



**GENDER AND
ETHNICITY PAY
GAP REPORT
2025**

SEVERN

TRENT

2025 GENDER AND ETHNICITY PAY GAP

This is our fourth combined Gender and Ethnicity Pay Gap Report.

At Severn Trent, diversity is in our nature. With over 10,000 colleagues, our differences define who we are as a business, how we operate and how we continue to deliver against our bold ambitions.



Our differences are some of our greatest strengths. Serving such a wide range of communities means that diversity isn't a luxury – it's a must-have.



We believe that having a focus on diversity will help us:

PROVIDE A GREAT CUSTOMER SERVICE

By having a broad range of people in our teams, who can really understand and empathise with our customers.

ADDRESS SKILLS GAPS

By inspiring the widest range of people to come and work with us, and encouraging more diversity into scarce skills.

SUPPORT OUR COMMUNITIES

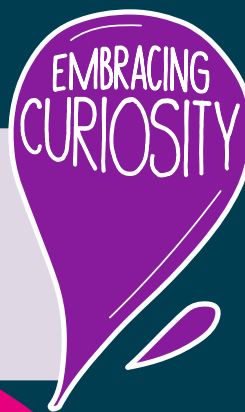
By helping people from all backgrounds into work or by giving them the skills, confidence and support they need to build their careers here or elsewhere.

Our company values reflect our approach to diversity and inclusion within Severn Trent:



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.



HEADLINE PAY GAP NUMBERS

The difference in hourly pay between all male and female employees in 2025 is:

GENDER



This means that the median hourly pay for male employees was 5.4% higher than for female employees, and the mean hourly pay was 0.5% higher for male employees.

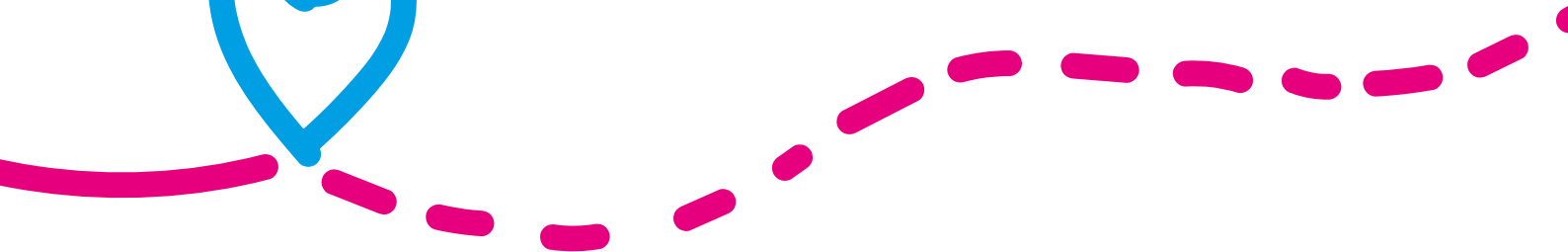
The difference in hourly pay between white and ethnic minority employees in 2025 is:

ETHNICITY



This means that the median hourly pay for white employees was 6.9% higher than for ethnic-minority employees, and the mean hourly pay was 6.1% higher for white employees.

For details on our methodology and how we have reported the pay gaps, see pages 14 to 15.



WHAT'S OUR GENDER PAY GAP?

The difference in hourly pay between male and female employees in 2025 is:

MEDIAN
5.4%
(2024: 8.2%)

MEAN
0.5%
(2024: 1.9%)

Our median gender pay gap has decreased to 5.4% in 2025, from 8.2% in 2024, and is now at its narrowest since reporting began.

We have made innovative and sustained efforts over successive years to increase female representation across the organisation. This includes new strategies targeting better recruitment, retention, and progression of women. We believe this is the key factor in delivering the improvements seen in our gender pay gap.

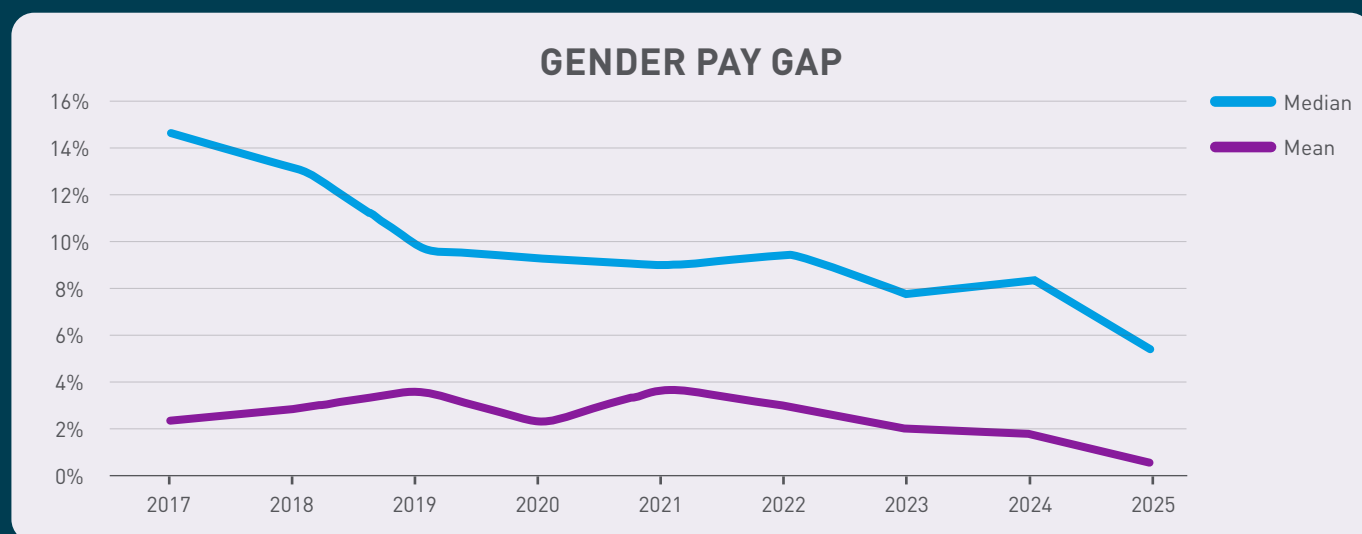
The nature of our business remains the key driver of our median gender pay gap. There is a much higher proportion of men working in highly skilled and well paid operational roles compared to women. Given the conditions and physical nature of the roles, attracting women to them has been historically challenging.

A particular focus of our strategies to counter this has been in these traditionally male-dominated operational

areas, and we are beginning to see green shoots of progress in this area. For example, in 2025, the proportion of female employees in the upper and upper middle quartiles for our Customer Operations division had increased to 17%, compared to 14% in 2024. While it will take time to see the full benefit of our strategy in this area, we are pleased with the early indicators.

Our mean gender pay gap has also decreased to its lowest reported level of 0.5% in 2025 from the 1.9% seen in 2024.

The high proportion of women in our management and senior management roles has continued to favourably influence our mean pay gap. While this is something we are keen to sustain, we are conscious that small changes at this level of the organisation can have a noticeable impact on the pay gap, which is something we will continue to monitor.



We are confident that we have the right strategy and initiatives in place to move towards an appropriate balance of females in our workforce who are paid in line with their male colleagues. You can read more about this on page 9.

WHAT'S OUR GENDER BONUS GAP?

The gender bonus gap is the difference between the average bonus received by men and women in the year to March 2025.

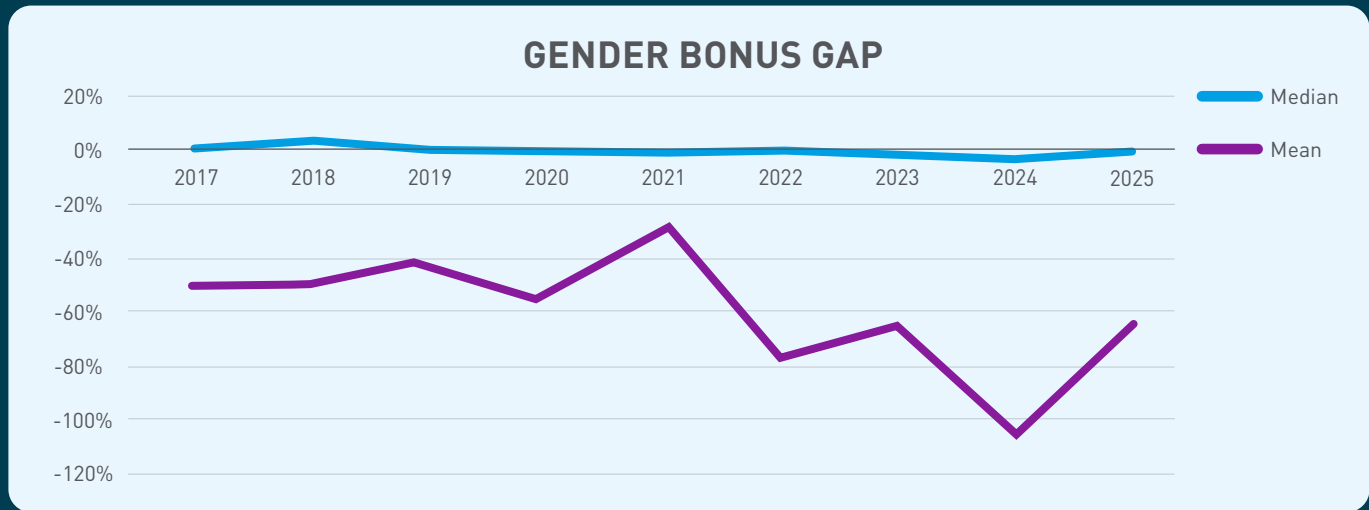
MEDIAN
-0.5%
 (2024: -5.4%)

MEAN
-64.3%
 (2024: -104.2%)

Our overall median bonus gap has been relatively stable since 2017, with small fluctuations caused by one-off recognition vouchers and long service award payments. The 2025 gap was just -0.5%, so marginally in favour of women.

All employees take part in the Annual Bonus Scheme when they have worked for Severn Trent Water for more than three months. This aligns everyone to the same

goals; excellent operational performance outcomes for customers, environmental improvements, great financial performance, as well as reducing the number of people hurt whilst at work (measured through lost time incidents). This means that our frontline employees, administrators, advisors, team managers and technical experts, who make up around 95% of employees, are eligible for the same bonus opportunity, regardless of salary or gender.



Our mean bonus gap for 2025 was -64.3% in 2025, meaning that our female employees' bonus is on average 64.3% higher than male employees. This is heavily influenced by the strong female representation in our senior and executive leadership population, which we continue to be externally recognised for. However, we note the sensitivity of the mean bonus gap calculation to changes in our Executive Committee in particular, which has been strongly influenced in recent years by having both a female CEO and female CFO.

We believe we have created an environment where women can thrive, develop their careers and act as role models to others looking to join the industry.



In the latest **FTSE Women Leaders Review**, published in February 2026 and based on data as at 31 October 2025, we were ranked 4th for women on the board, with 62.5% representation, and 15th for women in leadership positions, with 44.1%. We also met all of the key recommendations of this review cycle.

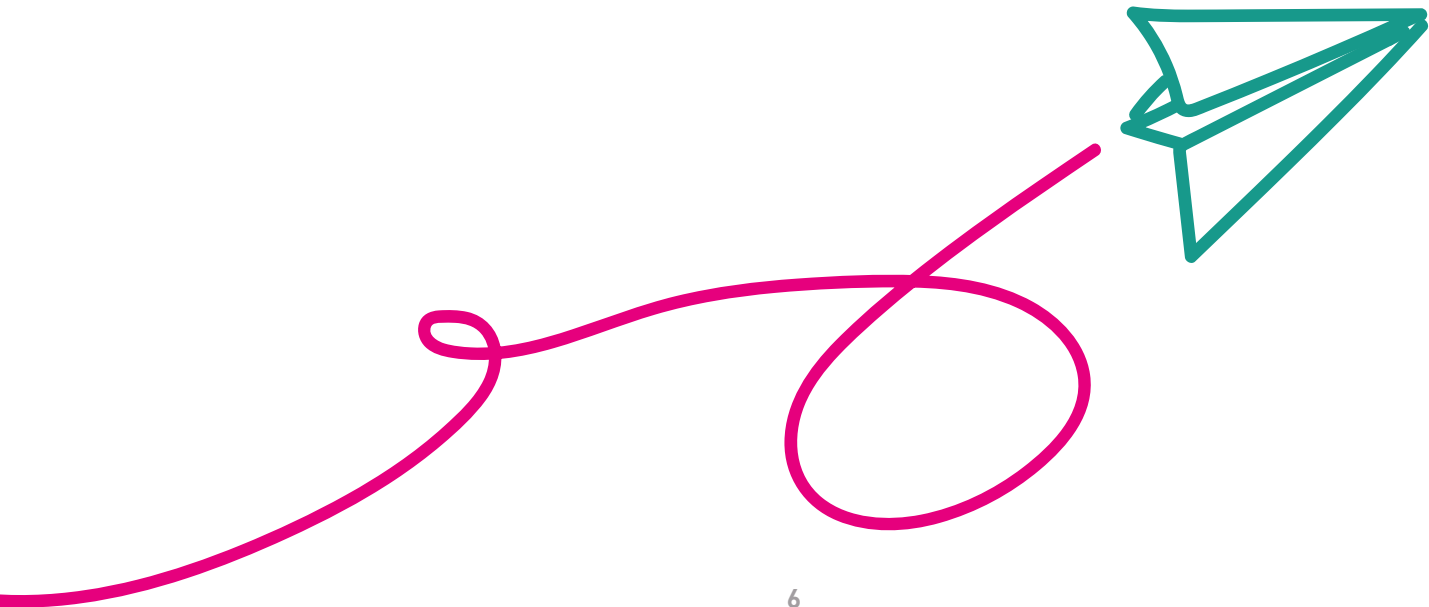
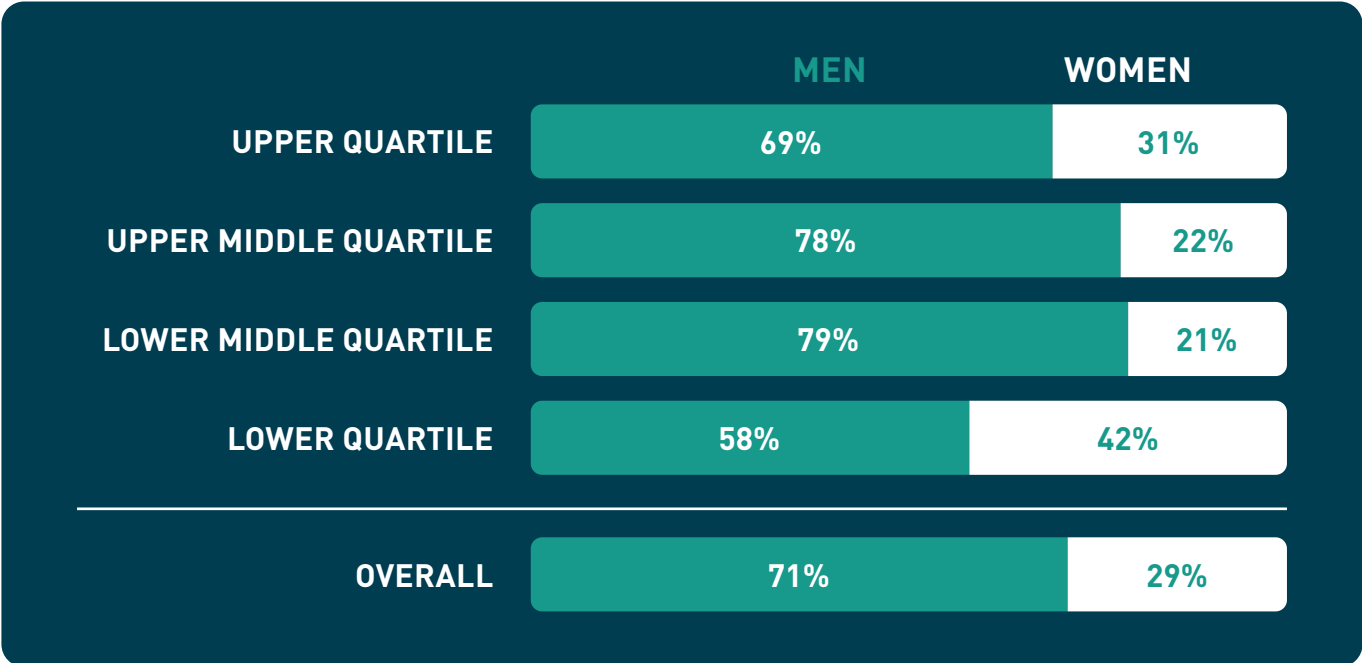
HOW IS PAY DISTRIBUTED BY GENDER?

When looking at gender pay gaps, it's important to consider the overall split between male and female employees across the four quartiles of salary levels and roles.

We continue to operate in a male-dominated industry and that is reflected in the composition of our own workforce, 71% of which were men at the point of the 2025 analysis, compared to 72% in 2024. This male bias is particularly evident in the upper middle and lower middle quartiles, largely driven by our Customer Operations directorate. This is where the majority of our teams (just under 50% of our total workforce)

are employed in roles operating and maintaining our network of water and wastewater assets.

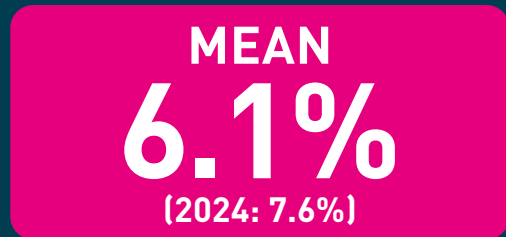
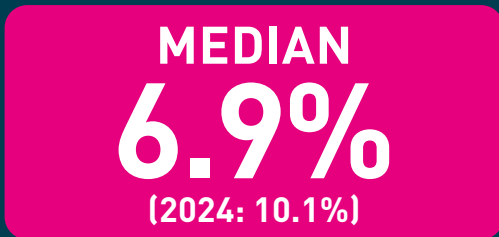
In the lower quartile, there is a greater proportion of females (42%) compared to the wider population. This is driven by our administration and customer contact centre roles which are proportionately more weighted towards females than the rest of the organisation. While these roles are undeniably important for the success of the business, due to the nature of them, they are typically lower paying, with 78% of roles in these teams falling within the lower quartile of hourly pay for the company overall.



WHAT'S OUR ETHNICITY PAY GAP?

We've reported two measures of our ethnicity pay gap, the median and the mean, in line with the approach we take for gender pay gap reporting. The median ethnicity pay gap removes any influence of very high and very low pay. We calculate the median and mean for both white and ethnic minority employees and report the percentage difference. We also report the median and mean ethnicity bonus gap between the average bonus received by white and ethnic minority employees.

The difference in hourly pay between white and ethnic-minority employees is:

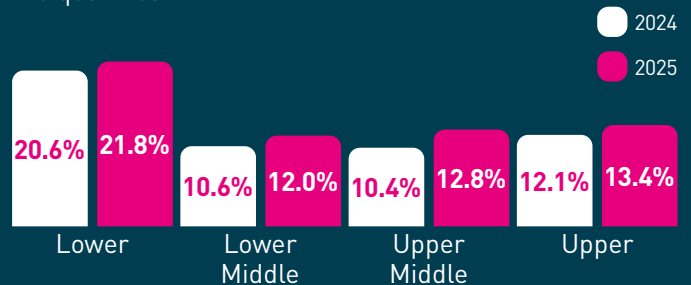


Since the launch of our first D&I Strategy in 2021, we have seen a gradual increase in the percentage of ethnic minority employees, rising to 15% at April 2025. We are particularly pleased to see strong growth over the last year, with ethnic minority representation increasing from 13% to 15%, coinciding with the launch of our refreshed D&I strategy in 2024. We are making good progress with our ambition for a workforce which represents the communities we serve, at 18.9% minority ethnic background.

We believe the narrowing we have seen in our ethnicity pay gaps is due to the ethnic minority talent which has joined us in recent years beginning to progress through the organisation, alongside efforts to attract a more

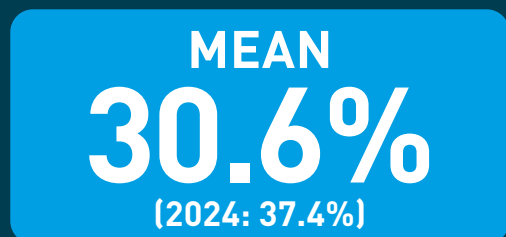
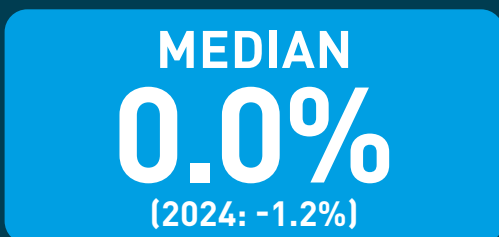
diverse range of applicants for roles throughout the various levels of the company. We provide more detail on these plans on pages 10 and 11.

The following chart illustrates the year-on-year growth in ethnic minority representation across all four of the quartiles:



WHAT'S OUR ETHNICITY BONUS GAP?

The ethnicity bonus gap is the difference between the average bonus received by white and ethnic minority employees across Severn Trent Water in the year to March 2025.



Our overall median bonus gap is relatively stable, with small fluctuations influenced by one-off recognition vouchers and long service award payments.

Our mean bonus gap is 30.6%, meaning that our white employees' average bonus is on average 30.6% higher

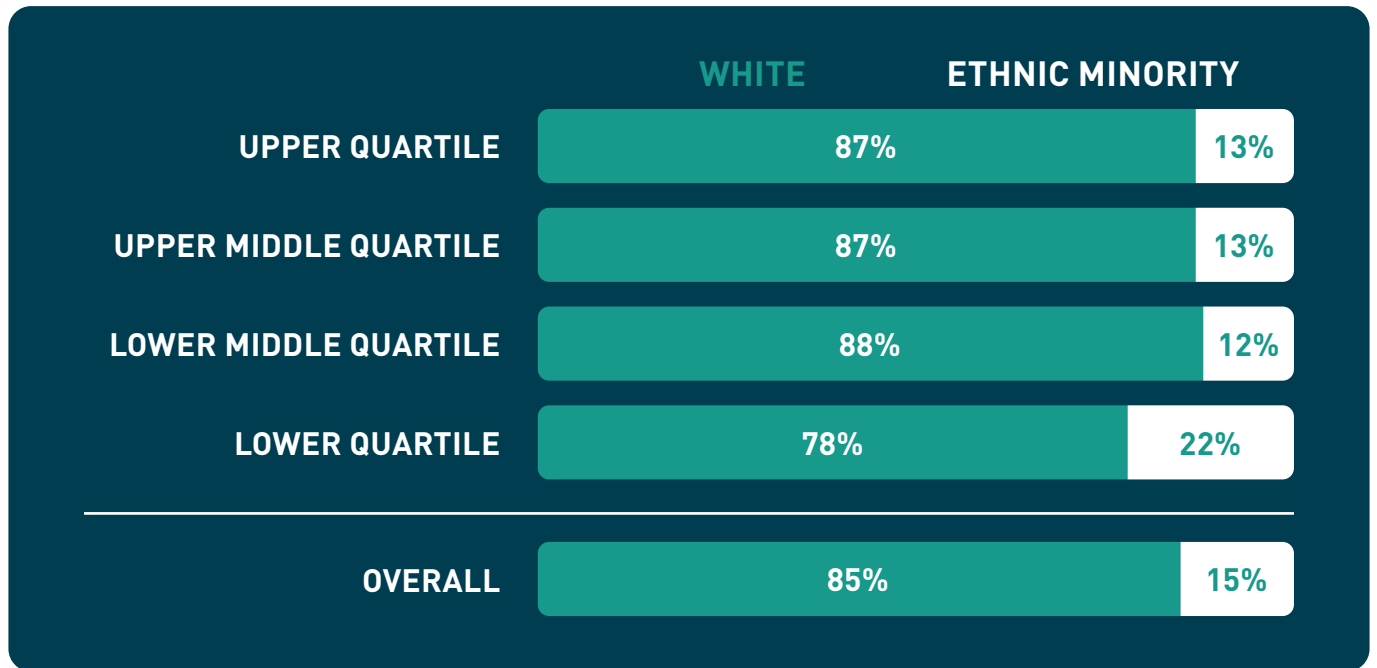
than ethnic minority employees. This is due to lower representation of minority ethnic employees at senior levels. We are actively working to rebalance this and provide more detail on pages 12 and 13.

HOW IS PAY DISTRIBUTED BY ETHNICITY?

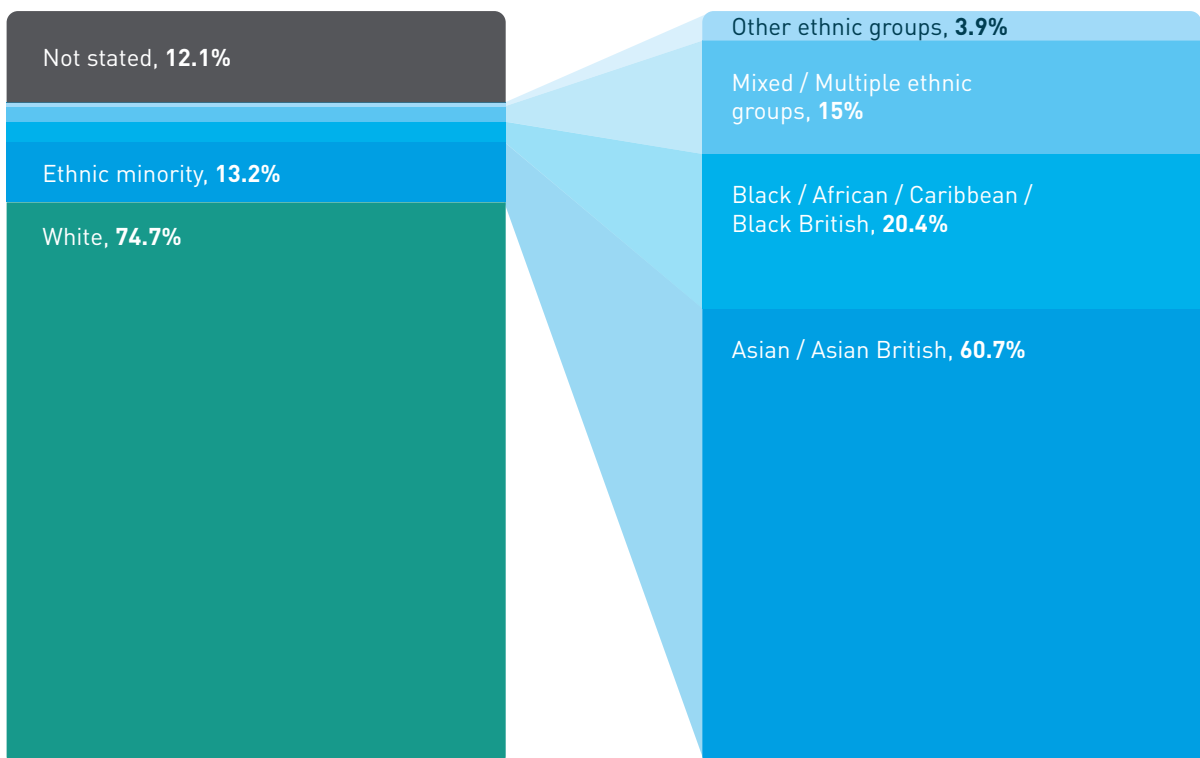
As with gender pay gaps, when looking at ethnicity pay gap reporting we should consider the overall distribution across the four quartiles of salary levels and roles.

At 15%, representation of colleagues from ethnic minority backgrounds continues to grow, up from

13% last year. This is significantly above the Utilities industry average of 10.3%, but we know there is more to do. Our ambition is for our leadership teams and new hires to reflect our communities, at 18.9% minority ethnic. Details of our plans to achieve this ambition can be found on pages 10 and 11.



Around 88% of our employees have shared their ethnicity information and we continue to actively encourage all employees to do so. Of those who have declared themselves as being an ethnic minority, just over 60% are Asian.



OUR PROGRESS AND **AMBITION**

We're proud of the progress we've made on our gender pay gap since we began reporting this externally in 2017.

While our mean gender pay gap has remained consistently low over the period, driven by the high proportion of women in our management and senior management roles, our median gap has steadily improved from 14.6% in 2017 to 5.4% in 2025, the lowest level it has been. Our ethnicity pay gap remains a challenge, but we believe we now have the right level of focus across the organisation to meet it.

Our ability to continue to close our pay gaps lies in our overall approach to Diversity and Inclusion. We are confident that this approach will drive the right attitudes, behaviours and actions that will broaden the diversity of the Severn Trent workforce and make every Severn Trenter feel included and embraced for their differences. Over time, we are confident that successful delivery of this strategy will deliver further reductions in our pay gaps.

DIVERSITY

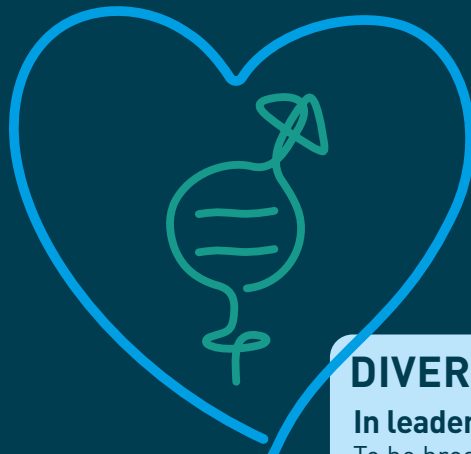
We know diversity is critical to our success. Having a wide range of talented people helps us to make better decisions, provide a great customer service, address skills gaps, and support our communities. That's why we have specific diversity targets where it matters most.

INCLUSION

We recognise 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 want every Severn Trenter to feel included and able to do their best work, regardless of their differences, and we celebrate that. We talk openly about D&I topics, learn to disagree well and work respectfully together to fulfil our purpose of caring for one of life's essentials.

SOCIAL IMPACT STRATEGY

A critical part of this approach to D&I comes through our Social Impact Strategy. This aims to improve the life chances of people in our region by providing them with access to high-quality employment-related training and career opportunities. This initiative helps broaden the pool of talent that we can bring into Severn Trent, giving us opportunities to engage and recruit individuals with hugely diverse backgrounds and experiences, who can bring this diversity to Severn Trent for the benefit of our customers, communities and the environment. We have set out the ambitions and achievements of this programme so far on pages 12-13.



DIVERSITY

In leadership:

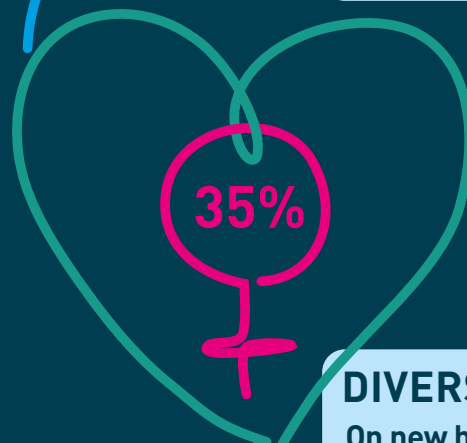
To be broadly balanced, with no more than 60% of one gender.



DIVERSITY

On ethnicity:

To be representative of our communities and have 18.9% of our leadership team from an ethnic minority background.



DIVERSITY

On new hires:

To be 35% female (which is challenging for our industry) and 18.9% minority ethnic.

KEY FOCUS AREAS FOR IMPROVING FUTURE PAY GAPS

We believe three key things that will help drive long term improvements in our pay gaps are:

Achieving representation in our senior leadership

We measure and monitor senior leadership diversity because we know that decisions made at this level fundamentally shape our business – impacting everything from the service we deliver, to our hiring decisions, and the outcomes we achieve. They also role model the diversity we want through the rest of the organisation.

We are hugely encouraged by our gender diversity in these roles and the progress we have made, **with 47% being female, up from 41% in 2024**. This puts us comfortably within our ambition to have no more than 60% of one sex. We are also proud to be recognised in the FTSE Women Leaders Review, but we remain conscious of the need to maintain this through our workplace policies and hiring strategies.

We are not yet where we want to be on ethnic diversity in senior leadership, with 9% representation, so this remains a key priority requiring long-term commitment and sustained effort. We are making good progress in building a diverse talent pipeline; in 2025, 20% of new starters were

from minority ethnic backgrounds, and these individuals will have the opportunity for progression through our leadership development and mentoring programmes.

To complement this internal pipeline, attracting senior minority ethnic external talent is also critical. To support this, we proactively introduce diverse talent to our executive team, ensure diverse short lists for all senior roles, and apply inclusive recruitment practices using structured interviews and competency-based assessments to reduce bias.

With our focus on developing internal talent and attracting diverse external candidates, we're confident our leadership team will reflect greater ethnic diversity in the future, helping us further close our pay gap.



Creating a truly fair and inclusive workplace

Building a workplace where everyone is valued, heard and celebrated is embodied within our D&I Strategy. It is critical to reducing attrition within our organisation and ensuring that everyone has the opportunity to develop, progress and reach their maximum potential.

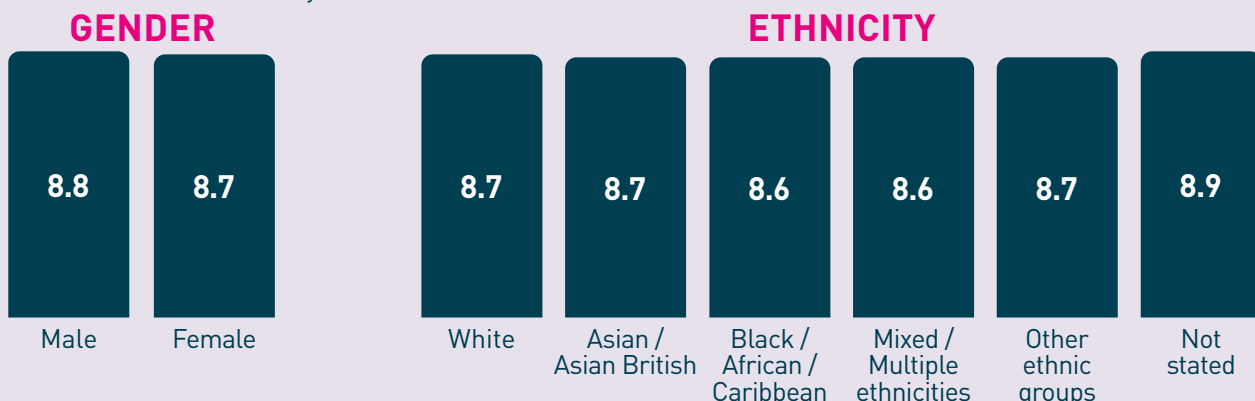
We therefore need to understanding how our people feel about the workplace in order to develop our future D&I strategy and deliver continuous improvement that will help reduce our pay gaps over time.

Our employee engagement survey 'Quest' is an important tool for doing this, and there was much to be optimistic about in the most recent survey from November 2025.

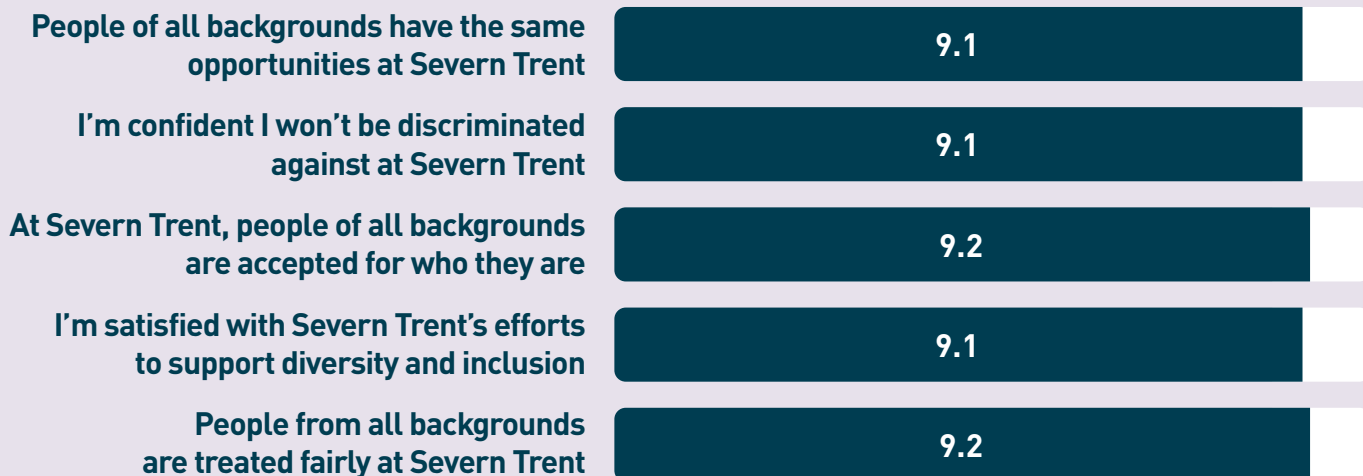
Our overall Quest engagement score was at an all-time high of 8.8 out of 10, positioning us in the top 5% of energy and utilities companies globally.



Importantly, when we analysed the results for those that had submitted diversity details, we were pleased to see minimal variation in scores across characteristics:



We were also encouraged by responses to specific questions within the survey which are targeting views on how inclusive our workplace is, which gives us confidence that our strategy and approach are taking us in the right direction. As with our overall engagement score, these scores were in the top 5% of Energy and Utilities and significantly above global benchmarks:



Our workplace policies are also supporting our drive for a more inclusive workplace. We are continually looking to evolve and innovate in this area to improve attraction and retention. For example, we now offer a wealth of support for families, including a full year of paid maternity and adoption leave, and we have created tailored development plans to address underlying factors of disparity, such as Imposter Syndrome training.

This has helped to drive improvements in metrics such as female attrition rates. When we launched our first D&I strategy in 2021, voluntary attrition among female colleagues was much higher than for males. However, by 2025, female attrition had fallen below male attrition for the first time (6.4% vs. 6.7%), a shift we believe is influenced by the introduction of our enhanced maternity and adoption leave policy.

Attracting new diverse talent

Given the current distribution of our workforce across both gender and ethnicity, a key factor in driving further improvements in our pay gaps is our ability to attract diverse external talent to complement our internal pipeline.

We pride ourselves in our new talent programmes, which aim to attract ambitious and talented individuals onto schemes tailored towards the rapid development and progression into more senior roles within the organisation. Our new CEO, James Jesic, is testament to the strength of these programmes, having joined Severn Trent as a graduate. Ensuring these programmes have a diverse intake is therefore vital to reducing our pay gaps over the long term. We are pleased with the healthy representation we see across our current graduate

programmes, with 40% of that population being female, and 45% from a minority ethnic background.

We also see our Social Impact Strategy as being a fundamental pillar in achieving this aim, and we have huge ambitions in this space over the coming years. Our progress so far has been recognised in the Social Mobility Index, where we've consistently been recognised as one of the UK's top ten employers for our efforts in improving social mobility across the Midlands and achieved our best ever position of second in 2025. We firmly believe that opportunity should be based on potential, not background, and this activity helps us unlock talent in our communities, by opening doors and creating pathways for those in our region facing barriers to employment.

More can be read about our ambition and progress on pages 12-13

OUR AMBITION AND KEY OUTCOMES

Our Social Impact Strategy continues to play a vital role in helping us close gender and ethnicity pay gaps over time by creating pathways for diverse talent and supporting employability across our region. Launched in 2022, this 10 year strategy aims to help 100,000 people who are in water poverty, or at risk of it. We do this by increasing skills, confidence, and access to meaningful work opportunities.

SO FAR, WE'VE MADE STRONG PROGRESS:

38,000 people supported to date through employability and skills initiatives



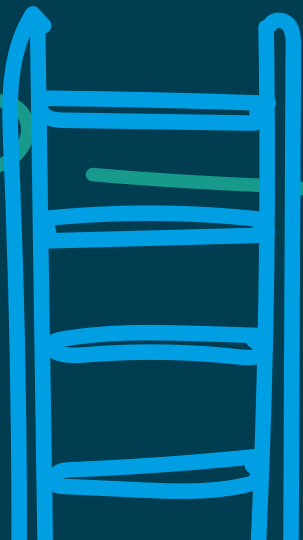
OVER 100

people supported from unemployment into roles at Severn Trent – now representing 1% of our workforce

1,900 work experience placements delivered



Our Social Impact Strategy continues – launched in 2022, the strategy aims to help 100,000 people over 10 years who are in water poverty or at risk of it.



HOW WE'RE DELIVERING IMPACT

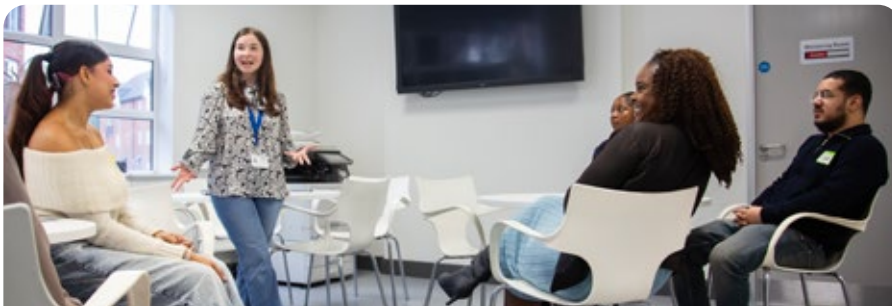
OUR SUCCESS IS DRIVEN BY A RANGE OF TARGETED INITIATIVES:



SCHOOL PARTNERSHIPS: Working with 36 schools across Coventry, East Birmingham, and Derby (expanding to Leicester in 2026), delivering employability training, workshops, and mock interviews to approximately **18,000 students**.



BIG BOOST JOB FAIRS: Hosting 13 events averaging **500 attendees each**, combining live job opportunities with free employability training and virtual reality interview practice.



WORK READINESS PROGRAMMES: Our Work Readiness programmes are paid work experience placements, created in partnership with the West Midlands Combined Authority and the Local Authorities. These programmes are designed to help people gain experience and skills to enter or re-enter the workforce. **We have created 71 placements**, with many going on to secure employment with Severn Trent or elsewhere.



CARE-EXPERIENCED PROGRAMME: Offering enhanced work experience and employment pathways for young people leaving care.



INCLUSIVE RECRUITMENT PATHWAYS: Embedding opportunities for individuals facing barriers to work, including those long-term unemployed, NEET young people, and prison leavers.



REGIONAL COLLABORATION: Through initiatives like the Midlands Employer Alliance, we're influencing other employers to adopt similar approaches, amplifying our impact across the region.

By investing in local skills and creating pathways into employment, we're building a workforce that truly represents our communities and reducing barriers to opportunity.

ABOUT THE METHODOLOGY

From April 2017, the government introduced **gender pay gap** reporting for all companies with more than 250 employees. This is our ninth annual gender pay data submission.

There is no legislation yet for **ethnicity pay gap** reporting, but to really drive change we want to be as open and transparent as possible. That's why we believe it's important to voluntarily include our fourth year of ethnicity pay gap data.

The gender pay gap shows the difference between the average hourly pay for men and women across all ages, roles and levels. Similarly, the ethnicity pay gap shows the difference between the average hourly pay for white and ethnic minority employees.

This is not the same as **equal pay**, which is the right for employees to be paid at the same rate of pay for work that is of equivalent value. Severn Trent has a robust job sizing process, which means we have created a consistent pay governance framework including transparent pay ranges. This helps us in monitoring and measuring our fair pay processes.



HOW HAVE WE REPORTED?

We have reported two measures of our pay gap, the **median** and the **mean**. We calculate the percentage difference between each of these measures for both men and women, and white and ethnic minority employees. In addition, we also report the median and mean gender bonus gap between the average bonus received.

WHAT'S INCLUDED IN OUR HOURLY PAY?

Basic pay; this includes salary, permanent work-based allowances (i.e. car allowance, shift pay etc.) as well as call out and standby payments.

Payments for overtime, redundancy and benefits-in-kind are excluded. Employees on reduced pay due to family leave or sick leave are also excluded from the process.

WHAT IS THE MEDIAN?

The median is the middle number when all of the hourly pay numbers are listed from lowest to highest. The median pay gap removes any influence of very high and very low pay. This is the measure that is most commonly reported by employers and the Government.

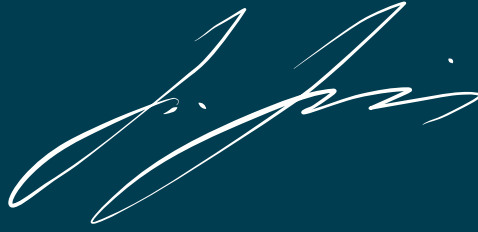
WHAT IS THE MEAN?

The mean average involves adding up all of the numbers and dividing the result by the number of values in the list.

WHAT IS A PAY QUARTILE?

Pay quartiles are calculated by splitting the whole workforce into four equal-sized bands based on hourly pay, from highest to lowest.

This statement confirms that the published information is accurate and is signed by:



Chief Executive Officer
Severn Trent Plc



**Wonderfully
you**

