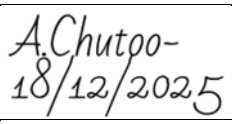
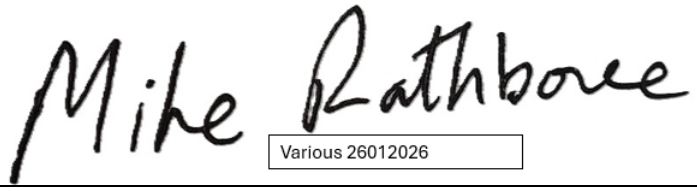
SEVERN TRENT SERVICES

Contract	All STS Subcontracts
Document title	STS Supplier Sustainability Guidance (the basis for future Supplier Sustainability Standards in STS)
Document number	STS 5500
Project Name	All Projects for Goods, Works and services
Project Number	All Projects
Revision	4.0
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	Name (Print)	Signature	Date
Created by	Hannah Webster		26/01/25
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Document Owner	Hannah Webster
Owners Role	Sustainability Lead
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Revision history

Revision number	Issue date	Description of revision	Section / pages revised
1.0	26Oct23	First issue	All
2.0	31Jan24	Updated to reflect comments, feedback and STS Sustainability Plan. Specifically: Reporting requirements	
3.0	02Jan25	Updated to reflect feedback from suppliers. Specifically: Condensed length.	All

4.0	26Jan26	Updated STS carbon reduction aims and supplier expectations and resource links. Specifically: references to STS carbon reduction plan and apprenticeships in supply chain.	4, 6, 9

Guidance

Title	STS 5500 STS Supplier Sustainability Guidance

Why	This document provides the necessary guidance to ensure that STS Suppliers remain aware of, and compliant with, the evolving requirements for sustainability in STS business operations. This document reflects the current requirements of Severn Trent PLC, STS Customers, and industry good practice for all aspects of sustainability. Due to the evolving and increasing awareness of sustainability, this guidance document will be regularly reviewed and updated to reflect best practice. In time, this guidance document will develop into a standards document which will become mandatory for future goods, works and services provided under contract.
Who	This guidance incorporates Severn Trent Group company requirements and applies to Severn Trent Services (STS) and all STS suppliers engaged on STS supplier subcontracts.

Must Have's

- Access to the latest version of this guidance document/future standard document;
- Recognition of the broad scope of sustainability in STS which includes Net Zero ambitions and Social Value commitments;
- Awareness of current sustainability requirements of Severn Trent Group for sustainability and Environmental, Social and Governance (ESG) reporting;
- Access to the published sustainability requirements of STS customers;
- A willingness to adopt good practice, implement innovations and share ideas in relation to all aspects of sustainability.

Summary Must Do's

- This guidance document/future standard must be read in conjunction with the Records, Appendices and References specified.
- In the interests of encouraging sustainable business, suggestions are invited from all parties on improvements to this document which better support sustainability;
- Seek advice in the event of any queries relating to this guidance document;
- Provide sustainability, Net Zero and Social Value data when requested.

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Background

The purpose of this document is to outline STS (Severn Trent Services) key sustainability commitments, our expectations of our suppliers, and explain how our approach influences the data and information we request from our suppliers to support our sustainability reporting currently, and in the future. The document also lists what STS considers to be useful resources on sustainability (Appendix A) for suppliers who need further information to support their sustainability aims and reporting.

1.0 STS Sustainability aims & ambitions

Launched in 2022, STS created a sustainability plan to align with the aims of our customers, our business and our parent company (Severn Trent Plc).

There are five pillars in the STS sustainability plan:

1. Becoming operationally net zero (NZ) by 2030
2. Decarbonising our vehicle fleet by 2030
3. Creating and investing in a diverse and talented workforce (Social Value)
4. Adding greater value to the communities we work in (Social Value)
5. Identifying and delivering sustainable solutions for our customers

More details can be found in our sustainability plan: STS-Sustainability-Plan-Launch-Jan-24.pdf.

In 2024 we published our first Carbon Reduction Plan, outlining interim targets to our progress to achieving Net Zero, this has been updated in 2025 (Carbon Reduction Plan 2025) with a revised set of targets focusing on:

1. **Operational Net Zero across scope 1 and 2 by 2030**
   Reduce scope 1 and 2 emissions by 46% by 2030 compared to 2023
   Including a specific target to reduce our fleet engine idling emissions by 20% by 2026

2. **Full Net Zero across scope 1, 2 and 3 by 2050**
   Interim target to reduce scope 3 emissions by 15% by 2030 compared to 2023
   Including reducing business travel emissions (Category 6) by 20% by 2030

1.1 Severn Trent Plc context

The pillars of the STS sustainability plan are aligned with our parent company's (Severn Trent Plc) sustainability approach. As part of Severn Trent Plc, STS are included in the group Science-Based Target (SBT) for emissions reduction. This includes a Supplier Engagement target for 70% of ST Plc suppliers, by emissions, to have set their own SBT by 2026. This means that in some cases some STS suppliers may be asked to set, and have accredited, their own SBT.

See Appendix B for more information on SBT.

2.0 Expectations of suppliers

2.1 Onboarding questionnaire

In our supplier onboarding questionnaire, we now include sustainability screening questions, which show our expectations of what suppliers should be covering in their approach to sustainability. At this stage we will not rule out suppliers who cannot answer 'Yes' to all these criteria however, we may not engage with suppliers who do not meet the majority of these criteria in the future.

Supplier Onboarding - Sustainability Questions (All Suppliers)

STS Sustainability Pillar	Question	Answer
All	Does your company have a Sustainability Policy?	Yes/No
All	Does your company have a Sustainability Lead?	Yes/No
Pillar 1 - NZ	Does your company have a target for Net Zero?	Yes/No
Pillar 1 - NZ	Do you calculate any carbon footprints for any of your services or products?	Yes/No
Pillar 2 - Fleet	Do you have any targets/strategy on use of Electric Vehicles (or alternative fuels)?	Yes/No/NA
Pillar 3 – SV	Do you hire apprentices, interns or graduates?	Yes/No
Pillar 4 – Local Communities	Do you support or sponsor any projects within your local communities? E.g. charity, schools etc	Yes/No

Supplier Onboarding - Sustainability Questions (Chemical Suppliers Only)

STS Sustainability Pillar	Question	Answer
Pillar 1 - NZ	If you supply chemicals, are the chemicals you supply manufactured in the UK?	Yes/No/ Depends
Pillar 1 - NZ	Please detail where the chemicals you supply to STS are manufactured (country of manufacture per chemical):	

2.2 Carbon Emissions - Scope 3 Reporting

Like most organisations, STS's Scope 3 is the largest proportion of our total carbon emissions for our operations. Currently, most of our Scope 3 Supplier emissions are calculated by spend. Therefore, to understand and manage our impact we require data from our suppliers to improve our accuracy, understanding and reduction of our Scope 3 emissions.

The level of detail we request from suppliers to assist with our Scope 3 reporting is based on the carbon intensity of products/service and total spend with a supplier. For example, we have identified chemicals as the highest contributor to our emissions and therefore the granularity of data we request from our suppliers is high.

If your organisation has not yet calculated carbon emissions, then **Appendix A** lists useful resources to get started.

2.3.1 Data Required by Services/Products

Below lists the data reporting options for suppliers.

All Suppliers – Option 1

The table below outlines information we would request from all suppliers to STS. We will use this data to calculate our Scope 3 emissions by taking a proportion your overall emissions from the amount we spend on your services as a proportion of your overall turnover.

For example, if your total Scope 1, 2 and 3 emissions are 100 tonnes CO2e, your turnover is £1,000,000 and we spend £100,000 with your company: We will take 10% of your emissions as our own Scope 3.

Requested Information	Units
All Scope 1	tCO_2e
All Scope 2	tCO_2e
All Scope 3 (if available)	tCO_2e
Turnover	£ GBP

However, if you are a chemicals supplier we request information in the format of Option 2 below.

Suppliers of Products – Option 2

This format we would ideally like from all our suppliers of products where the carbon footprint of products has been calculated. This is reporting format is essential for chemical suppliers.

Requested Information	Units
Product	Volume/weight/units & tCO_2e
Delivery Distance	Miles

Where this information is not available, suppliers are required to report using Option 1.

Suppliers of Services – Option 3

Where a service is provided, such as Tankering or Sampling services, the highest emissions impact is in the fuel/energy use for to cover the vast area that STS operates in. Therefore, we have determined that the mileage is the primary information we would request for these services to account for Category 4 – Upstream transportation and distribution in Scope 3.

Requested Information	Units
Mileage	Miles OR tCO_2e

Where this service also involved the collection and disposal of waste, we also request the below information is provided in addition (Option 3a).

Suppliers of Services – Option 3a – Waste Contractors

Below outlines the information requested from suppliers of waste management services.

Requested Information	Units
Waste Type	Waste Type
Volume of Waste Collected	Tonnes
Disposal Method	Disposal Method and % (e.g. 99% Recycled, 1% Landfilled)

2.3 Social Value

Delivering social value is as equally important as reducing carbon emissions for STS. The table below illustrates the information related to Social Value which STS expects our suppliers to monitor and track. While STS are not requesting this information from our suppliers at this stage, STS would expect our suppliers to be measuring and monitoring these metrics or similar to assess their own Social Value impact.

STS in particular places value in apprenticeship opportunities and we expect our supply chain to offer and invest in apprenticeship opportunities within their respective organisations.

STS Sustainability Pillar	Information to record	Units
STS Pillar 3: Social Value: Diverse and Talented Workforce	Gender Diversity	As %
	Ethnic Diversity	As %
	New Talent: Apprentices, graduates, and interns	Number of
	Disabilities	As %
	Mental Health and Wellbeing programmes/initiatives	Number of / TOMs framework value (£)
STS Pillar 4: social Value: Value to Communities	Community Projects	Number of & value

3.0 Contact Information

The sustainability team at STS can be contacted by email: sustainability@stservices.co.uk.

Appendices

A. Sustainability Guidance and Information Resources List
B. Supplier Guidance on Science-Based Targets

References

Severn Trent Services and Severn Trent PLC reference Documents and hierarchy:

- ST PLC Sustainability Plan – Jun23
- Severn Trent PLC Supply Chain Charter – Dec21
- Severn Trent PLC Sustainable Procurement Statement – May23
- Severn Trent Services Supplier Management Homepage – Date as webpage
- Severn Trent Services Sustainability Homepage – Jan24
- Severn Trent Services Carbon Reduction Plan – Jul24

Appendix A - Sustainability Guidance and Information Resources List

The following provides a resource list for sources of sustainability information and guidance which may be of use to STS suppliers.

Guidance – Net Zero:

- Home - Supply Chain Sustainability School (supplychainschool.co.uk)
- Guidance | GHG Protocol
- UK - SME Climate Hub (businessclimatehub.org)

Emissions Factors & Carbon Calculations:

- Government conversion factors for company reporting of greenhouse gas emissions - GOV.UK
- SME Carbon Footprint Calculator | The Carbon Trust

Social Value

- The National TOMs - Social Value Portal
- Procurement Policy Note 002: The Social Value Model (HTML) - GOV.UK
- Social Value/Supplier Specific Resources (particularly relevant where STS Customers require the TOMS Social value model to be used):
  - 10 Steps to Cyber Security - NCSC.GOV.UK
  - Cyber Essentials scheme: overview - GOV.UK (www.gov.uk)
  - Good Work Plan - GOV.UK (www.gov.uk)
  - Thriving at Work: the Stevenson/Farmer review on mental health and employers (publishing.service.gov.uk)

Additional information and guidance is available from STS by contacting the STS Sustainability Team at: sustainability@stservices.co.uk. Should you have any suggestions for sources to be added to this list, please let us know using the above email address.

Appendix B - Supplier Guidance on Science-Based Targets

Science-based Targets

What is a science-based target (SBT)? SBTs are targets which provide a clearly defined pathway for companies to reduce greenhouse gas emissions, helping prevent the worst impacts of climate change and future-proof business growth.

What is Severn Trent PLCs progress on our SBT?

We have already engaged with 50% of our supply chain, by emissions, to set a science-based target. We aim to engage with a further 20% by April 2026.
We will continue to work with our high-impact suppliers to:

1. Provide actual carbon data through our online platform
2. Set a Science Based Target
3. Provide examples on how carbon reductions are being delivered on the ST contract

What are the criteria for a SBT?

- Targets must align to the 1.5-degree pathway and use a recognised methodology appropriate to your industry sector.
- Targets must cover your entire company
- If over 40% of emissions are from Scope 3, a Scope 3 target should also be set. This may be an absolute reduction or a Supplier Engagement Target
- Target timeframe for delivery should be between 5 and 15 years. A Science Based Target should be set by April 2026.
- Offsets are not permitted to be included within a SBT.

How are Severn Trent PLC meeting their Science-based Targets?

- Energy and fuel management
- Finding and fixing losses of GHG emissions from our processes
- Launching electric vehicle programme

What are the benefits of setting a Science Based Target?

- Future-proof business growth
- Improves reputation across increasingly conscious customers and client base
- Boosts investor confidence and protect against risk of financial support ending
- Provides resilience against regulation
- Reduces cost and drives efficiencies
- Attracts and retain talent
- Competitive advantage

Key steps for setting your science-based target
The steps below outline the key stages to setting a SBT for your organisation, however further guides and detailed information can be found on the suggested resources list above.

- Data collection and understanding your baseline
- Engage internal stakeholders
- Identify a target setting approach
- Model reduction targets
- Develop reductions strategy
- Validate your target

Any questions? Please contact sustainability@stservices.co.uk