

2024 **ANTI-SLAVERY** AND HUMAN TRAFFICKING STATEMENT

SEVERN TRENT

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INTRODUCTION



OUR COMMITMENT

As a purpose-led organisation, our mission is to do business the right way, by taking care of one of life's essentials for the long-term. Our purpose is underpinned by our values: Having Courage; Showing Care; Taking Pride and Embracing Curiosity.

This mission provides a solid foundation to maintain our robust stance to addressing modern slavery. Our value of 'Showing Care' is also reflected within one of the four pillars of our Corporate Strategy of 'Caring for People in Our Region'.

Our Anti-Slavery and Human Trafficking Statement outlines the measures and actions we have taken during the year to continually improve our approach to identifying and preventing modern slavery risks across our operations and crucially, within our supply chain.

Our ability to remain at the forefront of identifying and addressing modern slavery is supported and guided through partnerships with organisations such as Slave-Free Alliance, Supply Chain Sustainability School and Utilities Against Slavery. We are signatories to the United Nations ('UN') Global Compact and our practices and policies are aligned to the UN Guiding Principles on Business and Human Rights, as well as the UN Sustainable Development Goals.

Global and national socioeconomic factors continue to heighten the potential risks of modern slavery. Higher rates of inflation, cost of living pressures, higher energy bills, labour shortages, and migration are all issues that when coupled with broader macroeconomic uncertainty and the challenges society faces, add greater complexity within the environment we operate in.

We are not at all complacent and remain vigilant to reduce potential risks. We uphold strong governance processes and continually review our policies and practices. You can read more on pages 10 - 12.

We're proud to be an accredited Living Wage Employer and contractually require suppliers to sign up to the real Living Wage. In April 2024, we became an accredited Living Hours Employer offering a minimum of 16 hours per week and providing at least four weeks' notice of a change to working patterns. This currently applies to all our employees, and we are working to implement this across our supply chain.

Due diligence and engagement with our supply chain has been a key focus for us over the current Asset Management Period ('AMP') and our Sustainable Supply Chain Charter plays a critical role in setting our clear expectations. We are always looking for ways to improve the controls within our procurement processes and work closely with our suppliers to achieve this. A good example is our work with suppliers on the adoption of Living Hours across our high impact supplier categories.

A key tenet of our culture is communication and collaboration, which are essential for the success of our approach to addressing the potential risk of modern slavery within the communities we serve and wider society. We continue to work tirelessly to tackle this issue collaboratively with our partners, employees, suppliers and peers, to ensure our approach remains effective.

This Statement reflects the work we have done both within Severn Trent and with our stakeholders. We welcome feedback to help guide our approach.

This Statement was approved by the Board of Directors of Severn Trent Plc on 20 September 2024 and is signed on its behalf by:



Liv Garfield
Chief Executive
Severn Trent Plc

This Statement, which constitutes our Group's Anti-Slavery and Human Trafficking Statement for the financial year ended 31 March 2024, is made pursuant to section 54 (1) of the Modern Slavery Act 2015 (the 'Act'). It is made on behalf of Severn Trent Plc and its Group Subsidiaries, namely Severn Trent Water Limited, Severn Trent Services Defence Limited, Severn Trent Services Operations UK Limited, Severn Trent Green Power Limited and Hafren Dyfrdwy Cyfyngedig.

This is our ninth statement and outlines our processes and procedures to mitigate the risk of slavery and human trafficking within our Group during the financial year ending 31 March 2024. Our previous statements can be found **here.**

We are not at all complacent and remain committed to keeping our approach under continual review.

INTRODUCTION

KEY ACTIONS WE HAVE TAKEN DURING 2023/24:

- **Extended our longstanding partnership with experts Slave-Free Alliance for a further three years; a partnership critical in maintaining and developing our approach to identifying and addressing the risk of modern slavery and labour exploitation.**
- **Became an accredited Living Hours Employer; including a commitment to drive awareness and promote the adoption of Living Hours across key areas of our supply chain over the next three years.**
- **Engaged with key suppliers operating in higher risk categories to assess and understand potential areas of risk, build supplier awareness and implement improvements where necessary.**
- **Strengthened our training provision with the support of Slave-Free Alliance and the Supply Chain Sustainability School; including Sustainable Procurement training for all Severn Trent procurement, contract management and commercial teams and a scenario-based exercise to build working group capability to respond to potential worker welfare concerns.**
- **Reviewed and updated our Escalation and Remediation Policy.**



INTRODUCTION

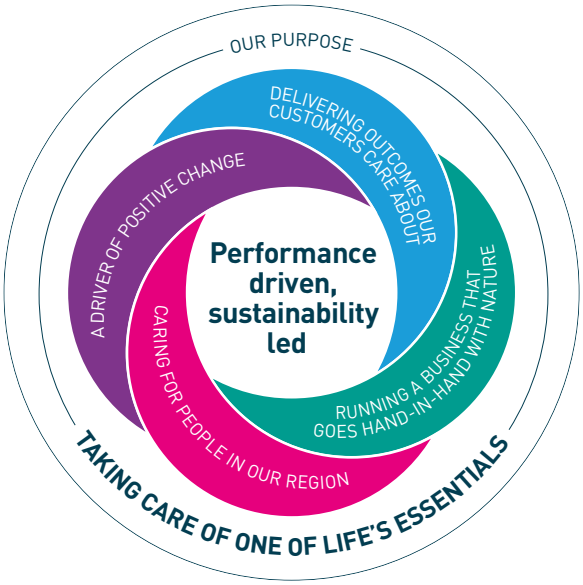
OUR APPROACH

Our Purpose

At Severn Trent, we are driven by our purpose – **taking care of one of life's essentials.** When we are united by our clear social purpose, we can drive positive change and deliver positive outcomes for all our stakeholders – particularly our customers and communities and everyone that works for us and with us. Now, more than ever, we know that taking care of one of life's essentials means that what we do really matters to the families, businesses and communities we serve. This is why **our values:** Having Courage, Showing Care, Taking Pride and Embracing Curiosity are so important to us. Being a company that can be trusted, supporting our customers and communities, helping people to thrive and providing the best value service means we all need to be focused on living our values, by Doing The Right Thing, every single day – the Severn Trent way.

Our Corporate Strategy

Our purpose is driven by our Corporate Strategy.



CARING FOR PEOPLE IN OUR REGION

- Helping our own people thrive
- Supporting our suppliers
- Creating opportunities in our communities
- A force for good for our customers

INTRODUCTION (continued)

A Comprehensive Zero Tolerance Approach to Modern Slavery

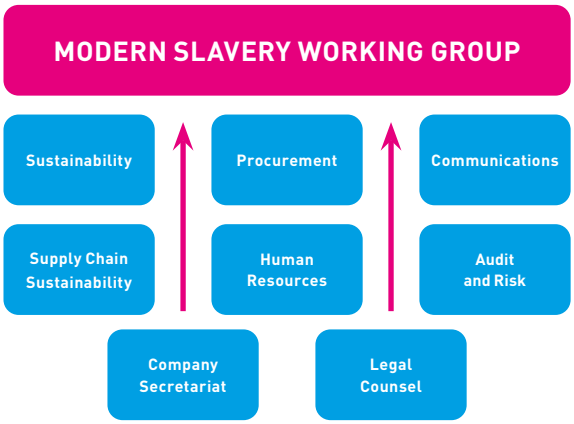
In delivering our purpose we must adhere to our values, one of which is 'Showing Care'. This aligns with our Corporate Strategy to drive positive change and care for people in our region. These tenets underpin our approach to modern slavery.

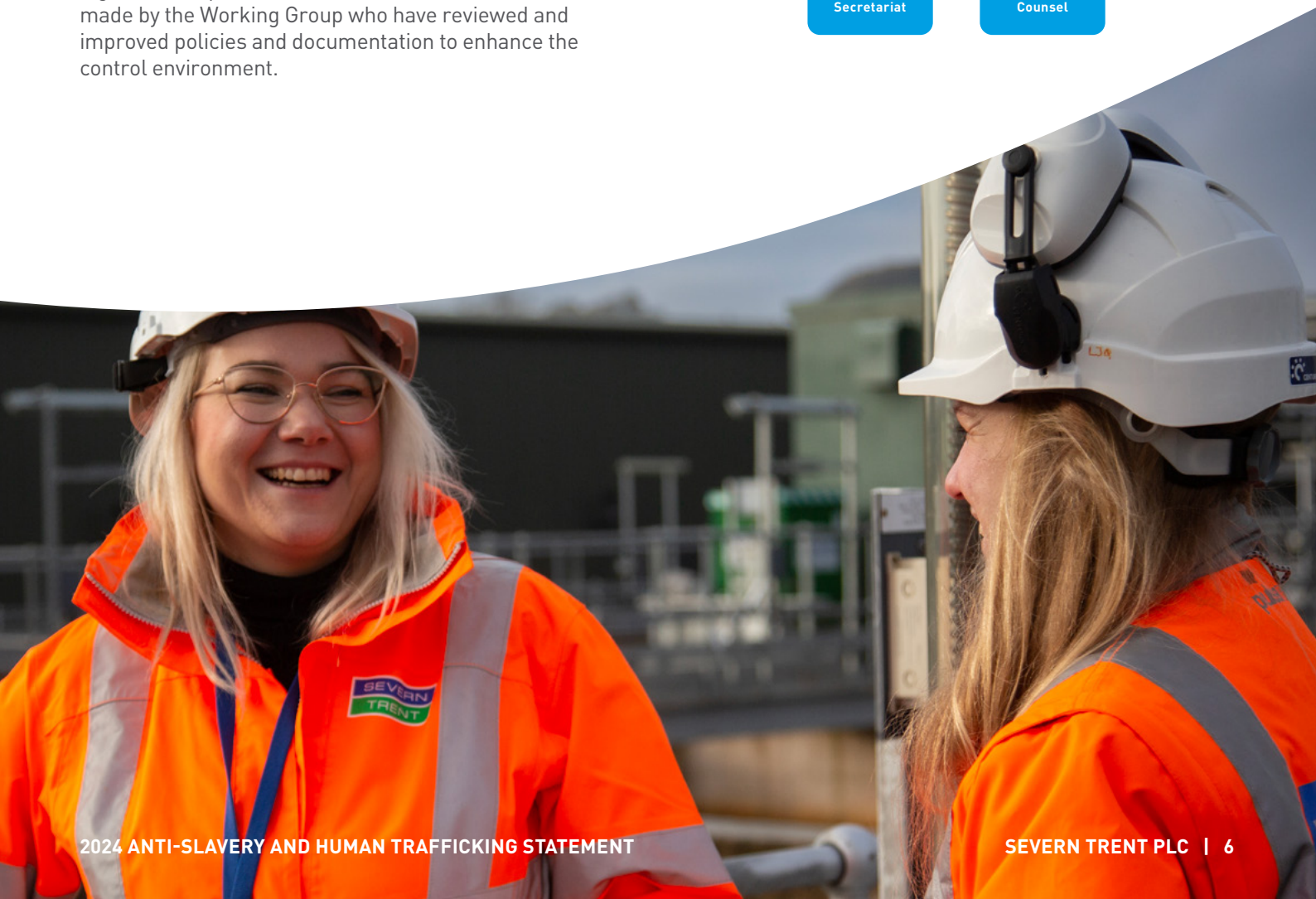
We review four key areas to ensure our approach remains effective in identifying and addressing potential modern slavery and labour exploitation risks within our business and supply chain.



Modern Slavery Working Group

The Working Group drives the development, delivery and ongoing effectiveness of our approach. In 2023, we refreshed the composition of the Working Group to ensure we had representation from all core business functions to ensure the consistent application of the four key areas of our strategy. During the year an internal audit was conducted to review the Working Group and the implementation of controls and processes to comply with legislative requirements. The review concluded that the Group's processes and controls around the Modern Slavery Act are robust and ensure compliance with legislative requirements. Further advancements have been made by the Working Group who have reviewed and improved policies and documentation to enhance the control environment.





OUR BUSINESS AND SUPPLY CHAIN

Our Business

Severn Trent Plc is a FTSE100 company. Severn Trent Water ('STW') and Hafren Dyfrdwy ('HD'), are two of 11 regulated water and wastewater businesses in England and Wales, providing high quality services to more than 4.7 million households and businesses in the Midlands and Wales. Our Green Power business generates renewable energy from food waste, anaerobic digestion, crop anaerobic digestion, hydropower wind turbines and solar technology. Our Severn Trent Services company provides contract services to municipal and industrial clients in the UK for the design, build and operation of water and wastewater treatment facilities and networks.

REGULATED BUSINESSES

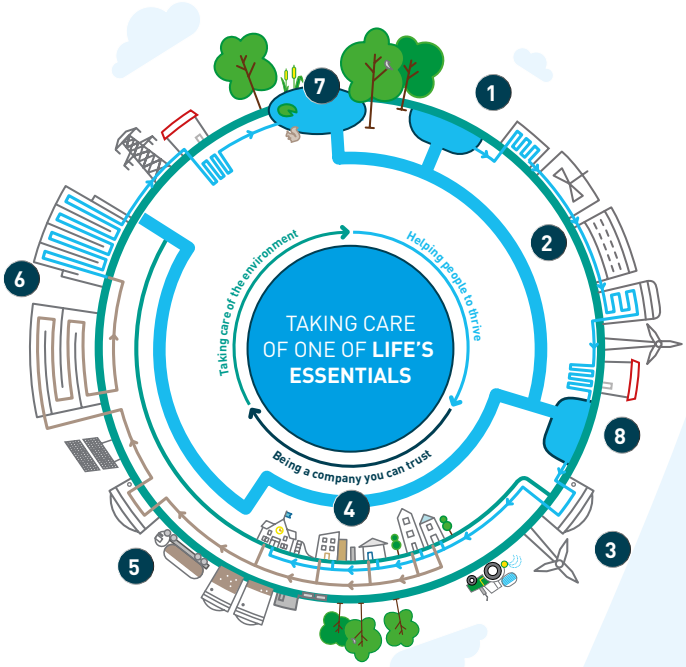
Our regulated water and wastewater businesses are STW and HD.
The primary activities we focus on are:

- providing clean water;
- treating wastewater; and
- generating renewable energy.

NON-REGULATED BUSINESSES

Business Services operates a UK-based portfolio that complements the Group's core competencies and is well positioned to capitalise on market opportunities in these areas:

- Green Power;
- Operating Services; and
- Property Development.



1 Collect raw water

We collect water from reservoirs, rivers and underground aquifers across our region.

2 Clean raw water

Our groundwater and surface water treatment works clean raw water to the highest standards, making it safe to drink.

3 Distribute clean water

Our network of pipes and our enclosed storage reservoirs provide a continuous supply of clean water direct to our customers' taps.

4 Customers enjoy our services

4.7 million households and businesses use our services, delivered by a team of over 9,000 employees.

5 Collect wastewater

Our network of sewers and pumping stations collect wastewater from homes and businesses and take it to our wastewater treatment works.

6 Clean wastewater

Wastewater is carefully screened and treated in our wastewater treatment works to meet stringent environmental standards.

7 Recycle water to the environment

We safely return treated water to rivers and watercourses.

8 Green energy

The green energy that we generate contributes to meeting our net zero targets and keeping our energy costs down.

OUR BUSINESS AND SUPPLY CHAIN (continued)

Alignment Across our Group

We strive to ensure our approach is aligned and consistently applied across the Group. Suppliers within each business area receive a level of focus and support that is tailored appropriately to ensure a robust and proportionate approach, consistent with the due diligence process adopted across the Group. We provide all suppliers across the Group with access to Supply Chain Sustainability School ('SCSS') training and workshops related to a range of topics, and specifically modern slavery awareness. All communications and training materials continue to be tailored and shared both across the Group and externally with our suppliers.

Our People

Our people connect with our purpose and culture, and our strong engagement scores, which are in the top 3% of global utilities, demonstrate the strength and depth of this connection. When asked in our annual survey, "If I suffered or witnessed wrongdoing at work, I'd be confident Severn Trent would respond appropriately," our employees scored Severn Trent 8.6 out of 10.

It's essential that we have the right processes in place for our colleagues to raise concerns should they need to. Our approach enables all colleagues and our supply chain to speak up, confident that their concerns will be taken seriously.

Whistleblowing procedures are in place for all Group companies and our suppliers to deal with any allegations of breaches of our Code of Conduct, Doing the Right Thing and we regularly communicate and increase awareness of all whistleblowing routes, including our confidential Safecall 'Speak Up' line.

Our Group HR Policy sets out our commitment to treat all employees fairly, protect their human rights and recruit in line with the requirements of the Modern Slavery Act 2015. We consider the overall risk of modern slavery within our workforce to be low due to the nature of our work, and the robust pre-employment checks we have in place. Just under half of our employees are in permanent, office-based roles. As part of our recruitment and on boarding process, we conduct thorough compliance checks for all workers, including temporary staff.

OUR WORKFORCE

We directly employ 9,192 people, across 119 UK sites, most of them at locations across the East and West Midlands, as well as in North and Mid-Wales.

TOTAL EMPLOYEES	9,373 including contractors and agency
OFFICE BASED EMPLOYEES	4,160
OPERATIONAL EMPLOYEES	5,032
PERMANENT STAFF	9,192
CONTRACTORS & TEMPORARY	181

Numbers average over 2023/24

OUR BUSINESS AND SUPPLY CHAIN (continued)

Real Living Wage Employer

We are an accredited real Living Wage employer, which means we are committed to paying all our direct employees a wage based on the cost of living today; an expectation we extend across our supply chain. 100% of applicable suppliers' employees working on our contracts have agreed to pay the real Living Wage, and through direct engagement and communication, a number of supplier partners have gained accreditation with the Living Wage Foundation in their own right. Ensuring a living wage for workers is a key principle in reducing the likelihood of victims at risk of forced labour and exploitation and is mandatory for all new contracts.

Living Hours is a newer concept designed to ensure that workers are on contracts where they can earn enough to support a decent standard of living. In April 2024, we became an accredited Living Hours Employer. The standards to which it holds employers includes: a right to a contract which reflects the hours worked; offering a minimum of 16 hours per week (employees can request less); and providing at least four weeks' notice of a change to working patterns. It currently applies to all of our employees, and we are working to drive awareness and promote adoption of Living Hours across our supply chain; targeting and setting clear expectations with suppliers within higher-impact industries.

Employees also have access to a wide range of services and benefits designed to take care of all aspects of wellbeing; physical, mental and financial. For more details of how we support our colleagues see our latest Annual Report available on our website at **www.severntrent.com**



Our Supply Chain

We engage with over 1,600 supply chain partners to deliver our operations responsibly, and in 2023/24 spent £1.4 billion on a range of services and materials. Over 99.8% of our supply chain partners are based within the UK. Our supply chain constitutes direct and subcontracted parties, who work with us to construct, operate, and maintain our water and wastewater treatment works, provide security and cleaning services.

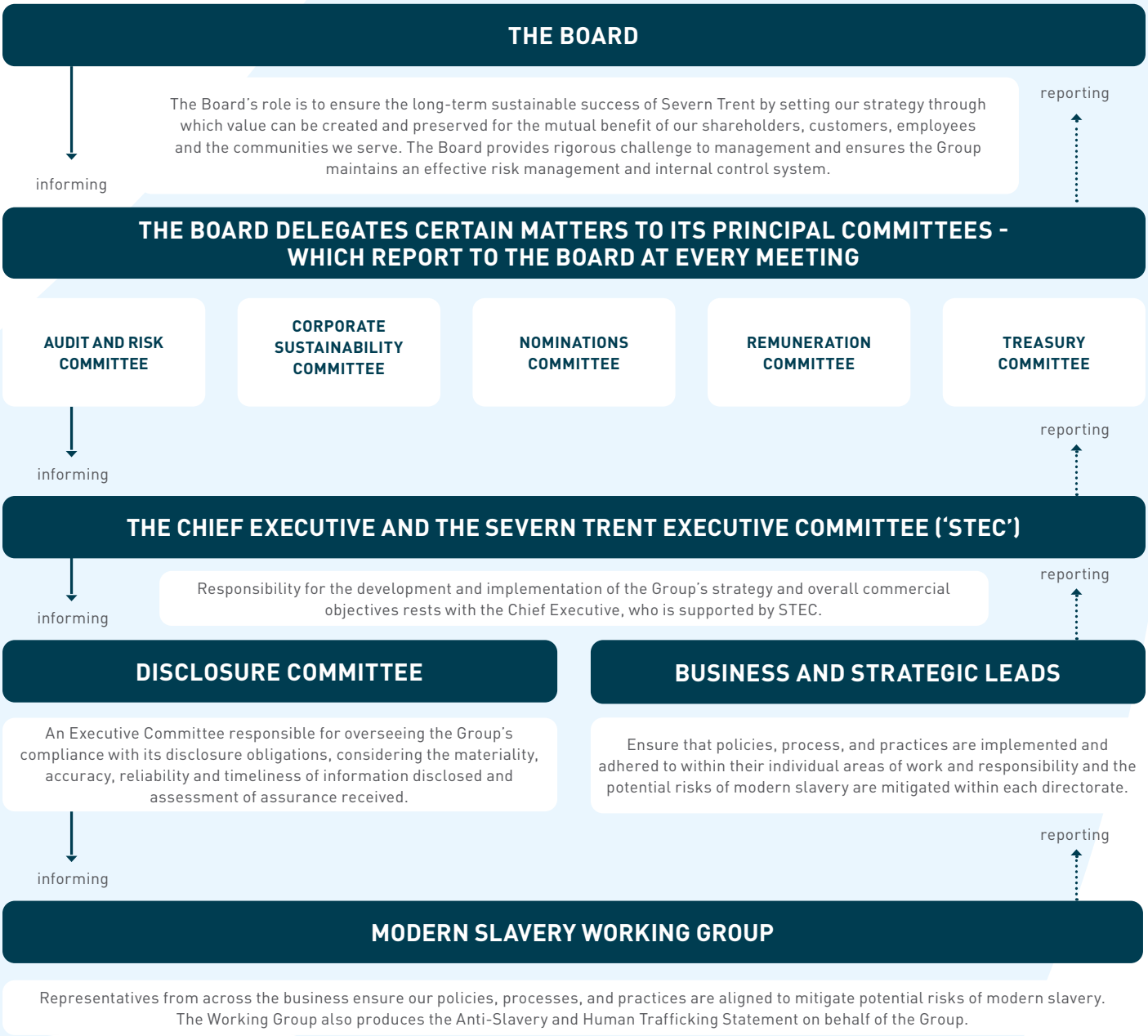
Due the breadth and complexity of our supply chain, we recognise that this is the area in which we are most likely to encounter instances of potential modern slavery and labour exploitation risks. All suppliers, irrespective of size or industry, are required to adopt and consistently apply our high standards in order to identify and address potential modern slavery risk within their own organisation and their supply chain. We assess this through robust due diligence, and adopt additional measures for suppliers operating in industries of known higher risk. In 2023, Slave-Free Alliance identified four key supplier categories that presented a higher risk to our business. These include Facilities Management (including Grounds Maintenance, Cleaning and Security), Construction, Waste Management and Logistics and Transport. A review undertaken with Utilities Against Slavery this year, confirmed that these remain our priority areas. As Severn Trent Green Power ('STGP') looks to expand its renewable energy portfolio, we will also focus on potential risks within the solar supply chain.

We remain committed to working collaboratively with our suppliers to develop understanding and capability to identify and address potential modern slavery and labour exploitation risk. Further information can be found in the 'Risk and Due Diligence' section.

GOVERNANCE AND POLICIES

We pride ourselves on having a high-functioning, well-composed, independent and diverse Board and being transparent in all that we do. Maintaining the highest standards of governance is integral to the successful delivery of our strategy. Our Board-led Governance Framework ensures that the Board remains effective in both making decisions and maintaining oversight.

GOVERNANCE FRAMEWORK



GOVERNANCE AND POLICIES (continued)

POLICIES

Our zero-tolerance approach to modern slavery is supported by our Group policies, which are reviewed regularly and extend across our supply chain.

Our policies are embedded within the business and form a central part of our company induction to ensure adherence from the onset of our employees' careers with us. We continue to communicate and raise awareness of these policies through our intranet, through dedicated campaigns and with our supplier partners. Our key Group policies can be found on the Severn Trent website **here.**

Key policies that support our approach:

Group Human Resources Policy

At Severn Trent we are dedicated to maintaining a work culture that is diverse and inclusive, enabling all of our people and at every level of the organisation to achieve their potential and work to the best of their ability.

The Group Financial Crime and Anti-Bribery, Anti-Corruption Policy

The Group Financial Crime and Anti-Bribery, Anti-Corruption Policy sets out our zero tolerance to financial crime - this includes bribery, fraud, tax evasion and all other corrupt business practices.

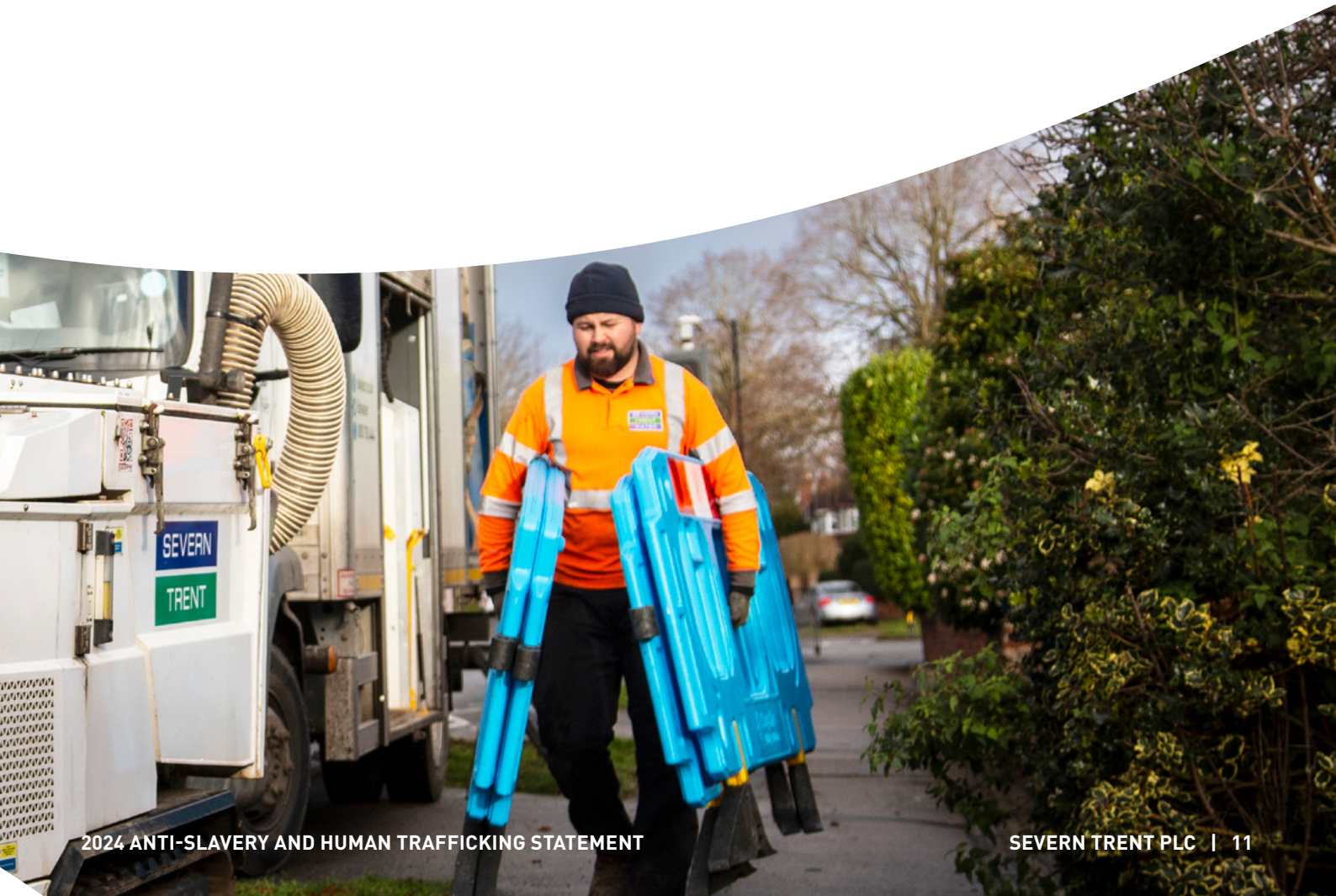
Doing The Right Thing

At the heart of Severn Trent's culture is a closely held set of values. 'Doing the Right Thing' helps us put our values into practice and sets out the behaviours expected of everyone at Severn Trent.

By 'Doing the Right Thing' every day, we protect our people, and all of those who work for and with us to help deliver on our commitments to:

- Build public trust;
- Live our values every day;
- Comply with laws, regulation and our standards;
- Never tolerate illegal or unethical acts;
- Treat everyone fairly (including our people, customers and suppliers);
- Be a responsible and sustainable company;
- Create an inclusive environment; and
- Give our people confidence to Speak Up if they see things that are not quite right.

Everyone who works for, and with, us is required to comply with Doing the Right Thing, supported by the mandatory requirement to undertake the company-wide e-learning modules on an annual basis. We also continue to promote our 'Speak Up' Policy and helpline.



GOVERNANCE AND POLICIES (continued)

'Speak Up' Policy

We aim to do the right thing every time and encourage colleagues to speak up to make sure we never fall below this standard. Living our values and demonstrating our culture are a key part of this, which is why we take any reports of illegal practice or inappropriate conduct extremely seriously.

We believe everyone must play their part to achieve the highest standards of behaviour, which is why our Group 'Speak Up' Policy applies to all employees, contractors, temporary staff, and agency workers working on behalf of the Group. We encourage and empower colleagues to Speak Up if they are worried about wrongdoing affecting our customers, colleagues, suppliers or the company. Any concerns can be discussed directly with line managers, a senior executive, or via the confidential and independent helpline 'SafeCall'.

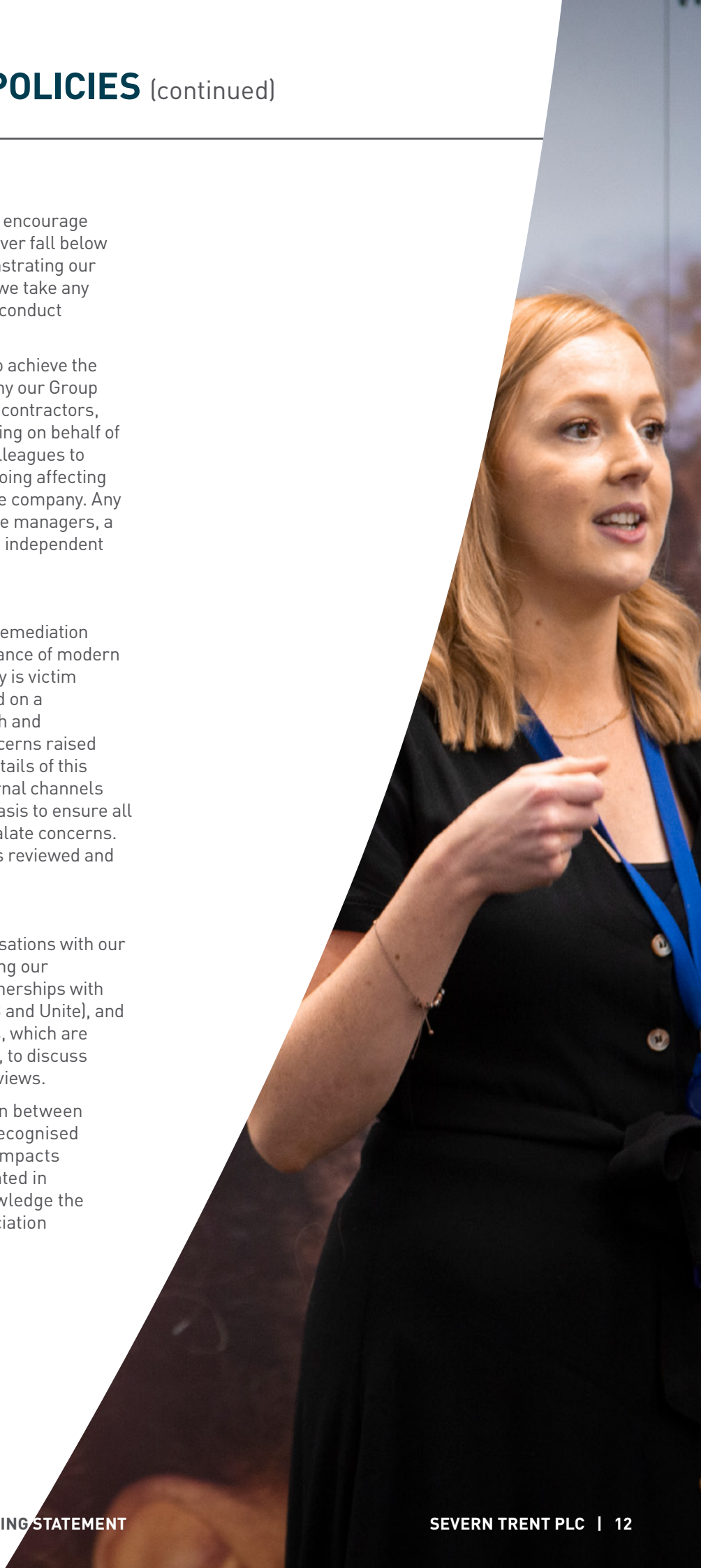
Escalation and Remediation Policy

In 2020, we published our Escalation and Remediation Policy, setting out our response to any instance of modern slavery concern at Severn Trent. This Policy is victim centred and flexible, allowing us to respond on a case-by-case basis and ensures a thorough and transparent process to investigate any concerns raised within Severn Trent or our supply chain. Details of this Policy are communicated through our internal channels and across our supply chain on a regular basis to ensure all colleagues and suppliers know how to escalate concerns. The Escalation and Remediation Policy was reviewed and updated in 2024.

Employee Rights

We believe it is critical to have open conversations with our partners about business decisions impacting our workforce. We have developed strong partnerships with our three trade union groups (Unison, GMB and Unite), and we hold regular Company Forum meetings, which are attended by our Executive Team and Board, to discuss important topics with them and seek their views.

We seek to foster constructive cooperation between employees, our management team, and recognised trade unions. This ensures that potential impacts to all groups are considered and represented in any major change programme. We acknowledge the right of all employees to freedom of association and collective bargaining.



RISK AND DUE DILIGENCE

RISK ASSESSMENT

We operate a well-established risk management framework, underpinned by standardised tools, practices and risk management methodologies to ensure consistency across the Severn Trent Group.

Through this comprehensive framework, we review our organisational-level modern slavery risk and supply chain risk on an ongoing basis.

Operational Risk Management Process

As outlined above, we regularly review potential risks in relation to modern slavery. Led by a dedicated Risk and Assurance Manager; subject specialists and our Modern Slavery Working Group assess the level of risk modern slavery may present to us, along with a detailed review of causes, consequences and mitigating controls. Each control measure has an owner responsible for its delivery, and an effectiveness rating applied.

Assurance of the effectiveness of these controls is undertaken through a three line of defence approach. Business Leaders are interviewed and feedback formally captured as part of first line assurance. The Risk and Assurance Team complete second line assurance via an annual audit, and if required, our Internal Audit Team provide third line assurance. The outcome of this review is signed off by Senior Management and recorded at Operational Risk Management level.

Key risk indicators are monitored regularly, and provide early indication for incremental improvements to control measures. This year's review concluded that key risk indicators used to monitor the effectiveness of the controls applied remain effective and that the risk to the business remains low.

During the year we introduced a new control as part of our Enterprise Risk Management Level risk for effective procurement and contract management. This control tests how effectively key elements, including modern slavery, are embedded as part of the Procurement and Contract Management life cycle, for example, use of correct supplier selection questions and contractual clauses. We also strengthened objectives for key procurement, contract management and commercial roles, and this process also measures delivery against those.

Risk Mapping our Supply Chain

As part of the supplier approval and on boarding process, key suppliers are mapped to understand their base location and the location from which the products and services they deliver to us are sourced. In addition, a financial stability assessment is also undertaken. This process is managed by a dedicated Category or Contract Specialist who is assigned a vendor based on the category of materials or services which we will predominately procure from them.

We also utilise the ariba risk assessment module within our procurement and contract management system. This provides live, and detailed insights on our registered suppliers, including:

- Google newsfeeds;
- Financial assessment reports;
- Supplier country scores derived from the World Economic Forum Scores; and
- Environmental and social reviews including labour compliance.

Continued supplier risk training is undertaken and measured as part of our training tracker to ensure users understand the process and how to use the system to its full benefit. To assist in the management of potentials risks, contracted suppliers undergo a regular risk assessment and heat mapping process, monitored by a dedicated Risk and Assurance Team. High risk suppliers identified through this process are flagged to the responsible Procurement and Contract Management specialists, who conduct a deeper risk assessment and monitoring of the supplier. A monthly report of the top ten supplier risks is shared with relevant Business Leaders and the Head of Contract Management and Procurement.

Labour and human rights is one of four pillars that EcoVadis, an independent sustainability ratings platform, assesses our suppliers against. This section includes Employee Health and Safety, Working Conditions, Social Dialogue, Career Management and Training, Child Labour, Forced Labour and Human Trafficking, Diversity, Equity and Inclusion and External Stakeholder Human Rights. Assessment is completed independently by sustainability experts at EcoVadis and evidence reviewed to validate an organisation's response.

RISK AND DUE DILIGENCE (continued)

A 360° Watch function also contributes to an organisation's overall scorecard, and involves an artificial intelligence scan of over 100,000 sources of news and information. Category and Contract Managers monitor supplier scorecards and work collaboratively with suppliers to close any gaps identified on the EcoVadis Corrective Action Plan. Of the suppliers assessed and rated to date, none have been identified as presenting a known risk within Labour and Human Rights, with all rated within the 'opportunity' and 'engaged' bracket. Irrespective of a high rating, we ask all assessed suppliers to demonstrate positive improvements to improve upon their score through the Corrective Action Plan function.

In the last year we have delivered training to all category owners and updated our contract clause to build capability and increase registrations. We have also introduced an EcoVadis performance measure in our construction frameworks, rewarding delivery against continuous improvement. We will look to expand this measure across all categories in the near future.

CURRENTLY 121 SUPPLIERS HAVE BEEN ASSESSED THROUGH ECOVADIS.

We are aiming for 100% of high-impact suppliers to be assessed, and we're driving improvement through corrective action plans.

Drawing upon expert insights, and led by partners Slave-Free Alliance, we undertake an annual review of our high-level supplier categories to establish industries that pose a higher risk of modern slavery and labour exploitation to provide additional focus, through proactive assessment and engagement. This year's review, completed in collaboration with Utilities Against Slavery, identified the following categories to be higher risk areas: Facilities Management (including Grounds Maintenance, Cleaning and Security), Construction, Waste Management, Logistics and Transport and Solar.



RISK AND DUE DILIGENCE (continued)

SUPPLY CHAIN DUE DILIGENCE

We are reliant upon over 1,600 supply chain partners to help us deliver our critical service and set clear expectations that this must be delivered in a way that has a positive impact on the environment, society and the communities we serve.

As outlined in our Sustainable Procurement Statement, our approach to procurement and ongoing contract management is key to this; ensuring social and environmental impact considerations are embedded and that we have the mechanisms in place that assess, engage and influence how our supply chain identify and address potential modern slavery and labour exploitation risks.

A minimum standard for all suppliers

All suppliers, and their subcontractors, irrespective of industry, size and location are expected to commit to and comply with the principles set out in our **Sustainable Supply Chain Charter.** This includes ensuring all employees within our supply chain are always treated fairly, ensuring working conditions, working hours and wages always comply with the UN International Labour Organisation standards; proactive measures adopted to identify and address any form of modern slavery, including forced or bonded labour, slavery or human trafficking within their own business and their supply chain; and where applicable, suppliers and their subcontractors embed the real Living Wage as a minimum salary. All suppliers are required to comply with the Charter as part of the on boarding requirements to partner with Severn Trent.

A mandatory suite of sustainability supplier selection questions forms part of all tenders, and in 2024 we strengthened these, including ensuring potential concerns around modern slavery awareness and risk mitigation could be highlighted at the earliest stage.
This built upon recommendations from the Supply Chain Sustainability School ('SCSS') and UAS to drive consistency in what is asked across a shared supplier base.

This activity is supported by standard contractual terms and conditions, including compliance with the Modern Slavery Act, pre-employment checks, right to audit, adherence to our Sustainable Supply Chain Charter principles, adoption of the real Living Wage and annual assessment through EcoVadis. We expect all suppliers to respond positively to our expectations, regardless of the goods or services they provide.

Taking action where it counts

Proactive assessment and engagement with suppliers operating in industries at higher risk of modern slavery and labour exploitation has been a key focus this year. This approach has driven positive and meaningful discussions, not only in building our understanding of any potential risk, but importantly in upskilling and developing a more resilient supply chain, and crucially, minimising the risk of labour exploitation and poor worker welfare.

In 2024, we introduced a new requirement for all sourcing strategies, contract awards and extensions to seek mandatory modern slavery sign-off, ensuring potential impacts are addressed at the earliest opportunity.

For any suppliers within high-risk categories we develop a tailored plan, drawing upon expertise from Slave-Free Alliance where required. This may include bespoke supplier selection questions, a values interview as part of the award criteria, management-level supplier assessments, worker welfare discussions and performance indicators. We take a collaborative approach, working with potential and contracted suppliers to ensure potential risks are highlighted, and managed through ongoing engagement following contract award.

For more information, refer to our

Sustainable Supply Chain Charter

Sustainable Procurement Statement



RISK AND DUE DILIGENCE (continued)

Our approach can be outlined in three stages:

Stage 1

High-level risk assessment of Severn Trent's supplier categories

Using expert insight and research on industry and geographical risk, Slave-Free Alliance conducted a desktop assessment at direct supplier-category level to help identify the level of risk within our supply chain. This assessment highlighted key categories that would benefit from enhanced oversight. This year's review, completed in collaboration with Utilities Against Slavery identified the following categories to be our higher risk areas: Facilities Management (including Grounds Maintenance, Cleaning and Security), Construction, Waste Management, Logistics and Transport and solar.

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Stage 2

Category-specific Procurement and Contract Manager interviews

Slave-Free Alliance conducted interviews with Procurement and Contract Managers responsible for managing suppliers within these categories. Through this discussion, Slave-Free Alliance gained a detailed understanding of the work undertaken across Severn Trent contracts, the suppliers delivering the work and any measures adopted that mitigate any potential risks e.g., site access requirements, inductions, qualifications. As a result of these sessions, Slave-Free Alliance concluded that due to mitigating measures already adopted by Severn Trent and our existing suppliers, there was no heightened risk associated with these categories that required additional mitigation measures. These interviews also provided an opportunity to build category specific knowledge and capability across individual contract owners.

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Stage 3

Proactive supplier assessment and engagement

Having identified categories that may present a potentially higher risk of modern slavery occurrences, we introduced proactive steps to gain a deeper understanding of risk and mitigation actions required. A bespoke assessment and engagement plan is developed for each category to ensure our approach to supplier selection and ongoing management is tailored to the industry, and known areas of risk. This includes management-level assessment led by Slave-Free Alliance. This collaborative session aims to address any potential gaps in approach, build knowledge and develop an improvement plan if required.

This process is supported by our Supply Chain Team, and performance managed through Contract Management.

UNDERSTANDING THE RISKS OF SOLAR

Our Severn Trent Green Power ('STGP') business generates renewable energy from anaerobic digestion, hydropower, wind turbines and solar technology.

In July 2024, STGP announced its commitment to build three new large-scale solar farms, with potential for a fourth; building our renewable energy capacity in support of the Severn Trent Group's Triple Carbon Pledge, a commitment to reduce the Group's carbon footprint to zero by 2030. The growth is expected to take place over a period of two years, while development of each site takes place.

As guided by experts, there is increasing acknowledgment of the human rights risks inherent within the solar supply chain, and the need for businesses across the globe to address this issue. As we consider the use of solar to reduce our carbon footprint, we recognise these risks and will be working with our expert partners, Slave-Free Alliance to develop a bespoke and robust approach at each stage of the procurement and contract management process to address these risks. This approach will seek to build a culture of collaboration, openness, transparency and learning to minimise the risk of this occurring in our supply chain. We will also seek opportunities to use our industry leverage through collaboration with sectors peers who form part of, Utilities Against Slavery, and continue to explore the feasibility of alternative markets and technologies.

An update on both our approach and learnings will be provided within our next statement.



RISK AND DUE DILIGENCE (continued)

DUE DILIGENCE OF OUR EMPLOYMENT PRACTICES

We work with suppliers who provide temporary staff to our business to ensure they adopt the same compliance checks for all workers as part of our recruitment and on-boarding process.

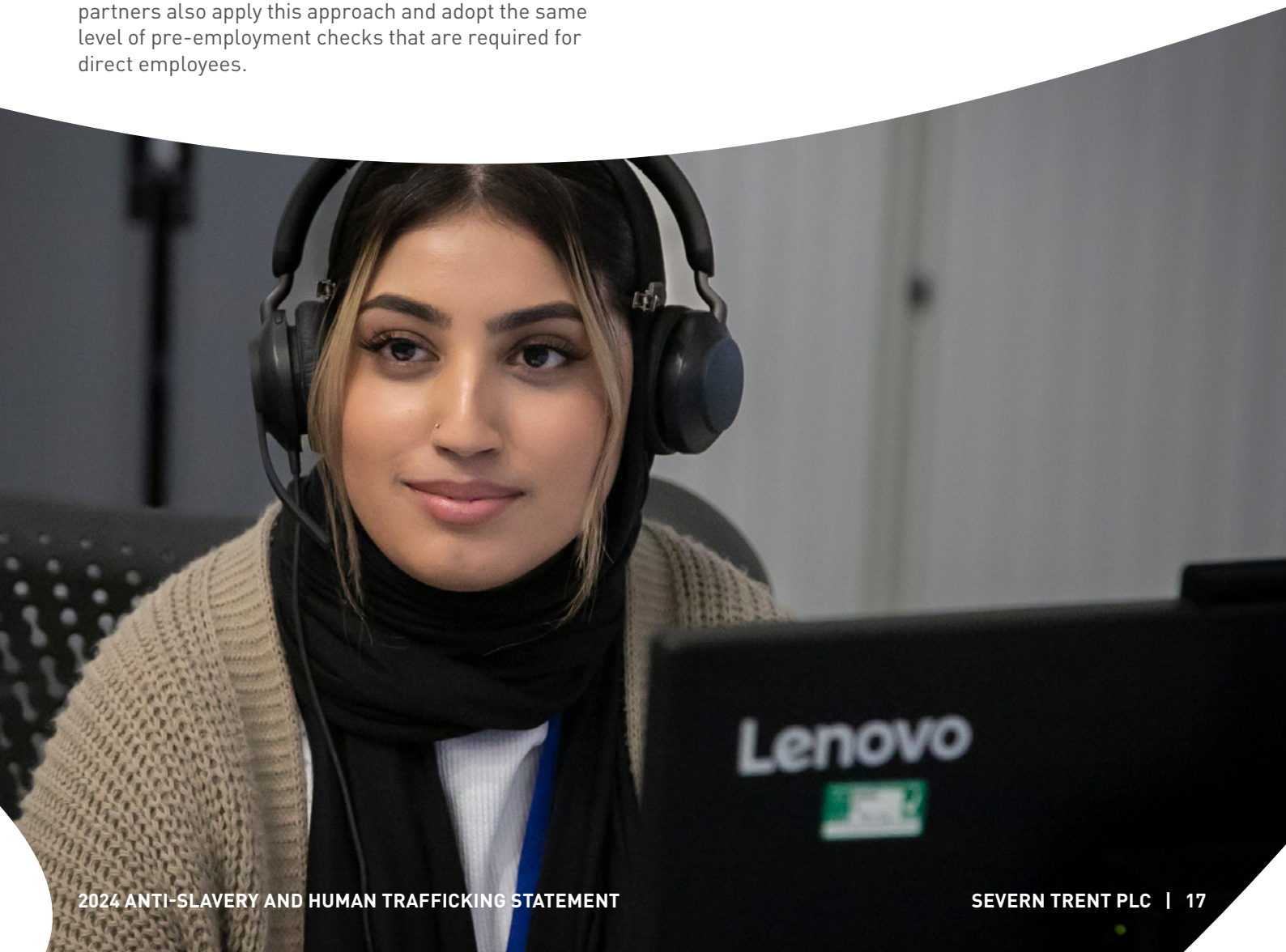
We continually review our internal controls and risk management processes to reduce potential risks where possible. These include, but are not limited to:

- Right to Work Checks;
- Criminal Convictions Checks;
- Adverse financial check for permanent employees; and
- Occupational Health Checks.

We carry out additional due diligence to protect our employees with checks on multiple use of national insurance numbers and bank accounts. If a concern is identified, our HR team will make confidential and appropriate contact with the individual to confirm the position in a sensitive manner before escalating if required. The successful completion and passing of these tests are a prerequisite for a permanent employee to start working with us. We mandate that our supply chain partners also apply this approach and adopt the same level of pre-employment checks that are required for direct employees.

We conduct an annual audit of temporary and contractor staff to ensure the right level of pre-employment processes are completed. If any concerns are identified, they are immediately addressed with our service provider with a requirement for them to resolve the issue within 48 hours. Any concerns are also addressed with employees directly. In this year's audit, no concerns were identified.

We continue to review our recruitment process for both permanent and temporary recruitment (direct and indirect staff) with Slave-Free Alliance. The purpose of our review is to validate our approach and determine any areas of risk or best practice to be incorporated.



TRAINING AND COLLABORATION

TRAINING AND AWARENESS

Empowering our people with the knowledge and confidence to identify and raise concerns around modern slavery and worker welfare is vital.

Our colleagues are key to us identifying potential instances of modern slavery and we ensure all colleagues receive dedicated training, not only to spot the signs, but also to follow the proper channels for escalation. This is supported by company-wide communications to ensure all colleagues remain alive to the potential risk, and continue to feel confident in reporting anything that does not feel right.

Targeted training

With the support of Slave-Free Alliance, we continue to review and enhance our training offering to ensure our programme remains up-to-date, targeted and appropriate.

All colleagues are expected to undertake our bespoke modern slavery awareness e-learning module. Developed in collaboration with Slave-Free Alliance (and reviewed in full in 2023), this module provides colleagues with an overview of modern slavery, how the risk is relevant to our business, potential indicators and importantly how to report a concern. All new employees receive the module in their company induction portfolio, with all employees refreshing their knowledge of the module every three years. This includes Severn Trent and Hafren Dyfrdwy Board Directors.

In addition, we actively promote and encourage all colleagues, and our supply chain to access the Supply Chain Sustainability School ('SCSS') platform, including e-learning modules, workshops and events to build their knowledge on a range of sustainability topics including modern slavery and labour rights. In 2024, we will launch a series of learning pathways, a package of specific resources, through SCSS. These will be available to all, but made mandatory for key roles, enabling us to track progress and further strengthen our provision and in turn, resilience.

Whilst all colleagues have a responsibility to be aware of the signs, and report any concerns, we recognise that the nature of some roles throughout our organisations, may require additional, in-depth training.

For colleagues who engage directly with our suppliers, Slave-Free Alliance deliver in-depth training workshops. These mandatory half-day training workshops are refreshed annually, with workshops to new employees in the following roles:

- Procurement and contract managers and specialists;
- Construction project and site managers;
- Front of house and facilities management; and
- Operational site managers.

We first launched these workshops in 2019, to ensure we maintain a high level awareness and understanding of the risk of modern slavery and labour exploitation when engaging with our suppliers. We have also developed a one-hour virtual refresher course. All colleagues who have undertaken the half-day workshop are expected to complete this session, delivered by Slave-Free Alliance.

For colleagues in Procurement, Contract Management and Capital Commercial Teams, we have also introduced mandatory Sustainable Procurement training delivered by the SCSS. As of 31 March 2024, 100% of these key roles completed this training aimed at demonstrating the importance of transparency, and consideration of environmental, social and commercial impact in decision making. Outside of this formal training provision, and in support of our proactive approach to supplier engagement and assessment, we regularly deliver sessions to upskill colleagues on our new processes and importantly lessons learned, ensuring they are equipped with the knowledge and skills to support supplier engagement through the procurement and contract management process.

Our Modern Slavery Working Group members play a key role in the investigation and escalation of any modern slavery and labour exploitation concerns, and if needed, victim remediation. To ensure all members are equipped with the practical knowledge and confidence in dealing with any potential concerns sensitively, Slave-Free Alliance delivered a 'live' scenario based exercise to challenge how we should respond at different stages of investigation, escalation and remediation, ensuring victim needs are at the forefront of every decision. Learnings from this exercise will form part of the Senior-level Executive Briefing we have planned for 2024/25.

In the year ahead, we will work with Utilities Against Slavery to develop a suite of training programmes to build resilience through knowledge and capability building across the sector. This will include, exploring how we raise awareness with front-line colleagues working in our communities.

TRAINING AND COLLABORATION (continued)

Continuing to raise awareness

In addition to the training provided to employees, we continue to raise awareness of modern slavery through our key internal channels. This includes reminders of the indicators and how to report a concern, and learnings from any investigations.

Modern slavery awareness is built in to both internal and external communications plans. This gives us an accessible platform to share updates, case studies, training events, and expert advice. We use newsletters, emails, posters, and intranet articles. We can tailor information to the audience and make it relevant and topical to other events happening at the time.

In 2023, we also launched a dedicated section on our intranet pages 'On Tap', providing colleagues with insights into how Severn Trent are addressing modern slavery and the collective role we all have in identifying and addressing this issue; this includes signposting to helpful resources from Slave-Free Alliance and the SCSS, and guidance on the steps to report a potential concern.

One of the key outputs from our collaborative efforts with Utilities Against Slavery this year is the development of a suite of resources to drive awareness across our internal teams, and anyone working across our operations. This included posters highlighting potential indicators, video shorts on topics including responsible recruitment and health and safety. For Anti-Slavery Week 2023, Severn Trent were panel members in a discussion on 'Collaborating to Mitigate Modern Slavery Risks', an event that was attended by over 45 organisations.

Our supply chain

We remain committed to working with our suppliers to build awareness, knowledge and capability in identifying and addressing modern slavery, labour exploitation and worker welfare, and work collaboratively to address any gaps within their approach. Our evolved approach to proactive supplier assessment and engagement throughout the procurement and contract management approach means that we can tailor the 1:1 support which we offer more effectively, drawing upon the expertise held by our partners SCSS and Slave-Free Alliance. This has also enabled us to build awareness of this issue outside of our direct supply chain.

All suppliers are encouraged to register with and access the resources available through the SCSS, and this year we will launch a mandatory learning pathway on modern slavery and labour rights for those operating in higher-risk industries. We are proud to be able to offer this free resource to all our suppliers, particularly SME and micro SME's who might not otherwise be able to deliver bespoke training for their employees.

Through a range of channels and mechanisms, including supplier on-boarding events, training events and dedicated supplier communications, we continue to engage, communicate, provide access to expert advice and support the development of our supplier's approach, irrespective of their industry or size.

THE EFFECTIVENESS OF TRAINING IN RAISING AWARENES

Whilst there have been no reported modern slavery concerns reported this year, over the past two years we have seen how effective training can be in raising awareness of the issue.

In 2022, after completing the company modern slavery e-learning assessment a member of staff flagged a concern after witnessing several key indicators (from the e-learning) for a subcontractor of a Severn Trent supplier. The Group's Escalation and Remediation Policy was implemented in response to the reported concern and Slave-Free Alliance were engaged to investigate the supplier in question. The outcome of the investigation identified no evidence of modern slavery activities within the supplier's organisation but did highlight worker welfare concerns within a subcontracting organisation. Support and guidance were provided to the supplier, including the development of a detailed action plan to address concerns.

The supplier put into place recommended activities with its subcontractor directly, as a standalone activity external to their relationship with Severn Trent.

For a fuller description of this case, please refer to our 2022 Modern Slavery Statement.

The awareness raised from in-depth modern slavery awareness training also led to an investigation last year after a member of staff raised a concern after identifying a perceived risk regarding one of our subcontractors working at our Hawksley Park site. Slave-Free Alliance was engaged immediately in response to the reported concern, and we worked collaboratively to implement the Group's Escalation and Remediation Policy, including investigation of the supplier and the subcontractor in question. The outcome of the investigation identified no evidence of modern slavery or exploitation activities within the supplier's organisation. More details on this case can be found in our 2023 Modern Slavery Statement.

TRAINING AND COLLABORATION (continued)

PARTNERSHIPS

Working with others

Collaboration is key to addressing the global issue of modern slavery. Through a shared commitment with our peers, global organisations, and expert partners, we are striving to foster a culture of transparency, share expertise and learnings and develop consistency in the way in which we address modern slavery and labour exploitation in an evolving external landscape.

We are proud of the partnerships we hold, and will continue to seek opportunities to gain new insight to challenge, inform and strengthen our approach.

Slave-Free Alliance

This will be our seventh year of partnership with Slave-Free Alliance, who act as a critical ally in ensuring we remain effective, focused and proactive in addressing potential modern slavery and labour exploitation risks. This year, we have developed our approach to conducting proactive assessments with suppliers who operate within industries known to be at a higher risk of modern slavery within the UK, developed bespoke procurement strategies and continued to build upon our internal training provision.

Severn Trent has been a committed member of Slave-Free Alliance for over six years, exemplifying its ongoing commitment to tackling modern slavery and labour exploitation through our partnership.

Severn Trent remains committed to a continuous improvement approach in addressing modern slavery. Over the past year, Slave-Free Alliance has collaborated closely with Severn Trent to enhance its strategy and risk assessment framework, refine its due diligence processes, conduct a high-risk supplier assessment, and provide staff with training on modern slavery issues. Severn Trent's impact has extended beyond its own operations, playing a pivotal role in the establishment and ongoing activities of the Utilities Against Slavery working group, which now boasts over 20 active members. Severn Trent's focus on continuous improvement and industry change highlights its unwavering commitment to combating modern slavery.

Marc Stanton
Director of Slave Free Alliance

SLAVE-FREE ALLIANCE
Working Towards a Slave-free Supply Chain

Utilities Against Slavery ('UAS')

Severn Trent remains a member of UAS, a sector-led group working to drive consistency and best practice in the approach to addressing potential modern slavery and labour exploitation risks across a shared supply chain. In 2022, the UAS was short-listed for the Reuters Stop Slavery Award for collaboration.

Engagement has been a key area of focus this year. A suite of resources across industry networks has been developed, including awareness and business briefings on key topics such as modern slavery, health and safety and responsible recruitment. For the year ahead, joint site assessments, Senior-level briefing sessions and the development of consistent due diligence processes will be areas of focus.

Supply Chain Sustainability School

We are committed to building supplier knowledge and capability, and through our continued partnership with the SCSS, we provide free access to a wide range of free sustainability learning resources, toolkits and events, including on modern slavery and worker welfare. This allows us to support supplier partners who may not have the resources or capacity to develop and deliver these high-quality services in-house. We promote these sessions across our supply chain, and these partnerships also provide us with the opportunity to collaborate cross-sector.

EcoVadis

Our partnership with EcoVadis is focused on building supplier maturity in managing key environmental and social impact risks, including labour and human rights, and reporting. We will continue to drive more suppliers through assessment, gain insights to inform our understanding of our risk profile and strengthen supplier capability through the platform's 'Corrective Action' function.

PERFORMANCE AND LOOKING AHEAD

EVALUATING OUR PERFORMANCE

In order to assess our performance and continuously improve, we have developed key performance indicators ('KPIs') to help us to monitor and report on the effectiveness of our actions. We also monitor a wider range of metrics internally. Our KPIs have evolved in line with our approach, and we have included both qualitative and quantitative measures to provide a holistic view of our performance.

PROGRESS AGAINST OUR KEY KPIs DURING 2023/24:

KPI	TARGET	PROGRESS
ORGANISATIONAL CULTURE Having the right culture is fundamental to our approach.	>8 out of 10.	**8.6/10** – the score given to Severn Trent by employees answering the question: 'If I suffered or witnessed wrongdoing at work, I'd be confident Severn Trent would respond appropriately'. Severn Trent is in the **Top 3%** of global energy utilities for employee engagement. This supports that we have a culture where our people feel comfortable to challenge and raise concerns, confident that they will be listened to, taken seriously, and appropriate action will be taken as required.
REPORTING OF POTENTIAL RISKS Ensuring that our people and supply chain are confident to report perceived risks.	Develop a culture of trust amongst our people and supply chain.	**No instances** of modern slavery or potential concerns have been raised this year. Refer to our 'Speak Up' policy (pg 12) for more information.
SUPPLIER DUE DILIGENCE AND ADHERENCE The greatest risk of the occurrence of modern slavery lies within our supply chain. Our approach is focused on our highest risk categories.	**100%** of contractors are signed up to our Supply Chain Charter.	As a minimum, all suppliers are required to commit to and deliver against the principles outlined within our Charter. Our approach to proactive supplier assessment and engagement demonstrates our commitment to addressing this issue collaboratively, working with our suppliers and peers to drive best practice.
TRAINING AND AWARENESS Company wide and targeted training focused on impact.	95% of employees completed modern slavery e-learning.	**97.5%** of employees have completed modern slavery e-learning by the end of 2023/24.

KEY FOCUS AREAS FOR 2024/25

We seek to continuously improve our approach to identifying and addressing potential modern slavery risks.

1. Working with Slave-Free Alliance to develop our business-wide strategy and evaluate the requirements for a stronger integration of human rights.
2. A review of our recruitment process, including employee checks, with Slave-Free Alliance.
3. Development of our supplier site assessment and worker welfare discussion programme.
4. Continued roll-out of our training programme, including our newly launched Modern Slavery Awareness Refresher Training.
5. Delivery of Modern Slavery Senior-level briefing to ensure best practice modern slavery leadership.
6. Enhancing Working Group capability in robustly and efficiently handling potential cases in the event that they arise.



CONCLUSION

This report highlights our activity during the past year, the assessments made and actions implemented to mitigate the potential risk of modern slavery. We take our responsibilities under the Modern Slavery Act seriously and will continuously evolve our approach and upskill our employees and supply chain in order to mitigate the potential risk.

Partnership working is essential to the success of our strategy and taking expert advice and following best practice guidance helps inform our approach.
This includes our training pathways and the expectations we set for ourselves and the supply chain. We value our ongoing collaboration with Slave Free Alliance and look forward to using their expertise to further enhance our capabilities over the next three years.

We remain resolute in our ambition to ensure that modern slavery is prevented within our business and supply chain. As we move forward we will support others by sharing our best practice and learn from others through greater collaboration.

For any questions please email
corporate.responsibility@severntrent.co.uk

