

GROUP ENVIRONMENT POLICY

**Conducting business
the right way**

Stewards of our Environment
Our Values & CSR Essentials

Version 1 [August 2016]

CONDUCTING BUSINESS THE RIGHT WAY

Our Values, Doing the Right Thing and Group Policies

Our purpose is to serve our communities and build a lasting water legacy. Our vision is to be the most trusted water company. Our Values, our Doing the Right Thing code and our Group Policies are the foundation for how we operate to achieve our purpose and to become the most trusted water company. They help us to make the right decisions, and provide guidance where needed.

Acting with Integrity is one of our Core Values, and we must never compromise it.

Your Commitment to this Policy

- To conduct yourself with Integrity and comply with the law
- Recognise that your decisions have an impact on others - have high standards
- Unequivocally expect responsible and ethical decisions from others
- Speak up if you observe behaviours that are not consistent with our Values
- Tirelessly adhere to our Value of Acting with Integrity

Our values

- We put our **customers first**
- We are **passionate** about what we do
- We act with **integrity**
- We protect our **environment**
- We are inspired to create an **awesome company**

INTRODUCTION

Taking the lead on environmental performance

Our customers and other stakeholders value healthy rivers and want us to continue improving our local environment. That's why environmental performance is central to our plans. We are committed to environmental leadership. We will understand, manage and reduce environmental impacts. We will make a positive contribution to the future and fully embrace sustainability.

To achieve sustainable growth through a focus on waste and water operations we are committed to continually improving our environmental performance and operating in a sustainable way across our business activities for the benefit of our customers, shareholders, employees and other stakeholders.

We recognise the importance of moving to a low carbon economy in order to mitigate climate change. Our long term aim is to be carbon neutral and energy self sufficient, provided this is the best value option for our customers.

Scope

Our Group Environment Policy applies to you if you are employed by, or carry out work on behalf of Severn Trent Plc and extends to any Severn Trent group company, employees, contractors, temporary staff and agency workers.

POLICY

We will:

- Strive for continuous overall improvement in our environmental performance and as a minimum, comply with all applicable legal and other environmental requirements and all relevant industry codes of practice;
- Reduce our energy consumption and use of fossil fuels; expand renewable energy generation and reduce our reliance on the national grid; and purchase energy in the most cost effective way;
- Provide appropriate training to employees involved in activities or operations that interact with the environment to ensure that they are technically competent to undertake their roles;
- Promote water as a vital resource and support the delivery of targeted water and waste water initiatives;
- Be effective stewards of the biodiversity on our landholdings;
- Ensure our suppliers adopt appropriate environmental controls and standards;
- Monitor and audit our performance, reporting on our approach and progress in an open and honest way;
- We will operate an Environmental Management System to a standard that will maintain certification to ISO14001:2004 or similar.
- The Company's environmental performance will be reported to Severn Trent Executive Committee which will review:
 - Achievement of relevant KPIs;
 - Any negative impact on the company reputation;
 - Significant environmental projects.
- To achieve our commitments we will adhere to the following Group Standards and procedures:
 - Reducing Environmental Impact Standard;
 - Information Reporting Standard.

OUR RESPONSIBILITIES



DOING THE RIGHT THING

Your Responsibility

We are all responsible for our impact on the environment. You need to consider and implement the commitments made in our Group Environment Policy when performing your work activities and when making decisions.

Leaders

Leaders are responsible for making proper arrangements within their business areas to ensure compliance with this Group Environment Policy.

STEC

The Severn Trent Executive Committee of the Severn Trent Plc Board provides regular oversight of this policy.

REPORTING CONCERNS

Information about this policy and relevant guidelines are communicated through our internal communication channels

I have a
concern!

If you have a **concern** about any issues relating to our environmental performance or management you should report this through your line manager. Alternatively, **concerns may be raised** with any of the following group senior executives: the CEO, or General Counsel or through our confidential and independent whistleblowing helpline. Please refer to our 'Speak Up' policy.

Severn Trent's
Commitment

We **protect our environment** and strive to be **environmental leaders**. We will deliver training and development to our people to ensure they understand the high standards they are expected to work to. We will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

I have a
question?

If you have a **question** about this policy or any environmental issue, you can contact the Head of Legal or the Deputy Company Secretary.