



DRIVING LASTING CHANGE

SEVERN TRENT BUSINESS PLAN: 2025-30

CUSTOMER SUMMARY

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SEVERN
TRENT

WELCOME TO OUR BUSINESS PLAN FOR 2025-30

We provide essential services to over 4.6 million households and businesses in a region stretching across the heart of the UK, from the Bristol Channel to the Humber, and from Shropshire to the East Midlands.

In this plan we set out the ambitious improvements we want to make for our customers and the environment over the next five years, how much investment we'll be making, and how bills will change.

Over 68,000 customers and 630 stakeholders have helped to shape it. You've told us about what's really important to you about your water and wastewater service, the improvements you'd like to see, how

you'd like us to deliver them, and how we can best support any customers who might be worried about whether they can afford their bill.

You've helped us to look to the future too – to think about our service in 2050, and how we can best respond to challenges like climate change, as well as seizing opportunities like new technologies.

And we've listened carefully to reports about how you view water companies, and challenged ourselves to do more to build your trust. Our plan is designed to be transformational, and to drive lasting change in the service you receive, and how we deliver it...



HOW DO WE MAKE SURE THAT YOU CAN DEPEND ON A HIGH QUALITY AND RELIABLE, SUSTAINABLE AND AFFORDABLE SERVICE?

Our world is changing faster than ever before. New technologies, climate change, and shifts in demographics, societal expectations and the economy, create both challenges and opportunities. At the same time, we want the essential service we provide to remain a constant in your lives – something you can depend on.

Against the backdrop of a changing world, some things remain the same. **You told us that the following areas are important to you:**

High quality and reliable:

A high quality, reliable service that can be depended on no matter what, where our customers know they are valued.

Sustainable:

Confidence we are doing the right thing for the environment, society and future generations.

Affordable:

Water should be affordable for everyone – so that no person or generation is left behind.



20 WAYS OUR PLAN WILL MAKE A DIFFERENCE BY 2030

- 1 Sustainable water sources**
Around 100 million litres per day from new and replacement sources, so we don't risk harming the environment by taking too much from existing ones.
- 2 Reduce leaks**
16% reduction in leakage, helped by enough replacement water mains to go from Land's End to John O'Groats almost twice.
- 3 A more joined-up network**
Better connected so we can move c.280 million litres of water a day to where you need it most when the weather heats up.
- 4 Bigger tanker fleet**
Part of a package to give 163% more customers a back-up in case there's a local supply problem.
- 5 Smart meters**
One million installed, helping us all understand how we use water and be smarter about it.
- 6 Water-saving customers**
More support to help customers each save over six litres a day, and innovative tariffs to reward our smarter water users.
- 7 Better customer service**
Driven by more people at the front line to serve you, and new technologies that mean we can keep you better informed and show you how you're using water.
- 8 Digital security**
The latest technology used by trusted public service providers globally, including the US Government, making sure your data and our infrastructure are safe and secure.
- 9 Help with bills**
Financial support more than doubling to help to keep people out of water poverty.
- 10 Supporting better futures**
A decade long commitment to help up to 100,000 people through free employability training in communities and work experience for schools.
- 11 Giving back to communities**
At least £2 million a year to community projects, and additional help for 50,000 customers a year with debt, all funded by our shareholders.
- 12 Only rewarding strong performance**
Executive bonuses paid from our non-regulated businesses, and 60% of every employee's bonus linked to great outcomes for customers, the environment and society.
- 13 Tackling surface water**
Combining nature, tried and tested engineering, and AI to establish a model for sustainable drainage in four urban areas, creating 92 'nature hubs' with advisers to help communities find collaborative solutions.
- 14 Healthier rivers**
Fixing 99% of the reasons for rivers not achieving good status that we're responsible for, leaving 14 remaining.
- 15 Fewer spills**
Reducing the average number of storm overflow spills by 30% - helping us to hit the Government's 2050 target five years quicker.
- 16 Sustainable and affordable**
Building an innovation hub to design new ways to eradicate storm overflows.
- 17 Less pollution**
A 30% reduction overall, pushing for a new industry-frontier performance, and zero serious pollutions.
- 18 Open information**
1,000 water quality monitors so everyone can see what's happening in our rivers.
- 19 Working with farmers**
Partnership working on over 8,000ha of farmland to reduce phosphates in our rivers and improve biodiversity.
- 20 An operational Net Zero group**
Cutting over 240,000 tonnes of CO2e emissions, following our launch of the world's first carbon neutral wastewater site in 2024.

WHAT DOES THIS MEAN FOR INVESTMENT AND BILLS?

We know that everyone wants to be confident that every last penny is well spent. Over the next five years, we're going to spend £12.9 billion on running our day-to-day business and making improvements for customers and the environment.

Five things to know about bills in the next five years

1

We're starting from a comparatively lower place

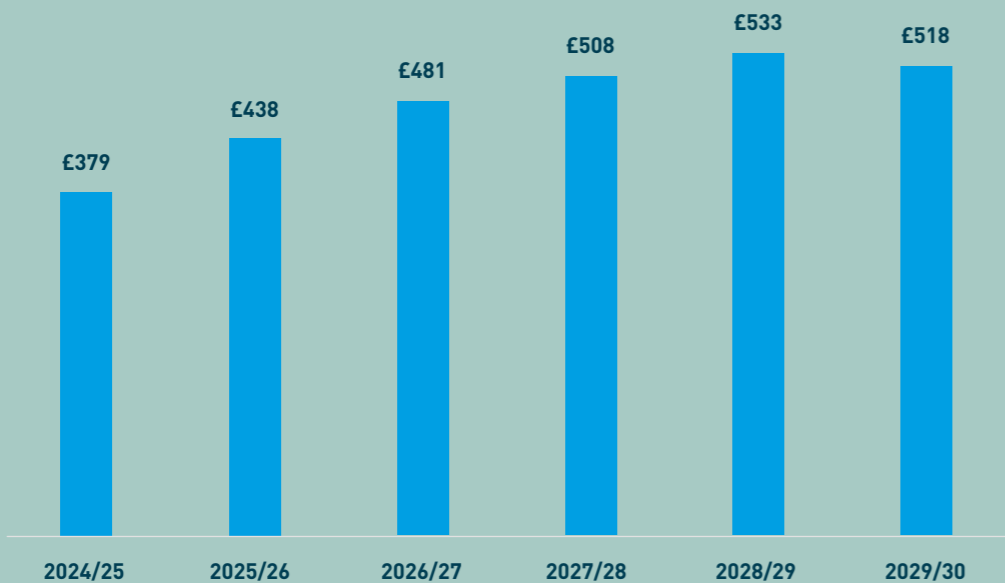
Today (2023/24) our bills are £29 a year (or £2.42 a month) lower than the industry average, and £85 a year (or £7.08 a month) lower than the highest.

2

During 2025-30 bills will increase gradually

The average combined household bill will increase by an average of £2.32 a month over the next five years (so that bills are £11.58 a month higher in 2030). With other water companies also planning large investment programmes, we anticipate our bills will stay amongst the lowest.

Average annual combined household bills 2025-30 (before inflation)



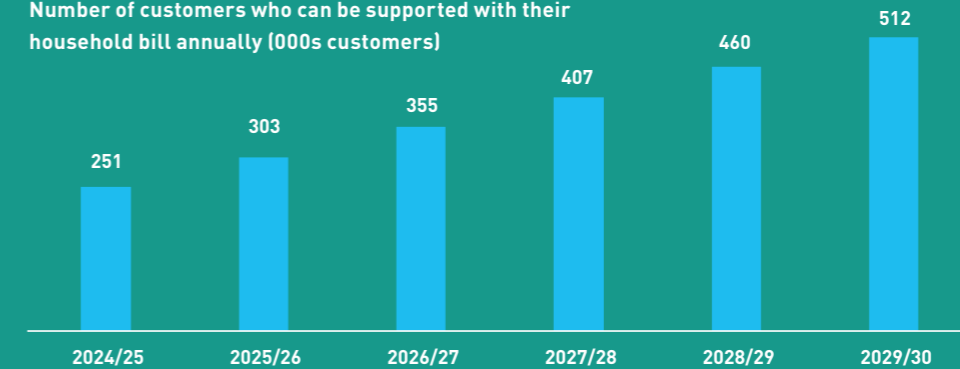
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3

If you need help with bills, it will be there

We've designed our future financial support packages to cover more than the number of customers we forecast may need help by 2030 (using our industry's measurement - 'water poverty'). We'll make discounts on bills available for twice as many customers (through our Big Difference Scheme and WaterSure). There will be a wide range of other support options available, including payment breaks and income maximisation advice.

Number of customers who can be supported with their household bill annually (000s customers)

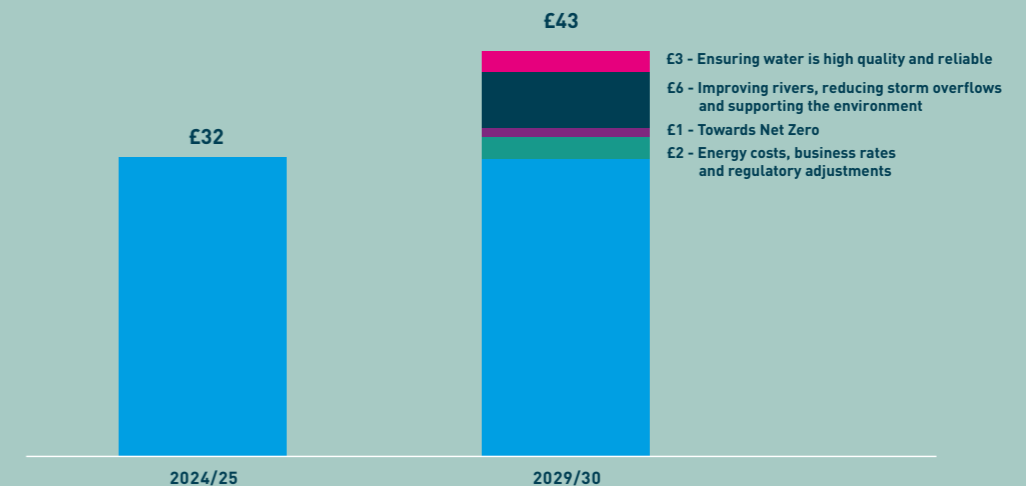


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You won't pay twice for the same improvement

All the enhancement investment we're proposing is linked directly to new statutory standards, responds to changing risks or will deliver the improvements customers have said they'd like to see. We'll keep our day-to-day running lower than Ofwat's (our regulator) assessment of what an efficient company needs.

Impact of new investment on the average combined monthly household bill



5

We'll keep the impact on household disposable incomes as low as possible

Our bills are currently 1.2% of the median household disposable income (compared to 6% for energy bills). By 2030, following our large investment programme, our bills will have increased slightly to 1.3% of the median household disposable income.

7

Thank you and next steps

We are grateful to the 68,000 customers and 630 stakeholders who took part in our research, attended workshops, responded to our consultations and attended our first ever 'Your water, your say' open challenge session.

The insight you have given us has been invaluable to developing our plan, and we hope that every participant can see the spirit of what they told us (even if it has not always been possible to replicate the exact detail) reflected in our proposals.

Thank you too to our Expert Challenge Panel (ECP), chaired by Professor Bernard Crump and comprising a range of experts who have shown considerable dedication to challenging us at every step through the development of our plan, and pushing us to deliver more for our customers and the environment. You can read more about the membership of the ECP and its work [here](#).

Our plan is now with Ofwat, our economic regulator for further review and scrutiny, and there will be an opportunity in May/June 2024 for everyone to have their say again, as Ofwat consults on its draft findings.

We look forward to the outcome, and getting on with delivering our plan.



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