

Wonderfully you

Our diversity and inclusion strategy
2024-2030

WONDERFUL ON TAP



Wonderfully you

We're not all the same. We all arrive at today from different directions. Embracing that – and making it part of our business – isn't just something that's nice to have, it's a must have.

It helps us to deliver for our customers and do right by our communities.

The reason we have a Diversity and Inclusion strategy is because we're not all the same. That might seem an obvious thing to say. But it's crucial to our business. Why? Because we serve everyone.

By employing, valuing and investing in a range of local talent who have different backgrounds, experiences and perspectives we can build a skilled workforce that can really understand and empathise with all our customers and communities, and deliver our services in the way they want them.

We first launched “Wonderfully You” - our Diversity and Inclusion (D&I) strategy - a few years ago now. As we set out on our next business plan for 2025 – 2030 (AMP8), it's the right time to refresh these D&I plans.

Our journey continues

We've already come a long way, but our work certainly isn't done. We've seen our ethnic diversity increase steadily each year, by providing job opportunities to a wide range of people in our region. We've launched some ground-breaking policies like our new Maternity and Adoption leave, which gives people full pay for a year, and we're top of the FTSE100 for female Board leadership. And while it is lovely to have received all that recognition, what really matters is not just what others think about us but how our people feel about working here.

When we collaborate with each other by valuing the difference each of us brings to Severn Trent, we can do our best work. And that's what makes what we deliver for our customers even better. So, we're proud to be in the top 5% across the world for our employee engagement scores and most importantly those scores are consistent across all the different groups of people working here.

Looking ahead

The way we see it, diversity and inclusion helps us to achieve our business goals. That's why we celebrate and embrace our differences. We all have unique backgrounds, upbringings, life experiences and cultures. And this strategy is designed to ensure that we can bring what makes us brilliant outside of work into work, that we can combine our strengths to work well together and deliver our best work for our customers.

So, when we look at the next five years for our business, valuing diversity and ensuring our people are included and able to do their best work will help us to lean into some of the trickier challenges. Whether it's providing the best service for all of our customers, helping to address some of the skills shortages in our region, or reducing poverty by supporting people in our communities into employment.

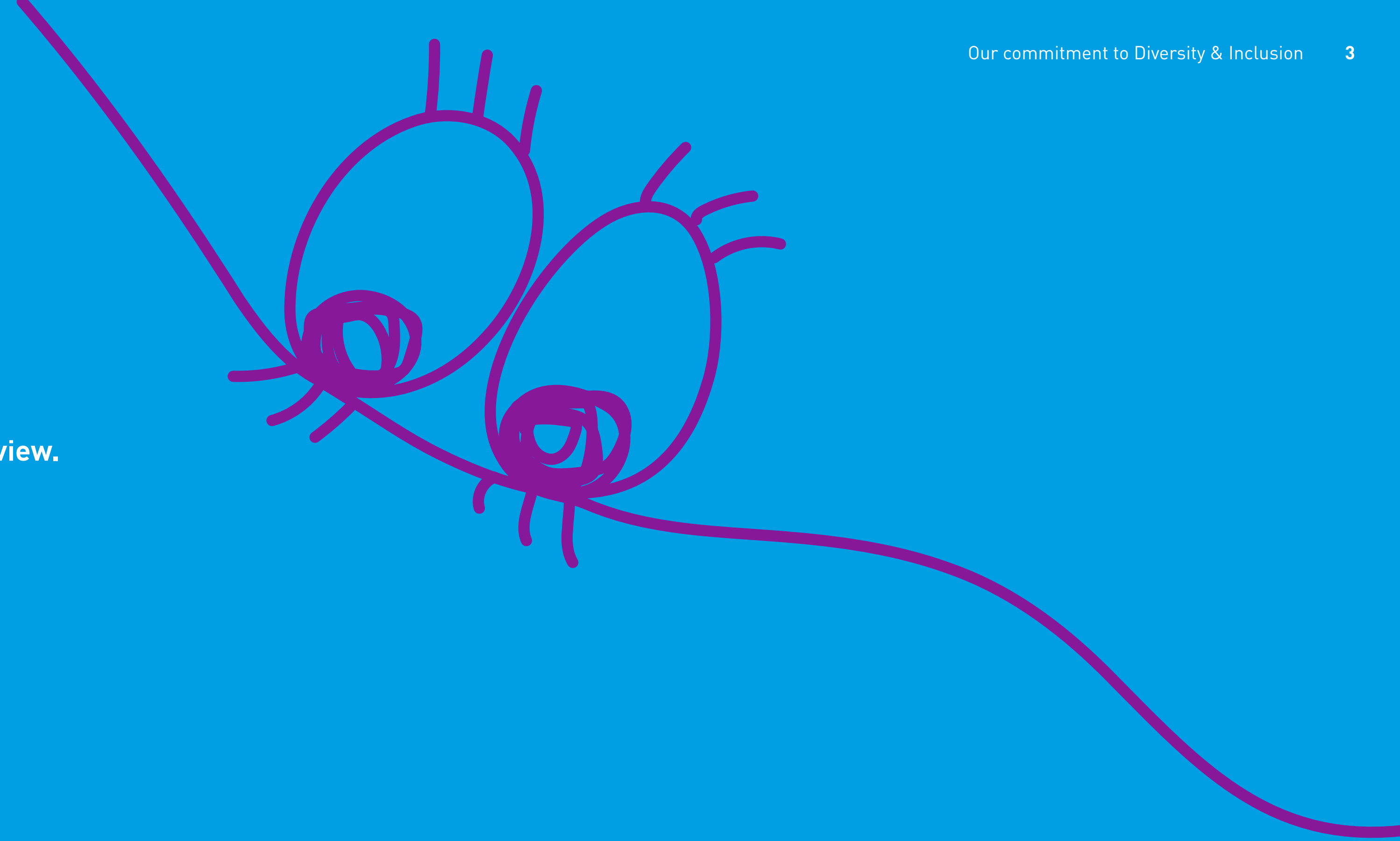
This report lays out our approach to Diversity and Inclusion and how it links to our purpose. We hope you enjoy reading it. And, if you are one of our people, putting it into practice with your colleagues for our customers and communities.



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*all the data supplied in this document is for year ending 2023/24

How we have done so far

Our first Diversity and Inclusion (D&I) strategy, “Wonderfully you,” launched in September 2021, and since then, we’ve been busy.

Put simply, we can’t change what we don’t know. Having accurate diversity data helps us to see how we’re doing and know if all our people feel included and able to succeed regardless of their differences. It really helps us to plan and make things better for everyone. So, it’s great that 90% of our colleagues trust us and share their diversity data with us.

Because our people love working here, they don’t tend to want to leave which is amazing! But this does mean that while our diversity is steadily increasing each year, it will take us slightly longer to make big inroads overall.

We’re proud that we have created more opportunities for everyone in our region. Our minority ethnic representation has increased by just under 1% each year, and 36% of our hires are female – which is no mean feat given that many of the fields we operate in are traditionally male. More than 42% of our senior leadership roles are held by women and we are number one for Women on the Board in FTSE Women Leaders.

We measure how our people feel about working here, through our anonymous employee engagement survey called Quest. Exploring if they feel accepted, fairly treated, free from discrimination and that they have the same opportunities regardless of their backgrounds. Our overall engagement scores have increased each year, and we are now in the top 5% globally. We’re also super happy that we’ve closed the gap in how different groups of people score and feel about working here, truly showing our success in fostering an inclusive culture.

In the last three years, we’ve also supported the setting up of five employee led groups to really hear the unique experiences of individuals who are less represented, Armed Forces, Disability, Ethnicity, LGBTQ+ and Women. At the heart of our activities, each has a dedicated executive sponsor, recruited Chair and are regularly visited by our Board. Together, we’re not just ticking boxes; we’re building a workplace where everyone is valued, heard and celebrated.



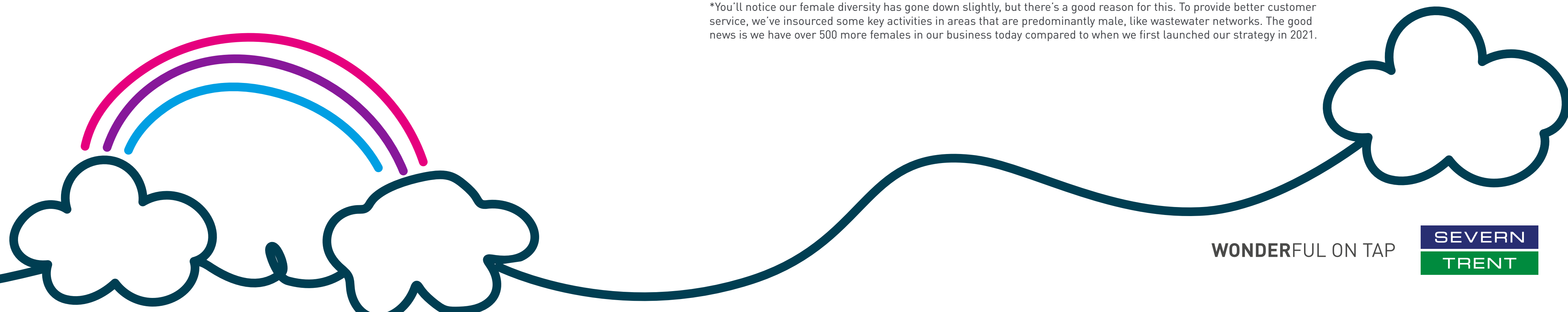
How we have done so far

Here is a snapshot of some of our progress and targets.

INCLUSION	Where we were	Where we are today	Long-term ambition
Employee engagement score	8.3 out of 10	8.6 out of 10 (Top 3% globally)	8.1 out of 10 (based on global benchmarks)
Employee engagement score parity	Men 8.2 Women 8.3 Minority ethnic 8.1	Men 8.6 Women 8.7 Minority ethnic 8.6	Parity between ethnicities and sexes
Equality question score “People from different backgrounds are treated fairly at Severn Trent”	8.9 out of 10	9.1 out of 10 (Top 5% of Energy & Utilities globally)	8.1 out of 10 (based on global benchmarks)

DIVERSITY	Where we were	Where we are today	Long-term ambition
Female	28.93%	28.23%*	35%
Minority ethnic	9%	11.64%	18.9%
Asian or Asian British	6.1%	7.26%	10.93%
Black, Black British, Caribbean or African	1.41%	2.21%	3.54%
Mixed or multiple ethnic groups	1.27%	1.76%	2.72%
Other ethnic group	0.20%	0.41%	1.71%

*You'll notice our female diversity has gone down slightly, but there's a good reason for this. To provide better customer service, we've insourced some key activities in areas that are predominantly male, like wastewater networks. The good news is we have over 500 more females in our business today compared to when we first launched our strategy in 2021.



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How Diversity and Inclusion will help us deliver our ambitious business plan

A purpose-driven diversity approach to help us best deliver for our customers and communities.

Diversity isn't just a nice thing to have; it's key to delivering our 2025 -2030 (AMP 8) business plan, helping us in 3 ways:

- We serve everyone in our community, so we want a workforce that understands and empathises with them, and to reflect that in our decision-making. By having a broad range of people on our team, we can **provide a great customer service for everyone.**
- We know some skills are already scarce in our communities. By inspiring the widest range of people to come and work with us, we can **address our skills gaps.**
- We want to help those who might be struggling to get into work. By giving them the skills, confidence, and support they need to get a job and build their career, we can **support our communities into employment.**

An individual-led inclusion approach.

One thing that unites every Severn Trenter is our purpose: taking care of one of life's essentials. Beyond that, we're all different, and when we bring our unique experiences and perspectives together to deliver for our customers and communities, that's our strength.

We've all got our own stories, backgrounds, cultures, and life experiences, and what makes us wonderful outside of work also makes us brilliant at work. And we celebrate that. So, we're moving away from 'grouping' people where we can, because we're all more than one thing. It's about us understanding each other and working well together.

We do understand that some groups can experience disadvantage, but we want to focus on the individual: how they can realise their potential, and what they need to succeed in their job and fulfil our purpose.

Our Diversity Plan

Providing a great customer service

What do we want?

To provide a great customer service. We serve everyone in our communities and so we're building a workforce that understands and empathises with them.

We'll make the most of our individual differences and experiences (both inside and out of work), to learn more about our communities and reflect that in our decision making and service.

We'll do this by creating more diversity in our leadership teams and frontline delivery teams. That gives us a range of insights and experiences that enhance our decision making and service delivery.

Addressing skills gaps

What do we want?

We know there are skills gaps in some areas across our region. Our approach will help inspire more people from all backgrounds into these careers.

That will help us to address some of our skills needs today and leave a positive legacy for our communities in the future.

We'll do this by inspiring a broader range of people into areas where we know there are skills shortages in our industry and across our region. These include roles like HGV drivers, engineering and technology.

We'll attract different people into these great careers through the work we do in schools and across our communities in providing employability skills training, meaningful work experience and internships.

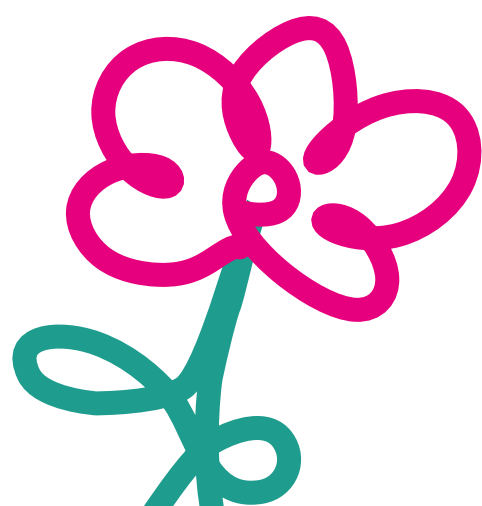
Supporting our community

What do we want?

We have a societal strategy that aims to help 100,000 people in our region out of water poverty by increasing employability.

Everyone working at Severn Trent is here on merit. And we want more of the same. That means giving everyone in our communities the chance to access the careers we have on offer, regardless of their differences.

We'll do this in a number of ways, such as employability training, building confidence, offering work experience and supporting people into work. Our offer is open to all, but we'll specifically reach out to those that need extra support in our communities. These might include young people leaving care, ex-armed forces, ex-offenders, career returners, long-term unemployed, NEETS (Not in Employment, Education or Training) and disabled people.



Inclusion at Severn Trent

At Severn Trent, we're all united by our purpose of wanting to take care of one of life's essentials and make a positive difference to our communities everyday. Beyond that, we're all individuals – and we celebrate that.

For us, it's not about labels. Our focus is on you as a person. We're all more than one demographic or single 'group' that we might belong to. So, we want to understand you - your goals, career aspirations and what you need to get there, so we can best support you with it.

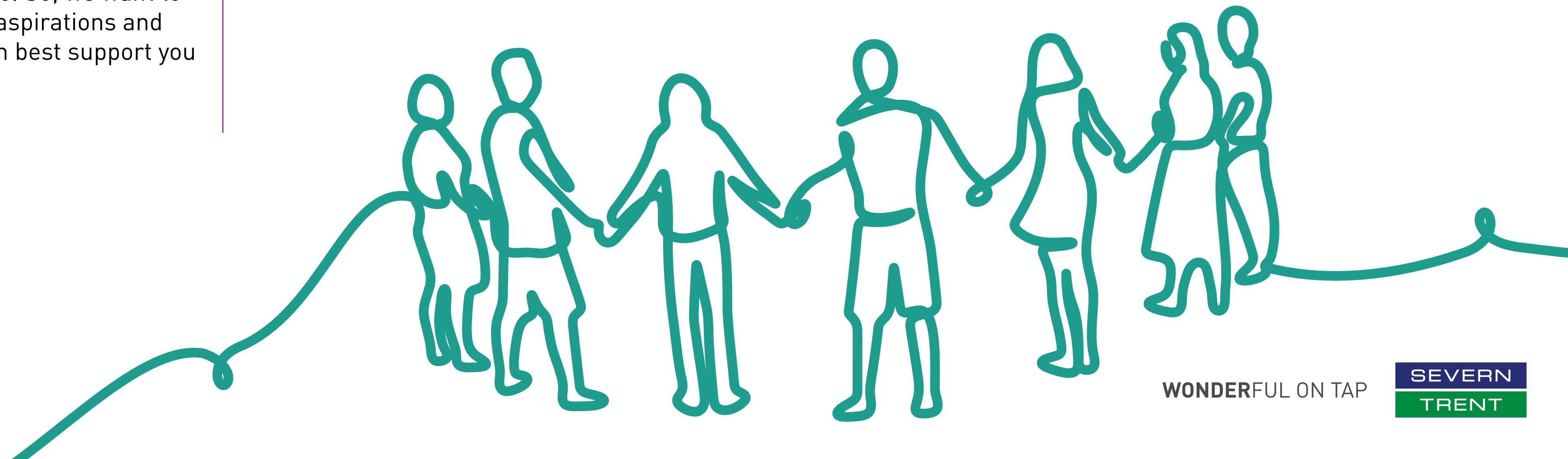
We have a supportive culture of openness. We don't get too hung up on mistakenly using the wrong words, but we do want everyone to be able to talk about diversity and inclusion in a helpful and constructive way.

When things get in the way of someone doing their best work, we'll listen to each other and work together to put it right.

Our strength is being able to talk about it and work it out.

What this means in practice

Our behaviours will be guided by our company values (next page). But, we'll never tolerate discrimination or intentionally, unhelpful comments.



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Our company values will guide our behaviours

Our purpose - taking care of one of life's essentials unites all Severn Trenters. We come to work each day to make a difference. Outside of that, we're all different - which is great. Our values guide our behaviours:



And when we think about our values and inclusion, it's to:

Be proud of our individuality.

We'll celebrate our differences and how they make us brilliant at work.

Be curious enough to want to learn about different people.

We'll listen carefully and ask considerate questions to understand each other better.

Show we care and appreciate we're all individuals, with different needs, beliefs, values and attitudes.

We'll be kind to each other, working together respectfully, and avoiding judgment, so we can all do our best work and succeed.

Have the courage to question clumsy and non-inclusive behaviours and words.

We'll call out poor and unhelpful behaviours. If it involves unintentional, clumsy words, we'll help each other to learn.

How we'll know we're on track

Our new approach is moving away from overarching workforce targets so we can focus on the areas that matter most for our 2025-2030 (AMP8) business plan. Where diversity and inclusion will help us to make better decisions, provide a great customer service, address skills gaps, and support our communities. So, we're targeting the following:

On Diversity

Leadership diversity targets:

- Gender balanced no more than 60% of one sex.
- 18.9% minority ethnic as per our community*

New hire diversity targets:

- 35% female.
- 18.9% minority ethnic as per our community. (Asian 10.9%, Black 3.6%, Mixed 2.7%, Other 1.7%).

And, where we are already representative (i.e. socio-economic background and LGBTQ+) we'll continue to monitor this.

If you want to know our workforce percentages, we will publish them each year in our Annual Report and Accounts.

On Inclusion

Employee engagement:

We'll measure our progress by what our people tell us, through our employee engagement survey "QUEST".

- Top 5% globally for engagement, and inclusion, with engagement parity across characteristics.

Employee attrition:

- We'll monitor the parity in voluntary attrition rates across characteristics.

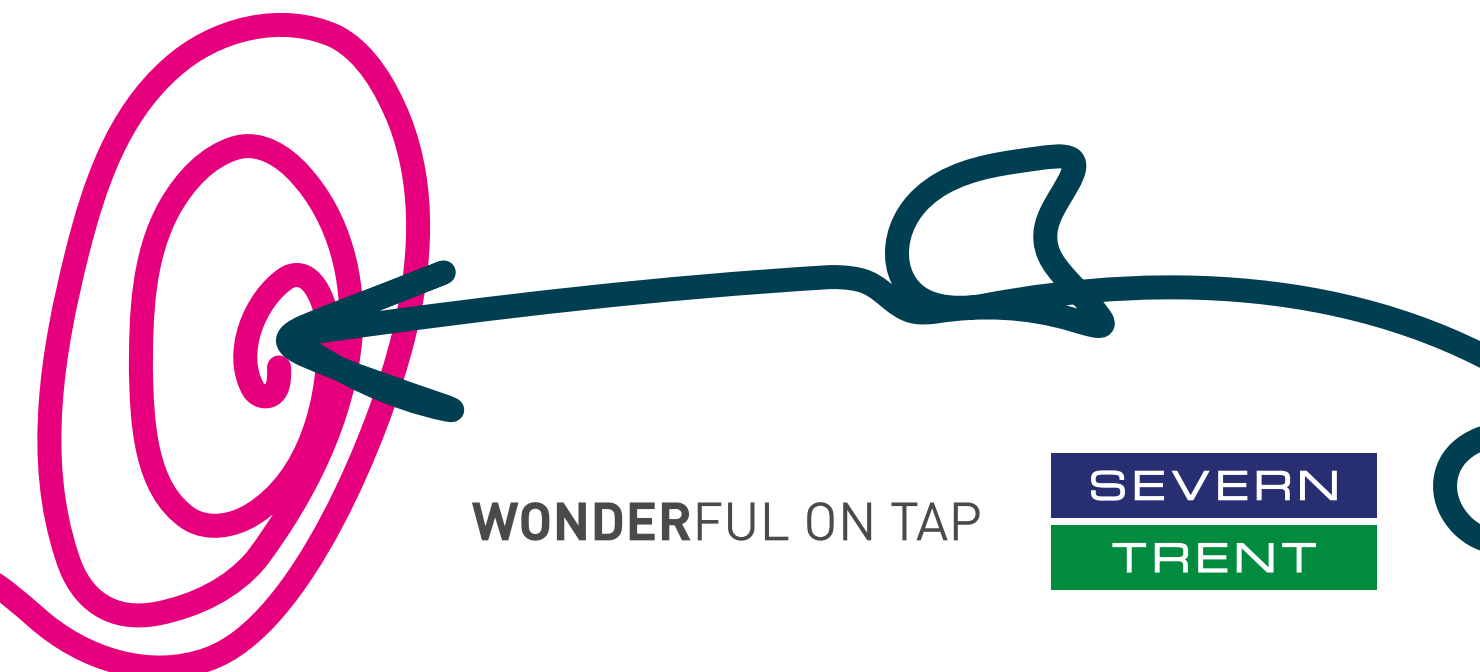
We'll continue to report our gender and ethnicity pay gaps annually.

To support our community

Social value:

As per our societal strategy, we'll target £10.5m of social value back into our communities from our employability initiatives.

External benchmarking. We'll externally benchmark our progress using government-backed indices, such as Disability Confident Employer, FTSE Women Leaders, Parker Review, Social Mobility Index, and the Armed Forces Covenant. And, collaborate with a wide range of organisations to ensure we're continuously learning and evolving our approach to diversity and inclusion.



Useful information

severntrent.com/careers/inclusion/

severntrent.com/investors/results-reports-and-presentations/

severntrent.com/sustainability-strategy/social/



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