



Severn Group

Corporate Governance Statement

AUGUST 2022

We commit to full compliance, but we also promote a wider business culture of good ethical practice and diversity. Defined by fairness and transparency, underpinned by inclusive communication to inspire trust and respect; we challenge and support one another to achieve our shared goals.

The Approach

Corporate Governance means effective oversight and management of the Company to uphold the Group's integrity, achieve open and transparent dialogue with employees, customers and shareholders and ensure legal compliance and effective policies, plans and procedures are in place.

At Severn, we endeavour to take all necessary steps to ensure our Board and Executive Teams lead the Environmental, Social & Governance (ESG) corporate culture, and engage with all stakeholders, including employees.

The ultimate aim is to deliver value creation and the long-term sustainable success and prosperity for the Severn Group.

Effective governance involves overseeing the ESG strategy and vision of the Group, managing risks and identifying opportunities, so that business is undertaken fairly, with integrity and with due regard to the interests of all stakeholders.

To ensure our corporate culture is aligned with sound ESG business strategy and principles, we will deliver:

- Effective Board and Executive Leadership collectively responsible for the long-term, sustainable success of the company;
- Provide a clear Company purpose, values and strategy;
- Ensure the Board has the appropriate balance of skills, experience and knowledge. They are appointed and evaluated in a formal and transparent way and ensure the Board has the appropriate combination of executive and independent non-executive directors, with a clear division of responsibilities between the leadership of the board (the Chair) and the Executive leadership of the Company;
- Executive Directors' remuneration should aim to promote the long-term sustainable success of the Severn Group, be aligned to the Company's purpose and values and reflect the role, responsibilities and market value;
- Have an effective Remuneration Committee reviewing pay across the wider workforce.
- Ensure employee representation is recognised at the Board level, via the Group People function and feedback from employee surveys, workshops and forums;
- Mandatory statutory reporting requirements such as Gender Pay Gap reporting and the roll-out of Ethnicity Pay Gap reporting are delivered and the results are acted upon;
- Our recruitment and succession planning practices work to balance gender and ethnicity at all levels within the business including Board & Executive level and promote the consideration of other factors such as age, skills and experience, cognitive diversity and disability;

The Approach

- Put in place clear and transparent policies and procedures to ensure external and internal audit compliance, and business risks are managed and mitigated effectively;
- Enforce and act as advocates for an anti-bribery culture within the business and associated stakeholders, supported by a clear Anti-Bribery and Corruption Policy and regular, effective training and performance reviews;
- Have clear financial controls for large financial transactions through our Delegation of Authority Policy embedded in the organisation;
- Undertake thorough and detailed risk assessments to evaluate potential issues and put in place appropriate mitigation strategies;
- Ensure modern slavery and forced labour practices are prohibited within our business and supply chain;
- Have an effective whistleblowing system in place through our Speak Up Procedure;
- The delegation of power from the Board to ESG, Remuneration and Risk committees;
- Have a clear Corporate Gifts and Hospitality Policy in place;
- Keep up-to-date with statutory requirements, legislation and best practice – shaping our organisation for growth and success.

This Policy statement is non-contractual and the Company reserves the right to update any of the terms in this Policy at any time.

This Policy statement should be read in conjunction with the Anti Bribery and Corruption, Code of Conduct, Corporate Gifts & Hospitality Policy, Grievance Procedure, Speak Up Procedure, and Travel & Expenses Policy. All |Severn Group policies can all be accessed on the Groups' SharePoint site.



At Severn Group, our business success flows from expertise – from technical knowledge and experience that position us as a leader in our field. Not everything, however, can be engineered. The Values which underpin that success stem instinctively from the culture we seek to sustain. Everything we do is tested against our Values, and our people are encouraged to apply them every day: they are the stewards of our brand, our reputation, our heritage, our ambitions.



Customer



Integrity



Excellence



Accountability



SEVERN
Superior Valve Engineering