrimination and corrective actions taken	a. Total number of incidents of discrimination during the reporting period = 9 b. Of the 9 cases, all 9 were reviewed by the organisation, 2 cases was unsubstantiated, 7 cases resulted in further action, including 5 dismissals. 2 cases are ongoing
LABOR AND HUMAN RIGHTS			
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Refer to our latest Anti-Slavery and Human Trafficking Statement, available here . Also see GRI reference 102-41
	408-1	Operations and suppliers at significant risk for incidents of child labor	Refer to our latest Anti-Slavery and Human Trafficking Statement, available here
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Refer to our latest Anti-Slavery and Human Trafficking Statement, available here

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SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
	412-1	Operations that have been subject to human rights reviews or impact assessments	Refer to our latest Anti-Slavery and Human Trafficking Statement, available here
	412-2	Employee training on human rights policies or procedures	In 2020/21, 98% of Severn Trent employees completed a modern slavery e-learning module, teaching them how to spot signs of exploitation
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	All suppliers are required to sign up and operate in line with our Code of Conduct, which clearly states zero tolerance, and this is built into our procurement tender process.
COMMUNITY AND SOCIAL IMPACT			
	413-1	Operations with local community engagement, impact assessments, and development programs	<p>Refer to the “Our COVID-19 response” section of the 2021 ARA, pages 15 to 17 and the “Community fund” section of the 2021 SR</p> <p>Our business plan for 2020-25 was developed over three years as part of a process (called Price Review 2019 or PR19) to set price and revenue controls, performance commitments and customer outcome delivery incentives. Our Severn Trent Water plan was shaped by the largest engagement exercise we have ever coordinated, consulting with 32,000 customers and considering a further 1.9 million customer views.</p> <p>In 2016, an analysis of three water companies trust funds, including ours concluded that more than £3 of social value was generated for every £1 invested. 82% of grant recipients were able to pay their water bills after being supported, demonstrating the long-term impact of this kind of support.</p> <p>We consult with our customers before capital schemes, with feedback captured through our planned works website page here</p> <p>We aim to get things right first time but we know sometimes things can go wrong. Our customer care team will support with domestic complaints as per our complaints procedure here</p>
	413-2	Operations with significant actual and potential negative impacts on local communities	Refer to the “Ensuring a sustainable water cycle” section of the 2021 SR
	414-1	New suppliers that were screened using social criteria	<p>All suppliers are assessed against social criteria at tender. This criteria is tailored for each contract depending upon the service provided or goods procured and its associated social impact. Suppliers are assessed on, but not limited to Modern Slavery, Health and Safety, security practices and training and education, diversity and equal opportunities and community engagement.</p> <p>Health and Safety, security practices and modern slavery are incorporated into supplier site visits, pre-award of contract. These are conducted by the relevant Procurement Category Manager.</p> <p>This assessment informs our purchasing decisions, ensuring that the most capable supplier is selected. We also use this information to actively engage with our supply chain, sharing knowledge and encouraging development of their capability through contract delivery as appropriate.</p> <p>During 2020/21 we are reviewing social elements per supplier category and their level of impact to ensure assessment criteria remains effective and proportionate. Over 500 Modern Slavery self-certification questionnaires were returned by suppliers, equating to 19% of suppliers overall and approximately 57% of the overall spend.</p>

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SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
	414-2	Negative social impacts in the supply chain and actions taken	<p>Our Sustainable Supply Chain Charter covers a broad range of social issues and impacts including child labour, freedom of association and collective bargaining and social mobility.</p> <p>Compliance with this charter is included within our standard contractual terms and conditions. Specific reference to the mitigation of social impact is also stipulated within the contract specification and supplier standard terms and conditions.</p> <p>We take a tailored and proportionate approach to the assessment and management of social impact throughout contract management. A dedicated Contract Management team ensures specific KPI's that mirror our own are set in relation to the activity undertaken or product sourced and its associated social impact. Supplier performance is monitored and non-compliance addressed to ensure improvements are made. Significant negative social impacts are dealt with on a contract by contract basis and reported directly to the relevant senior lead to ensure resolution and mitigation against potential future incidents. We report centrally on issues relating to Health and Safety and Modern Slavery.</p> <p>Suppliers are encouraged to report any incidents and near misses through our portal, Safety Net. In this reporting year, a total of 1427 incidents were reported by our supply chain, 456 of these related to good practice. Of the 971 remaining, 188 investigations have been undertaken and actions completed. 34 investigations are ongoing. The relevant contract owner takes responsibility to ensure investigations are conducted and a preventive action plan put in place. We are continually looking at improve the supplier reporting process. Our Safety Improvement Group is responsible for developing our approach across contract management.</p> <p>We continuously evolve our approach to ensure proactive and effective due diligence measures are in place to tackle Modern Slavery within our supply chain. Refer to our Modern Slavery Statement for more information. To date no instances of Modern Slavery have been raised.</p> <p>Our dedicated channel, Supplier Spotlight, allows for individuals to provide supplier feedback, including on social issues. For this reporting period, 19 reports of internal supplier feedback were received in relation to Health and Safety – 3 of which were positive. The remaining 16 reports have been resolved and plans are in place to prevent future occurrences. No other social impact issues were reported. We would not terminate a contract as a result of negative social performance alone. Instead we are committed to working collaboratively with a supplier to help develop and improve their approach.</p> <p>Through our Supply Chain CSR Forum, AMP 7 Supplier event and dedicated supplier communications we aim to raise awareness of potential negative social impacts and work collaboratively to mitigate this risk and identify opportunities to enhance our contribution. Actions are formalised through supplier pledges. See the Sustainability Report.</p> <p>In 2020, we commenced a migration from our existing procurement system to the SAP Ariba platform, which will provide an enhanced procurement and contract management solution. Once this is implemented, we will assess system solutions to automate supplier assessment of environment and social compliance.</p>
PUBLIC POLICY			
	415-1	Political contributions	<p>Severn Trent's policy is not to make any donations for political purposes in the UK, or to donate to EU political parties or incur EU political expenditure. Accordingly, neither Severn Trent Plc nor its subsidiaries made any political donations or incurred political expenditure in the financial year under review. As detailed in p157 of 20/21 ARA Report</p>
CUSTOMERS			

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SASB CODE	GRI CODE	DESCRIPTION	RESPONSE, LINK OR ADDITIONAL INFORMATION
IF-WU-250a.2			<p>Refer to page 26 of the “Performance review” section of the 2021 ARA and the “Ensuring a sustainable water cycle” and “Launching the Green Recovery” sections of the 2021 SR</p> <p>For further discussion regarding drinking water contaminants of emerging concern, refer to section 1.4 of the “Creating bathing rivers” Green Recovery business case, available here: https://www.stwater.co.uk/content/dam/stw/regulatory-library/07_Business%20case%2001_Creating%20bathing%20rivers_FINAL_R.pdf”</p>
	416-1	Assessment of the health and safety impacts of product and service categories	<p>Refer to page 26 of the “Performance review” section of the 2021 ARA</p> <p>Also refer to the company data contained within the Drinking Water Inspectorates Annual Report, available here: https://www.dwi.gov.uk/what-we-do/annual-report/”</p>
IF-WU-250a.1	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<p>Refer to page 26 of the “Performance review” section of the 2021 ARA and the “Full Data Set” section of the 2021 SR</p> <p>Also refer to the company data contained within the Drinking Water Inspectorates Annual Report, available here: https://www.dwi.gov.uk/what-we-do/annual-report/”</p>
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Severn Trent takes the security and use of customers’ personal data very seriously and is committed to complying with Data Protection Laws. We have not received any formal warnings, notices or fines from the Information Commissioners Office regarding data breaches.
SOCIO ECONOMIC COMPLIANCE			
	419-1	Non-compliance with laws and regulations in the social and economic area (bribery, corruption, fraud, anti-competitive behaviour, etc)	We received zero significant fines in 2020/2021. We set out our materiality for significant fines at £750,000 as this is our internal threshold for material fines

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