

Our Service Commitment Plan

May 2024

This plan outlines our service commitments to our customers, the environment and our colleagues.



Introduction

This service commitment plan focuses on 13 performance commitments that we know are particularly important to our customers and stakeholders, which have been grouped under the four key pillars of our turnaround: a reliable supply of water for our customers; healthy rivers and seas; trusted and easy customer service and empowered and supported colleagues.

We know that our performance in certain areas has not always met the expectations of our customers and stakeholders. Our Turnaround Plan has focused attention and investment in critical areas of concern for our customers and stakeholders, particularly in pollutions, treatment works compliance and water quality.

I'm pleased to say, we've seen another step-change improvement over the past 12 months. This is despite the wettest winter on record with several severe storms, putting significant pressure on our network. We have a much better view of how we are performing, thanks to the introduction of smart monitors – 24,000 sewer level monitors and nearly 10,000 acoustic loggers on our water network – an expanded Control Centre and a Transformation team all tracking the actions and measures included in this plan. This data-led approach

means we are now proactively managing our environment, providing benefits to our customers and communities.

We know we still have more to do. We are now in the final year of delivery of this five-year investment period and we are focused on achieving the stretching targets we set ourselves as part of our turnaround. We are now investing around £1,500 per Southern Water customer thanks to £1.6 billion of equity investment from our shareholders.

The following pages will provide you with a detailed explanation of our service commitment and how and why our performance has improved in some areas and continues to lag in others. We will also outline the specific actions we have taken, and continue to take, to improve our performance, and where we hope to be by the end of 2025.

We're committed to maintaining transparency about our performance with our customers and stakeholders. We continue to publish detailed commentary against each of our performance commitments in our **Annual Report and Financial Statements** and **Annual Performance Report**. Alongside these, we publish an annual **Pollution Incident Reduction Plan, Bathing Water Report** and bi-annual **Clean Rivers and Seas Task Force** update, alongside an annual update of our **environmental performance** data online. We also publish our progress against our

Turnaround Plan and send this to our customers twice a year.

Our independent Customer Challenge Group and Independent Environment and Climate Change Group also regularly review our business plans, providing feedback and helping us to decide how we deliver our services.

This plan is our service commitment to our customers and the environment. It forms part of our overall turnaround as a company, and includes workstreams across the business, all of which are tracking progress against multiple initiatives to deliver performance improvements and financial efficiencies. These reports are presented to the Executive Committee on a weekly and monthly basis and shared with the Southern Water Board, and its committees, each month. Progress is also reported to our regulator, Ofwat.

Lawrence Gosden, Chief Executive Officer.

“I'm pleased to say, we've seen another step-change improvement over the past 12 months.”



Performance commitments explained

As a water company, we operate in five-year cycles and performance is assessed by our regulator, Ofwat.

We propose the levels we can achieve for each Performance Commitment (PC) alongside the costs required to achieve those in a business plan, which we submit to Ofwat every five years.

We demonstrate that it includes customer and stakeholder input, and that we have consulted on their willingness to pay for outcomes. Ofwat then approves a final version of our Performance Commitments and what levels of service (targets) we are expected to achieve.

If we outperform targets we recover the costs of having delivered a high level of service. However, if we fail to meet them, customers are compensated. Performance Commitments are there to provide us with an economic incentive to improve performance.



Board governance and oversight

The Southern Water Board and its committees provided challenge and input in the development of this plan. It also approved the targets within it, and it fully supports the actions that have been included to improve performance. The Board has highlighted the importance of sustainable performance improvement over time.

Along with colleagues and members of our supply chain, Board members attended a full-day interactive programme designed to understand and develop a collaborative commitment to this plan.

How to read this report

This plan responds to Ofwat's recent assessment of water company performance published in November 2023. This assessment is based on our performance during each year of a five-year investment period. During the current period from 2020–25 Southern Water was assessed against 47 different performance measures, 31 of which were subject to a reward or penalty.

Some measures outlined in the following pages are based on calendar year (January to December) such as Treatment Works Compliance, Pollutions, Internal Sewer Flooding and water quality compliance (CRI), and the remainder are financial year (April to March), as determined by Ofwat. We've included visual guides that demonstrate our historic performance, highlighting areas where the reporting methodology may have changed, for example, leakage.

A quick look at our performance over the past six months

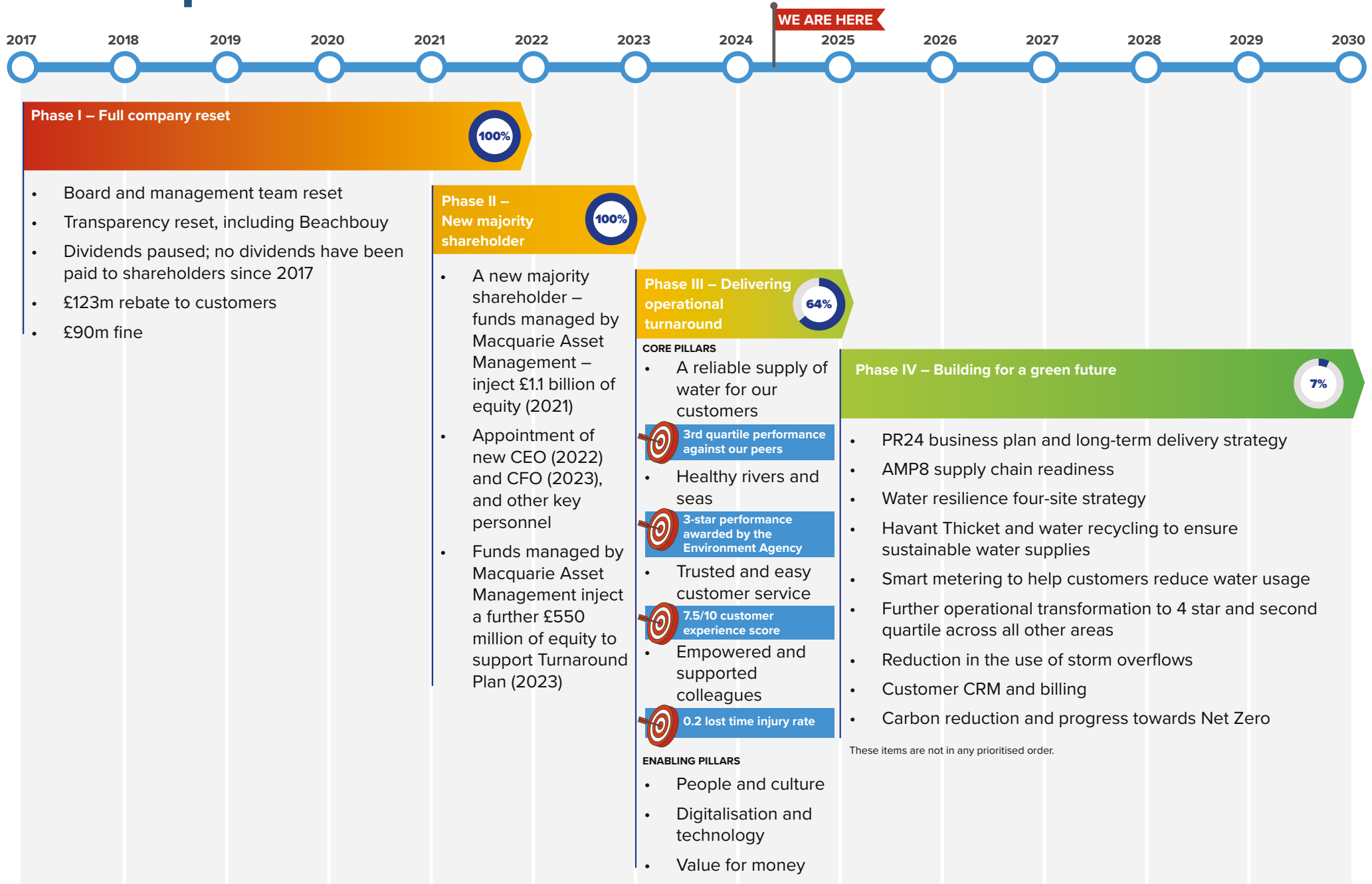
The table below provides an overview of how we’ve performed against the 13 Performance Commitments included in our Service Commitment Plan. Each of these is measured against a wider set of metrics, shared by all water companies.

| Performance commitment | What it’s measuring | Performance against our AMP target | | | | Forecast | Turnaround pillar |
|-------------------------------|---|------------------------------------|--------------|---------------|---------------|--------------|--|
| | | 2020-21 | 2021-22 | 2022-23 | 2023–24* | 24–25** | |
| Customer experience | Customer satisfaction. | 74.64 | 72.00 | 69.77 | 66.87 | 69 | Trusted and easy customer service |
| Developer experience | Developer satisfaction. | 73.77 | 77.78 | 80.56 | 83.59 | 85.75 | |
| Water usage | Average volume of water used per individual customer, per day. | 139 | 133.6 | 128.4 | 127.3 | 125.6 | |
| Supply interruptions | Average time customers have no water during the year. | 12 min 43 sec | 9 min 22 sec | 1 hour 28 min | 1 hour 21 min | > 1 hour**** | A reliable supply of water for our customers |
| Water quality (CRI) | Measure of our compliance with standards for drinking water quality. | 4.53 | 6.69 | 6.38 | 3.84 | 3.23 | |
| Leakage | Volume of water lost on our pipe network between our water treatment works and a customer’s tap. | 93.8 | 96.8 | 108.5 | 107 | 76.9 | |
| Unplanned outage | The percentage of water production capacity lost due to unplanned maintenance work. | 9.21 | 7.19 | 6.44 | 5.68 | 3.13 | Healthy rivers and seas |
| Internal flooding | Number of times customers’ internal properties were flooded with wastewater. | 393 | 644 | 496 | 400 | 275 | |
| External flooding | Number of times customers’ external properties were flooded with wastewater. | 4,409 | 3,944 | 3,748 | 3,500 | 3,171 | |
| Pollution incidents | Number of times polluting material has escaped/spilled from our pipes, treatment works or pumping stations. | 402 | 372 | 358 | 225 | 216 | Healthy rivers and seas |
| Treatment works compliance*** | Number of our water treatment works which failed to comply with their environmental permits. | 97.06 | 97.94 | 98.22 | 99.41 | 99.04 | |
| Mains repairs | Repairs per 1,000 kilometres of our wastewater network. | 150 | 101.5 | 152.8 | 122.5 | 150.0 | |
| Sewer collapses | Number of sewer collapses, including mains bursts. | 315 | 314 | 247 | 240 | 240 | |

■ Final Determination target met or exceeded.
 ■ Final Determination target missed but performance improved in relation to prior year outcome.
 ■ Final Determination target missed and performance worse than prior year outcome.

* This is our position comparing our year end 2022–23 outcome with the forecast outcome for 2023–24, based on YTD performance to the end of March 2024. Our final position is subject to our year end auditing process and will be reported in the Annual Report.
 **This is our forecast position comparing our unaudited year end 2023–24 outcome with projections for 2024–25.
 *** Our treatment works compliance figure is calculated based on the number of compliant works as a percentage of the total permitted works. The shift from 99.40 in 2023–24 to the forecast of 99.04 for 2024–25 is maintaining no more than 3 failed works, and the change in compliance percentage is due to a change in the number of permitted works.
 **** Our supply interruption performance remains challenging with a small number of high impact incidents masking underlying performance.

The four phases of our transformation



What is influencing our performance?

Below is an ‘at-a-glance’ view of the external trends and challenges we face as a business and how we’re responding.

Trends:

Growing population and changing communities

Population growth will place more pressure on limited resources. Communities are adapting due to demographic and societal changes.



Climate change

Climate change is impacting our environment and the way we operate.



Rising environmental concern

Environmental concerns are driving rapid changes in government priorities.



Advanced technology and changing customer expectations

Customer expectations are evolving with technology and greater access to information. Big data, artificial intelligence (AI) and machine learning are becoming business-as-usual.



Challenges and how we are responding:

Water scarcity

Further reductions in leakage; water-saving campaigns and tools; development of new water sources; reduced abstraction; water transfers and regional planning initiatives and transfers.



Increased flooding

Relining and relocation of sewers; slow-the-flow sustainable drainage solutions; larger infrastructure (storm tanks and networks) and river-basin catchment planning.



Meeting customer expectations

New video triage service; redesigned website; faster resolution of queries; improved incident response and increased focus on Priority Services.



Affordability

A minimum of 45% reduction in bill payments for those struggling to afford their bills; increased access to customer Hardship Fund and community grants.



Decarbonisation

Carbon sequestration through nature-based solutions. Alignment with the government’s 2050 net zero target and Ofwat’s focus on location-based Scope 1, 2 and 3 emissions.



Engagement

Regular customer newsletters – targeted by region; regional Your Water Matters customer drop-in sessions; increased stakeholder engagement and proactive approach to local news updates.



A reliable supply of water for our customers

Objective: Provide reliability and quality reaching 3rd quartile for quality by 2025.



| Commitment | Root cause | No. of initiatives | Linked performance commitment | Level of impact | % complete against our turnaround target |
|--|--|--------------------|--------------------------------|-----------------|--|
| Improving the reliability of our water supply works by putting in place new assets and improving maintenance. This includes the complete overhaul of four main sites, benefiting 62% of our customers. | Further investment required in failing assets or ineffective maintenance. | 1 | Water supply interruptions | High | 70% |
| Deliver 103 projects at four largest water supply works through the investment of £150m. | Late delivery of Drinking Water Inspectorate (DWI) notices. | 1 | Water quality compliance (CRI) | High | 40% |
| Tactical investment at 20 sites to improve reliability and output by 50ML/d. | Lack of plan to reduce the outage of our asset base (SDBI and PWPC). | 1 | Unplanned outage | Medium | 100% |
| Complete reservoir inspection programme. | Cleaning of service reservoir tanks (every 10 years) not fully completed. | 1 | Water quality compliance (CRI) | High | 55% |
| Reset all notices to improve delivery confidence with regulator. | Overcommitment on delivery to DWI. As a result, most assets for SRN water are under notice. | 1 | Water quality compliance (CRI) | Medium | 100% |
| Using digital technology to build next-level smart networks with new technology, including sensors and smart meters to reduce leakage and enable our teams to respond more quickly. | Lack of access to data and ability to act on network events. | 7 | Leakage | High | 79% |
| Deliver smart water meter improvements. | Poor measurement of SDBI and identification of areas of excessive usage and leakage. | 1 | Leakage and Water usage | High | 43% |
| Complete the pressure management and programme to support leakage and network resilience. | Poor management of pressure across the network leading to customer contact, fatigue on the network and bursts/leaks. | 2 | Leakage and Mains repairs | High | 45% |
| Roll out of our new GIS location and asset register system, enabling improved systems across our water networks. | Multiple tools to identify issues on network leading to increased customer contact and impact. | 1 | Leakage and Mains repairs | Medium | 83% |
| Improve process for finding and fixing leaks. | Exceeding industry standard for leakage. | 9 | Leakage and Mains repairs | High | 62% |
| Upgrading logistics capability to move people and materials around faster, 24/7. This includes a new tanker fleet, storage of critical spares and an overhaul of our work management processes. | Poor management of operations and control of critical spares and reliance on inefficient and costly outsourced services. | 2 | Water supply interruptions | Medium | 48% |
| Continually improving the use of six in-house 24/7 water tankers. | Lack of tankering management knowledge. | 2 | Water supply interruptions | Medium | 100% |

| Commitment | Root cause | No. of initiatives | Linked performance commitment | Level of impact | % complete against our turnaround target |
|---|---|--------------------|---|-----------------|--|
| Increase logistic stores to eight to enable improved response in and out of hours. | Critical spares spread across multiple sites, poor visibility of stock and availability. | 2 | Water supply interruptions | Medium | 48% |
| Deliver tactical improvements to end-to-end work management processes. | Ageing planning and scheduling systems and processes. | 1 | Water supply interruptions | Low | 25% |
| Improving the management and control of sites and networks through a constant review of our core systems and processes. | Poor management controls on larger assets. | 1 | Water supply interruptions and Mains repairs | Medium | 70% |
| Roll-out of a new risk assessment approach to enable safe control of work on assets. | Our safe control of operations (Risk assessment process) not enabling works on our high-risk sites. | 1 | Water supply interruptions | High | 70% |
| Investing in key improvements. | A high number of incidents at our sites causing significant customer, stakeholder and colleague impact. The estimated cost of these escalations is around £13 million a year. | 9 | Water supply interruptions, Leakage and Mains repairs | High | 64% |
| Roll-out of new contracts and ways of working to improve customer management and operational response. | Contracts out of date and not aligned to business priorities. Focus is needed on leak detection, repair and maintenance and above ground maintenance. | 8 | Leakage and Mains repairs | Medium | 78% |



Where we are?

Since our last update in November 2023, our Water team has put in place a new risk calculator for planning and scheduling of maintenance at our sites as well as tactical fixes across 20 sites. This has led to our best ever performance on unplanned outage (keeping our sites in supply) with around 50ML/d of extra water put back into supply for our customers.

We've reduced the number of reservoirs that have not been inspected for more than 10 years from 77 in 2017 to 15 in 2023. And have a plan to get to seven by 2025, moving us to upper quartile in industry league tables.

Our supply interruption performance remains challenging with a small number of high impact incidents masking underlying performance.

Our focus on leakage has continued, with increased investment in resource and better governance. We're now only around 10ML/d off our target for this final year of the investment period, but importantly this will be the first year in four years we have reduced leakage in the year.

A total of 3,000 listening devices have been installed and a new mapping system is now in place, allowing teams to find and target leaks more effectively. Speed of repair of leaks has also improved, with our find-and-fix teams now repairing leaks three times faster than in 2019. Despite this improvement we have a significant challenge to reduce leakage and over the next year we must deliver the highest ML/d reduction we have ever recorded.

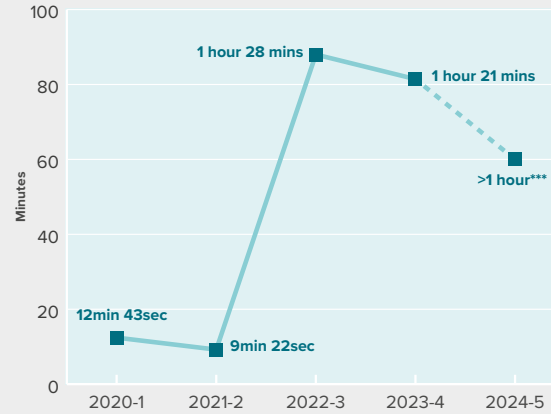
Our Logistics team has been busy. Our store of critical spares is preventing water outages with the team now able to fast-track parts needed by our on-site teams. And we now have six new tankers in operation 24/7, reducing our operating costs and issues with sample failures, and helping us to better manage supplies to customers during large interruptions to supply across our network – keeping up to 7,000 people in supply during a four-day long outage in Testwood, Hampshire.

We have introduced new safe control of operation procedures and training increasing the number of completed maintenance jobs to around 95% from 60% in 2022–23.

We have also put in place a new framework for our asset maintenance suppliers giving our operational teams more choice and flexibility when they need to carry out repairs. New frameworks for leak detection and our reactive maintenance contracts are also being developed and will be in place soon.

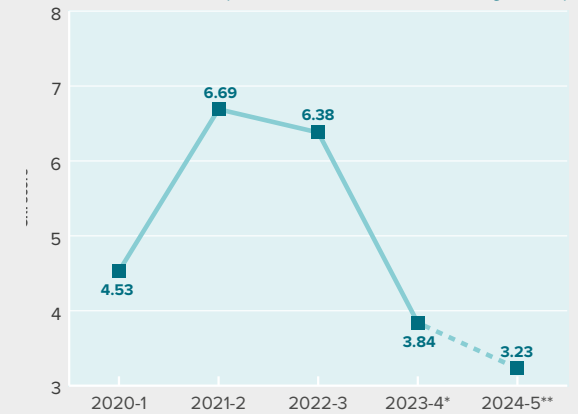
Supply interruptions

Average time customers have no water during the year



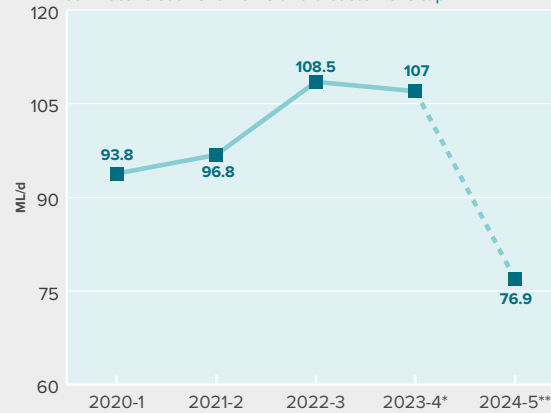
Water quality (CRI)

Measure of our compliance with standards for drinking water quality



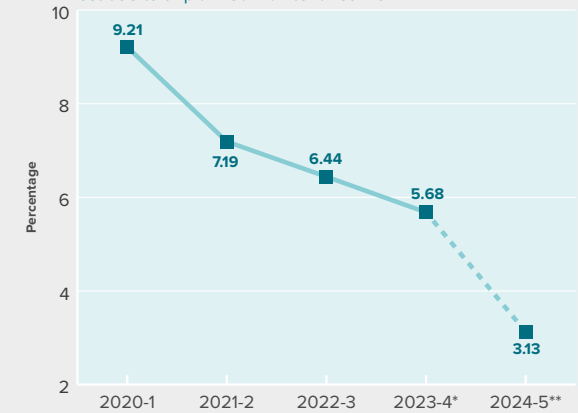
Leakage

Volume of water lost on our pipe network between our water treatment works and a customer's tap



Unplanned outage

The percentage of water production capacity lost due to unplanned maintenance work



* This is our position comparing our year end 2022–23 outcome with the forecast outcome for 2023–24, based on YTD performance to the end of March 2024. Our final position is subject to our year end auditing process and will be reported in the Annual Report.

**This is our forecast position comparing our unaudited year end 2023–24 outcome with projections for 2024–25.

*** Subject to confirmation.

Healthy rivers and seas

Objective: Improving our environmental performance and reach a 3 Star Environmental Performance Assessment (EPA) rating.



| Commitment | Root cause | No. of initiatives | Linked performance commitment | Level of impact | % complete against our turnaround target |
|--|---|--------------------|---|-----------------|--|
| Building capacity and resilience at wastewater treatment works to reach 99%+ compliance with treatment and permit standards. | Further investment required in our assets and infrastructure. | 9 | Treatment Works compliance | Medium | 401% |
| Deliver 'Go to Green' programme – £25m of tactical interventions at 45 sites to make sure treatment works reliably meet standards. | Further investment required in our assets and infrastructure. | 3 | Treatment Works compliance | High | 29% |
| Make sure works can treat required flows, as described in permits, through strategic investments and tailored initiatives. | Further investment required in our assets and infrastructure. | 3 | Treatment Works compliance | Low | 40% |
| Reduce the number of spills from storm overflows to fewer than 18 by removing excess surface water from our systems. | Further investment required in our assets and infrastructure. | 3 | Pollution incidents | High | 53% |
| Updating maintenance standards and proactive control to stop assets failing and developing an improved emergency response. | Historic Control Centre structure and process did not allow us to operate proactively or maintain standards. | 29 | Pollution incidents | High | 51% |
| Restructure our Control Centre so we can spot failures before they happen and, when they do, respond faster. | Historic Control Centre structure and process did not allow us to operate proactively or maintain standards. | 2 | Pollution incidents | High | 58%* |
| Upgrading 52 pumping stations, increasing resilience at over 700 pumping stations to allow them to reset automatically and investing over £40m on new pumps and control systems. | Historic Control Centre structure and process did not allow us to operate proactively or maintain standards. | 12 | Pollution incidents; internal and external flooding | High | 66% |
| Cleaning over 700km of sewers a year and installing over 80 new devices to reduce bursts through more effective pressure management. | Historic Control Centre structure and process did not allow us to operate proactively or maintain standards. | 18 | Mains repairs; pollutions; external flooding; sewer collapses | High | 60% |
| Deliver planned preventative maintenance to improve the reliability of sites and networks. | | 7 | Mains repairs; pollutions; external flooding; sewer collapses | Medium | 40% |
| Digitalising sewer network to reduce pollutions and flooding, using industry-leading monitors, artificial intelligence for prediction and maintenance. | Ageing network, driven by gravity, which meant we were too reliant on customers letting us know about issues. | 22 | Pollution incidents; internal and external flooding | High | 63% |

| Commitment | Root cause | No. of initiatives | Linked performance commitment | Level of impact | % complete against our turnaround target |
|--|---|--------------------|--|-----------------|--|
| Digitalise network by installing 23,000 sewer level monitors and 1,300 Event Duration Monitors. | Ageing network, driven by gravity, which meant we were too reliant on customers letting us know about issues. | 3 | Pollution incidents; internal and external flooding | High | 47%* |
| Using Artificial Intelligence and case managing flooding hotspots on our network. | Ageing network, driven by gravity, which meant we were too reliant on customers letting us know about issues. | 15 | Pollution incidents; internal and external flooding | High | 55% |
| Improve the accuracy and efficiency of our spill reporting by automating processes and using artificial intelligence. | Ageing network, driven by gravity, which meant we were too reliant on customers letting us know about issues. | 15 | Pollution incidents | Low | 72% |
| Improving training, development and productivity by upskilling front-line colleagues. Making sure they are multi-skilled and externally accredited. | We had not supported ongoing development and training of front-line colleagues to evidence their competency. | 5 | Pollution incidents; internal and external flooding; Sewer collapses | Medium | 90% |
| Apply externally accredited training expertise with practical upskilling programmes for all Operators and Technicians, together with technical training for all managers, scientists, and engineers. | We had not supported ongoing development and training of front-line colleagues to evidence their competency. | 8 | Pollution incidents; internal and external flooding; Sewer collapses | High | 91% |
| Improve efficiency through better logistics management. | We had not supported ongoing development and training of front-line colleagues to evidence their competency. | 1 | Pollutions; internal and external flooding; sewer collapses | Medium | 91% |

* Initial actions delivered or on track but additional scope has been added to deliver the Pollution Incident Reduction Plan (Jan-Dec 2024) developed in consultation with the Environment Agency.



Where we are?

We know that we have not always met our customers' expectations in terms of our environmental performance. We are committed to changing that and are focused on increasing the reliability of our sites and networks, and the volume of waste that they can treat and return to the environment safely.

Since our last update in November 2023, we have continued our focus on improving our treatment compliance across 35 key sites. The first quarter of 2024 showed an 89% compliance improvement across these sites, and we finished the year on target at 99.41% (2020: 97.06%).

At the same time, 10 of the 25 Flow to Full Treatment actions at our wastewater treatment works, identified in our Turnaround Plan, are now complete and compliant, with a further 10 to be delivered by October 2024.

A review of our Control Centre structure was completed, and we are now setting up a Reactive Analytical Insight Desk which will analyse data 24/7, with the support from AI, to produce actionable insight so we can see where failures might happen and proactively fix any issues. At the same time, data from our 24,000 Sewer Level Monitors is now being used by the teams in the Control Centre to plan maintenance and repairs. This improved monitoring of our sites and networks has helped us to reduce overall Category 1-3 pollutions by 37% in 2023, reaching 225 incidents at year end (2020: 402).

We have successfully assessed 30 rising mains that were at a high risk of bursting, installing air release valves and pressure monitoring devices.

Responding to customer feedback about the transparency of our spills reporting, we have updated our online notification service to include inland releases, automating the verification process to speed up the updates. Accuracy has also been improved through the introduction of new sensors and faster maintenance processes on those that were not working.

We have improved the quality of training available for our wastewater teams, with CABWI (Ofqual regulated awarding body for the Water and Utilities industries) endorsement achieved for our Level 1 and 2 Wastewater Operator Training Programme courses. Outputs from Pollution Reduction and Prevention workshops, in the form of best practice guidance, processes and training, have also been rolled out to teams.

We've set up six new critical spares stores which are reducing administration time, maintaining inventory levels and limiting time spent by technicians on ordering and receiving goods.

We also launched our Clean Rivers and Seas Plan, which outlines how we are spending £1.5 billion between 2025–35, prioritising shellfish and bathing waters. Our task force has already carried out six Pathfinder pilot projects across our region and is using the learning from them to inform how we will deliver our plan.

Over the past six months the Clean Rivers and Seas Task Force has provided 93 schools with sustainable drainage systems to reduce rainwater run-off from impermeable areas like playgrounds and roofs. The team has also installed more than 3,000 slow-drain water butts on the Isle of Wight. In one village, the installation of water butts reduced releases from the local pumping station by 70%.

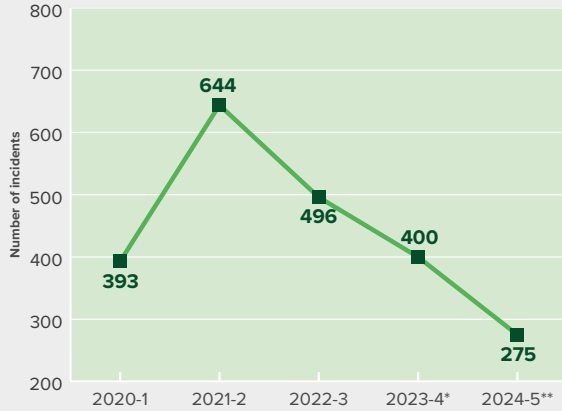
In other areas the task force teams have replaced 200 pipe joints and sealed 1.2km of private pipework to prevent groundwater flooding on our network. In the Pan Parishes Pathfinder, this has meant that we were able to avoid sending so many tankers into the area, going from 30 to just five, reducing the impact of managing groundwater flooding on our customers.

This work is bringing us closer to our target to reduce the number of spills from storm overflows to fewer than 18 by 2025, and the industry target of less than 10 by 2050.



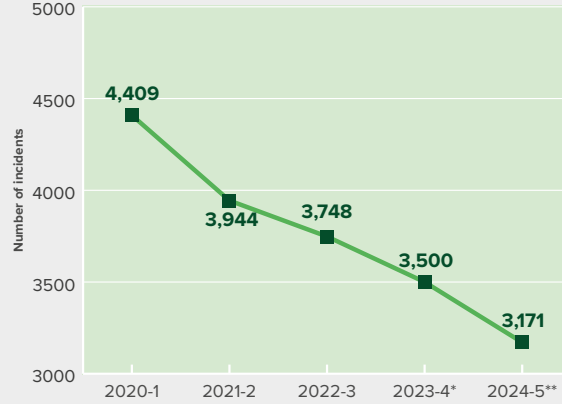
Internal flooding

Number of times customers' internal properties were flooded with wastewater



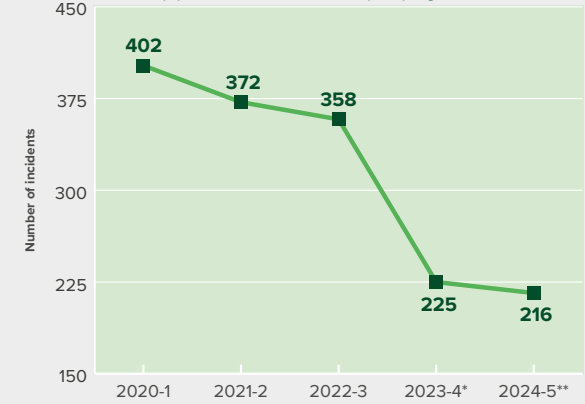
External flooding

Number of times customers' external properties were flooded with wastewater



Pollution incidents

Number of times polluting material has escaped/spilled from our pipes, treatment works or pumping stations



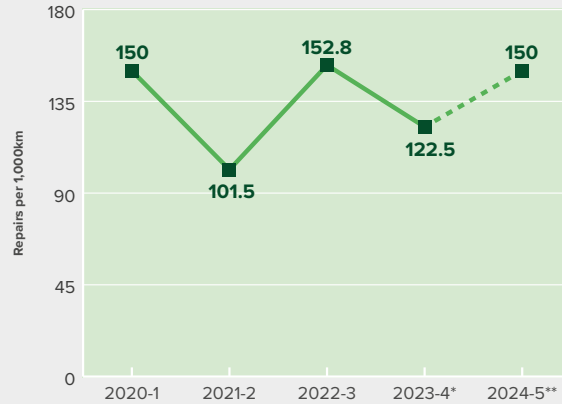
Treatment works compliance***

Number of our water treatment works which failed to comply with their environmental permits



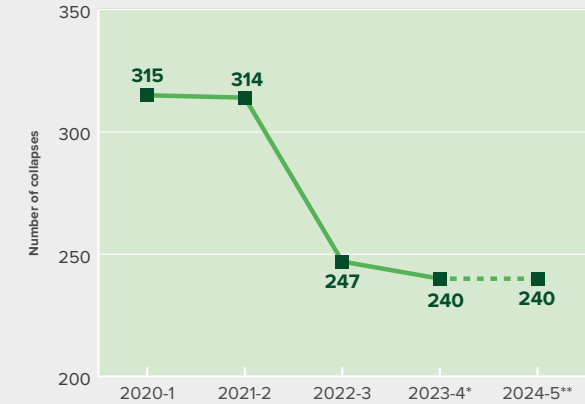
Mains repairs

Repairs per 1,000 kilometres of our wastewater network



Sewer collapses

Number of sewer collapses, including mains bursts



* This is our position comparing our year end 2022–23 outcome with the forecast outcome for 2023–24, based on YTD performance to the end of March 2024. Our final position is subject to our year end auditing process and will be reported in the Annual Report.

**This is our forecast position comparing our unaudited year end 2023–24 outcome with projections for 2024–25.

Trusted and easy customer service

Objective: Provide a great customer experience and reach a 7.5/10 C-MeX score, our customer satisfaction measure (an 8% increase).



| Commitment | Root cause | No. of initiatives | Linked performance commitment | Level of impact | % complete against our turnaround target |
|---|---|--------------------|--|-----------------|--|
| Improving the online experience and creating a new website, improving customer journey, data quality and complaints process. Introduce a video assistant for customers. | Low customer self-service volumes leading to high contact volumes. | 2 | Customer experience; developer experience; water usage | High | 72% |
| Improve online experience and launch new website. | Low customer self-service volumes leading to high contact volumes. | 2 | Customer experience; developer experience; water usage | High | 72% |
| Enhance customer, developer and retail portals. | Low customer self-service volumes leading to high contact volumes. | 5 | Customer experience; developer experience; water usage | High | 59% |
| Improve customer and performance data and analytics. | Low customer self-service volumes leading to high contact volumes. | 7 | Customer experience; developer experience; water usage | High | 75% |
| Launch new tools like video assistants and simplify processes for customers. | Low customer self-service volumes leading to high contact volumes. | 6 | Customer experience; developer experience; water usage | High | 93% |
| Reduce time to respond to complaints. | Low customer self-service volumes leading to high contact volumes. | 2 | Customer experience; developer experience | High | 80% |
| Making sure that every colleague understands customers and their unique needs. This includes the introduction of customer promises and customer service training for all colleagues and partners. | Inconsistent experience for customers when dealing with field colleagues resulting in areas of poor customer service. | 1 | Customer experience; developer experience | Medium | 51% |
| Roll out customer promise and customer service training to upskill colleagues. | Inconsistent experience for customers when dealing with field colleagues resulting in areas of poor customer service. | 1 | Customer experience; developer experience | Medium | 51% |
| Improve communications with colleagues. | Inconsistent experience for customers when dealing with field colleagues resulting in areas of poor customer service. | 1 | Customer experience; developer experience | Medium | 25% |
| Supply chain training and journey improvements. | Inconsistent experience for customers when dealing with field colleagues resulting in areas of poor customer service. | 8 | Customer experience; developer experience | Medium | 75% |

| Commitment | Root cause | No. of initiatives | Linked performance commitment | Level of impact | % complete against our turnaround target |
|---|---|--------------------|--|-----------------|--|
| Provide more customer insights to teams to inform decision making. | Inconsistent experience for customers when dealing with field colleagues resulting in areas of poor customer service. | 7 | Customer experience; developer experience | Medium | 75% |
| Better engagement with communities through improved multi-channel and direct communications, education programmes and regular stakeholder forums. | Lack of understanding of water processes and company activities among the community and stakeholders, leading to mistrust. | 1 | Customer experience; developer experience; water usage | Medium | 25% |
| Deliver education programmes in communities. | Lack of understanding of water processes and company activities among the community and stakeholders, leading to mistrust. | 1 | Customer experience; developer experience; water usage | Medium | 85% |
| Improve communication with better media briefings, social monitoring and multi-media content. | Lack of understanding of water processes and company activities among the community and stakeholders, leading to mistrust. | 1 | Customer experience; developer experience; water usage | Medium | 25% |
| Improve stakeholder engagement through regional MP forums, newsletters and site visits. | Lack of understanding of water processes and company activities among the community and stakeholders, leading to mistrust. | 1 | Customer experience; developer experience; water usage | Medium | 35% |
| Improve roadside messaging. | Lack of understanding of water processes and company activities among the community and stakeholders, leading to mistrust. | 1 | Customer experience | Medium | 100% |
| Supporting customers in vulnerable situations by improving priority services during incidents and our social tariff offering. | Customers who find themselves in vulnerable circumstances and facing financial hardship were not easily able to access support. | 1 | Customer experience | High | 96% |
| Expand the social tariff programme. | Customers who find themselves in vulnerable circumstances and facing financial hardship were not easily able to access support. | 1 | Customer experience | High | 96% |
| Enhance our Priority Services. | Customers who find themselves in vulnerable circumstances and facing financial hardship were not easily able to access support. | 1 | Customer experience | Medium | 97% |

Where we are?

Our customer service systems are outdated, which has affected our ability to effectively manage customer data and analytics to inform improvements to our services.

Since our last update was published in November 2023, we have redesigned our web forms to encourage our customers to call us and have their problems dealt with more quickly, driving web form complaints down from 48% to 28% in the year.

We have launched our new customer website; designed using the latest insight to help our customers find what they need quicker than ever before. With a simplified, modern, mobile-friendly design, the new site is more accessible and the infrastructure that sits beneath it is more reliable. We'll continue to update it in the coming months.

Our new job management system for our operational teams also went live, improving our visibility of end-to-end identification, find and fix processes for our teams and speeding up services for our customers.

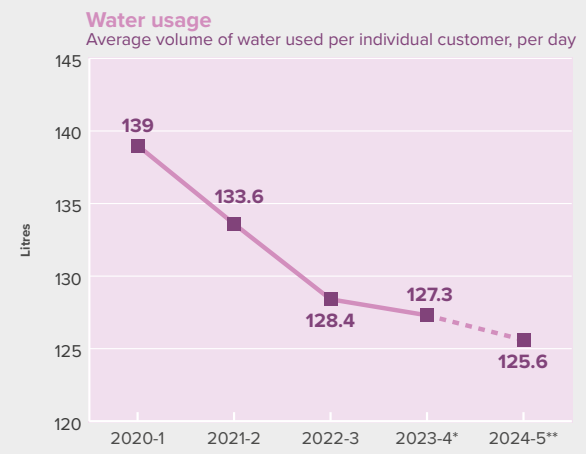
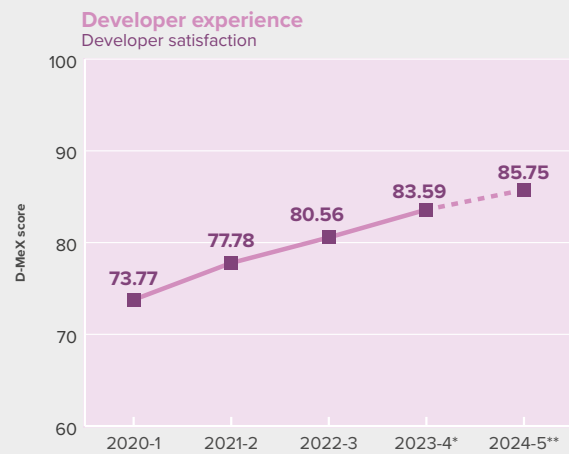
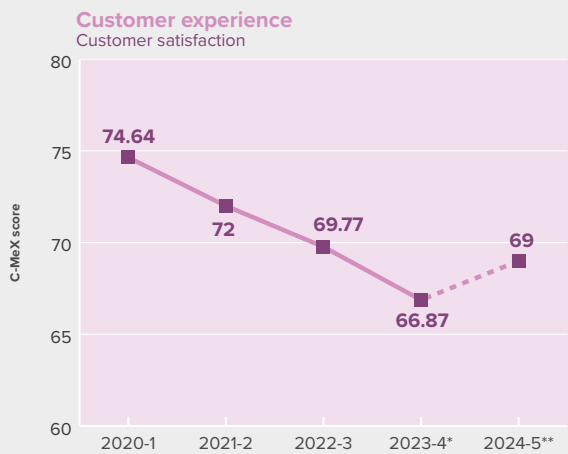
We've introduced new case base reasoning processes for managing customer blockage calls, helping to speed up resolution when customers call us with an issue.

Our new school engagement programme received a boost with the start of site visits at our Peacehaven Wastewater Treatment Works. Local children can now book in to tour the site and find out what really happens 'Beyond the Drain'.

Following the success of our first face-to-face customer engagement event in Hastings in October 2023, we've also rolled out our Your Water Matters event to Whitstable and Southampton over the past few months, with plans to host our next event in Horsham in May 2024. These events give our customers and stakeholders the opportunity to meet our teams face to face and ask any questions they have about our services, their bills or any issues in their communities. More than 1,000 customers have

attended these events to date (April 2024), and feedback has been positive, with 90% leaving with a more favourable perception of Southern Water.

Supporting our customers who find themselves in vulnerable circumstances is a priority, which is why we have continued to promote our financial assistance schemes during the difficult Winter months. We have also increased the number of customers on our Priority Services Register to 235,900 (2022–23: 166,384) representing 15.47% of households registered against a year-end target of 7%.



* This is our position comparing our year end 2022–23 outcome with the forecast outcome for 2023–24, based on YTD performance to the end of March 2024. Our final position is subject to our year end auditing process and will be reported in the Annual Report.

**This is our forecast position comparing our unaudited year end 2023–24 outcome with projections for 2024–25.

Empowered and supported colleagues

Objective: Manage a safe and ethical workforce with reduction to 0.2 lost time injury rate.



| Commitment | Root cause | No. of initiatives | Linked performance commitment | Level of impact | % complete against our turnaround target |
|--|--|--------------------|---|-----------------|--|
| Improving the safety of colleagues with the introduction of a new mobile risk safety app. | Poor health and safety risk management and injury prevention. | 1 | Lost time injury rate | High | 86% |
| Introduce a new company-wide risk assessment app. | Poor health and safety risk management and injury prevention. | 1 | Lost time injury rate | High | 86% |
| Review app usage and improve over time to minimise health and safety risk. | Poor health and safety risk management and injury prevention. | 1 | Lost time injury rate | Medium | 86% |
| Working With Care - Embed health and safety as a key way of working with upskilling, training and onboarding programmes. | Low levels of health and safety knowledge and competency, risk management and culture. | 4 | Lost time injury rate | High | 54% |
| Provide colleagues with the knowledge, skills, and awareness to make safe decisions through behavioural training. | Low levels of health and safety knowledge and competency, risk management and culture. | 1 | Lost time injury rate | High | 62% |
| Company-wide upskilling to meet future needs. | Low levels of health and safety knowledge and competency, risk management and culture. | 1 | Lost time injury rate | High | 66% |
| More effective and comprehensive onboarding programmes limiting initial risk. | Low levels of health and safety knowledge and competency, risk management and culture. | 1 | Lost time injury rate | High | 66% |
| Refresh internal documentation and standards to ensure H&S is embedded within processes. | Low levels of health and safety knowledge and competency, risk management and culture. | 1 | Lost time injury rate | High | 61% |
| Managing compliance through new systems, inspections and assurance. | Poor health and safety risk management and injury prevention. | 5 | Lost time injury rate | High | 36% |
| Place of work risk assurance process updated. | Poor health and safety risk management and injury prevention. | 2 | Lost time injury rate | High | 75% |
| Improve statutory risk inspection processes. | Poor health and safety risk management and injury prevention. | 1 | Lost time injury rate | High | 65% |
| Improve risk management systems. | Poor health and safety risk management and injury prevention. | 1 | Lost time injury rate | High | 65% |
| Supporting colleagues through our Inspire Academy, internships and a graduate programme to make sure we upskill and develop each individual. | Lack of tailored training for new managers in softer skills and importance of fostering company culture. | 1 | Employee engagement; learning and development | High | 50% |

| Commitment | Root cause | No. of initiatives | Linked performance commitment | Level of impact | % complete against our turnaround target |
|--|--|--------------------|---|-----------------|--|
| Develop and roll-out the Inspire Academy for 500 managers to support colleagues in the work they do. | Lack of tailored training for new managers in softer skills and importance of fostering company culture. | 1 | Employee engagement; learning and development | Medium | 50% |
| Expand and launch apprentice programme bringing in new talent. | Limited focus on apprentice training and talent acquisition. | 1 | Employee engagement; learning and development | Medium | 100% |
| Roll-out of new contracts and ways of working to improve customer management and operational response. | Not enough focus on customer outcomes and contractor behaviours in contracts. | 1 | N/A | Medium | 15% |

Where we are?

The safety of our communities, colleagues, and supply chain partners remains our highest priority. That is why we are making improvements to the equipment, training and policies we use to deliver a safe system of work.

Since our last update was published in November 2023, we have reduced lost-time incidents by 50%. We have rolled out our Point of Work risk assessment app and Eco-Online safety incident and observation reporting tool, and increased training with teams, making it easier for them to report any unsafe behaviour or risks on our sites.

We have launched our Stop, Think, Safe! Behavioural safety training programme – open to all colleagues until December 2024. Facilitated by external safety training specialists, it is intended to help colleagues work through scenarios where they will need to think about how and when they should raise a challenge. Since November 2023, more than 330 colleagues have joined the course (as of Mar 24).

We have updated over 30% of our health and safety procedures which are available on our intranet – The Hub – so colleagues can access them more easily and we are supporting colleagues to adopt them through training. For example, we have appointed a new manual handling training provider.

To focus our efforts on preventing serious injuries, we have launched our six key risks (which include work at height, machinery, plant people interface, stored hazardous energy, toxic/flammable gas and driving). Each risk has a set of ‘life saving rules’ which must be followed every time the risk is present to ensure critical safety controls are always in place.

Work continues to develop the Inspire Academy for managers, with the aim stated in our Turnaround Plan to support 500 managers by the end of 2024. During the year, we launched 20 Inspire Leadership Programme modules and 509 colleagues have benefitted from the programme, which uses mixed learning to cover both the management and people aspects of managerial roles.

Our apprenticeship programme supporting 36 new apprentices since September 2023, including 15 Mechanical, Operational and Electrical technicians as well as six Instrumentation, Control and Automation (ICA) technicians. We actively recruit for external apprentices and provide opportunities for internal apprentices too. During the year, we have had 110 apprenticeships running at various stages of the process.





**Read our detailed annual reports
and plans for the future:**

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