

Severn Trent Plc Board Diversity Policy 2023

The Board Diversity Policy (the 'Policy') sets out the approach Severn Trent Plc takes to ensure that diversity, in its broadest sense, remains a central feature of its Board and Senior Management. The Policy applies to the Board of Severn Trent Plc (and also, by virtue of it having the same membership, the Board of Severn Trent Water Limited (together, the 'Board')) and its Senior Management (defined as Executive Committee members and the Senior Managers who directly report to them).

All Board and Senior Management appointments are based on merit with each candidate assessed against objective criteria, seeking to maintain and enhance the overall effectiveness of the leadership of Severn Trent.

The Board strives to maintain its diverse composition, recognising the benefits of having a Board comprising individuals with a blend of characteristics including gender, social and ethnic backgrounds, knowledge, personal attributes, skills and experience. This diversity provides a mix of perspectives which the Board believes contributes to positive boardroom dynamics and leads to effective decision making.

Similarly, the Board expects Senior Management composition to reflect the diversity of the customers and communities Severn Trent serves, in support of the long-term sustainable success of the business.

Therefore, the Board's policy is to attract and retain talented and diverse leaders with a broad range of expertise, experience, skills and backgrounds given the regulatory and business environments in which Severn Trent operates. The Nominations Committee will lead the process for Board appointments and succession planning, seeking to ensure the development of a diverse pipeline for succession.

The Board, supported by the Nominations Committee, is committed to the objectives set out below and will report on progress in meeting its objectives within the Severn Trent Plc Annual Report.

Board Composition

- Achieve and maintain the position where at least 40% of the individuals on the Board are women;
- Achieve and maintain the position where at least one of the senior officers (Chair, Chief Executive, Senior Independent Director, Chief Financial Officer) on the Board is held by a woman; and
- Achieve and maintain the position where at least one member of the Board is from a non-White Ethnic Minority background (as referenced in categories recommended by the Office for National Statistics ('ONS')).

Board Committee Composition

In relation to the Committees included in the 2018 UK Corporate Governance Code (the 'Board Committees', comprising the Audit and Risk Committee, the Nominations Committee and the Remuneration Committee):

- Achieve and maintain the position where at least one individual on each Board Committee is a woman; and
- Achieve and maintain the position where at least one individual on each Board Committee is from a non-White Ethnic Minority background (as referenced in categories recommended by the ONS).

Recruitment and Selection

- Ensure that the Board and Senior Management comprise individuals with a range of skills, experience, knowledge, perspectives and backgrounds;
- Focus on the development of a pipeline of diverse high calibre candidates for all Senior Management roles;
- Only engage search firms who are signed up to the Voluntary Code of Conduct for Executive Search Firms;
- Ensure that Board and Senior Management candidate lists will be inclusive according to the widest definition of diversity;
- Consider candidates for Board and Senior Management appointments from a wide pool, including those with no listed company experience; and
- Oversee plans for diversity and inclusion across the business and receive regular updates in relation to these.

The Policy shall be reviewed on at least an annual basis with any proposed changes recommended to the Board and a copy published on the Severn Trent Plc website.

By order of the Board

19 May 2023