

LEI: 213800RPBXRETY4A4C59

Wastewater treatment information request

At Severn Trent we have consistently demonstrated that we are a sector leader on environmental performance, and we have significant resource across our organisation dedicated to reaching global best practice on CSO spills, going well beyond compliance. We have always maintained full transparency regarding our wastewater operations and will continue to do so.

We note Ofwat's announcement this morning. The Section 203 notices served upon Severn Trent Water and Hafren Dyfodry enable Ofwat to request information to ascertain whether or not there has in-fact been any non-compliance in relation to their wastewater treatment processes as part of Ofwat's sector wide investigation (as announced on 18 November 2021) and ultimately whether any actions are required to ensure compliance on a forward-looking basis. A Section 203 notice does not imply that Ofwat will conclude that there has been any operating licence contravention or that they will pursue formal enforcement action or impose a financial penalty.

It is important to recognise that:

- Severn Trent have committed to going further and faster than anyone else in the sector on tackling the issue of CSO spills. We announced in May our plans to deliver solutions to 900 individual CSOs in this year alone, in addition to over £1 billion of investment included in our PR24 Draft Determination. Our plans take us well beyond compliance as we target reaching global best practice. You can read more in our Annual Report and Accounts and track progress via a dedicated YouTube playlist (<https://www.youtube.com/playlist?list=PLkGZTG5Vkl0ltpCU7lDejVY2uT1J9VPCR>).
- Ofwat recognises that we are a sector leader in this area. In its press release this morning, Ofwat said, "Severn Trent has recently announced an ambitious programme to significantly reduce use of storm overflow which Ofwat welcomes. The investigation will consider both current and past performance and reflect on the steps companies are now taking in deciding if and what action is needed".
- In its assessment of PR24 Business Plans, Ofwat identified Severn Trent's plan as "outstanding", with specific reference to our performance targets on storm overflows as being "particularly ambitious".

We will work constructively with Ofwat on this matter and are confident in reaching a resolution as quickly as possible.

Enquiries

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This document contains statements that are, or may be deemed to be, 'forward-looking statements' with respect to Severn Trent's financial condition, results of operations and business and certain of Severn Trent's plans and objectives with respect to these items.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'anticipates', 'aims', 'due', 'could', 'may', 'will', 'would', 'should', 'expects', 'believes', 'intends', 'plans', 'projects', 'potential', 'reasonably possible', 'targets', 'goal', 'estimates' or words with a similar meaning, and, in each case, their negative or other variations or comparable terminology. Any forward-looking statements in this document are based on Severn Trent's current expectations and, by their very nature, forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not guarantees of future performance and no assurances can be given that the forward-looking statements in this document will be realised. There are a number of factors, many of which are beyond Severn Trent's control that could cause actual results, performance and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to: the Principal Risks disclosed in our latest Annual Report and Accounts (which have not been updated since the date of its publication); changes in the economies and markets in which the group operates; changes in the regulatory and competition frameworks in which the group operates; the impact of legal or other proceedings against or which affect the group; and changes in interest and exchange rates.

All written or verbal forward-looking statements made in this document or made subsequently which are attributable to

All written or verbal forward-looking statements, made in this document or made subsequently, which are attributable to Severn Trent or any other member of the group or persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. The final PR24 Business Plan is subject to approval by Ofwat and there can be no assurance that the PR24 Business Plan will be approved, in whole or in part, and, as a result, no assurances can be given that the forward-looking statements in this document will be realised. This statement extends to and includes the draft determination for the PR24 Business Plan which remains subject to final approval and publication of the final determination by Ofwat. This document speaks as at the date of publication. Save as required by applicable laws and regulations, Severn Trent does not intend to update any forward-looking statements and does not undertake any obligation to do so. Past performance of securities of Severn Trent Plc cannot be relied upon as a guide to the future performance of securities of Severn Trent Plc.

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