



FOR EVERYONE:
Our customer
inclusivity strategy
2023-30

NORTHUMBRIAN
WATER *living water*

ESSEX & SUFFOLK
WATER *living water*

Introduction

I am pleased to introduce you to our updated inclusivity strategy.

Our Purpose is caring for the essential needs of our communities and environment, now and for generations to come.

We do this by providing reliable and affordable water and wastewater services for our customers. We make a positive difference by operating efficiently and investing prudently, to maintain a sustainable and resilient business.

Our customers have a wide range of backgrounds and characteristics – and our goal is to provide an unrivalled customer experience for each of them, whatever their needs.

Since we first set out this strategy, two major events have highlighted the challenge and importance of meeting it.

The Covid-19 pandemic, which began in 2020, affected almost every aspect of life but impacted our customers differently. As a result, it became essential for us to understand customers' circumstances to serve them effectively.

The cost-of-living crisis, exacerbated by the impact of Russia's invasion of Ukraine in 2022, brought into stark reality the financial pressures experienced by many of our customers. This underlines the value of our ambitious goal to eliminate water poverty in our operating areas.

Our customer priorities include showing each person that they matter and that we focus on what is important to them. Through these fresh challenges, we remain committed to delivering that for each of our customers.

This strategy sets out the actions that will make this happen. The scale of this task requires everyone across our business to take personal responsibility for delivering on it, and we are determined to do so.

Heidi Mottram CBE

Chief Executive



The challenge

Our customers are at the heart of everything we do, and now more than ever, we need to be able to tailor our services to deliver unrivalled experiences that meet their diverse needs.

Since 2018, when we launched our Inclusivity Strategy, there have been unprecedented changes, with Covid-19 and the cost-of-living crisis changing how people live and work, and so also changing their needs and expectations.

These changes have affected our customers in many ways, changing their day-to-day lives. For some, that means reduced household income, rising costs, and impacts on health and well-being as well as how they choose to engage, work and thrive in society.

Our challenge is to continue building and widening our awareness and understanding of our customers' constantly changing needs to make sure we deliver the right service at the right time in the right way for them to find it valuable. In the pages that follow, we share our ambition for the coming years, some of the great things we've already done, and some of what we're setting out to do so we make a tangible difference for our customers when they may need us most.



Our research

We have drawn on our dedicated research alongside learning from our partners to gain a deeper understanding of our customers and the challenges we must overcome.

The impact of Covid-19 and the cost-of-living crisis has impacted many customers' financial positions. As of March 2023, 15.27% of our customers are in water poverty. We currently define water poverty as households paying more than 3% of their income after housing costs, on their water bill.

Around half of our customers will likely face at least one situation that could lead them to experience circumstances where we could help by tailoring our service. These situations are often short-term and linked to life changes. Having options at these challenging times is so important to customers to feel they are in control – personalising these options and ensuring they are tailored to changing needs is critical to our services adding value to their lives.

We use external data to understand our customers and target support. For example, we have mapped the postcodes we serve against the Indices of Multiple Deprivation to understand which neighbourhoods are most deprived nationally. This covers combined metrics relating to income, educational attainment, health and disability, risk of being a victim of crime, access to housing and the quality of the local environment.

Customers are not always comfortable sharing their circumstances – Information Commissioner's Office research in 2022 found that just 9% of participants had shared personal information about a vulnerability or personal circumstances with an organisation to receive better support. We must make it easy and be welcoming and provide a safe space.

Accessing our support services via a trusted third-party organisation or charity works well for some customers. For example, we have partnered with StepChange Debt Charity, the UK's most trusted provider of free debt advice and the Money Advice Trust to signpost each other's services and support.

There is a barrier for some customers in accessing support because of literacy, numeracy and being uncomfortable with technology, meaning that whilst delivering more digital services is desired by many, retaining telephone, written and face-to-face contact methods is essential for us to be inclusive.

Our tracking research with customers on our Priority Services Register or receiving financial support tells us that customers receiving non-financial support have similar levels of satisfaction to customers in general. In contrast, customers receiving financial support demonstrate much higher satisfaction levels.

Customers who might benefit the most from the extra support we provide are usually the most difficult to reach; we need to work harder to make these customers aware of the available help.

No single approach will work for all customers. Instead we will further enhance tailored communications for each type of circumstance, with room for personalisation within these approaches. Hyper-personalisation of our messages will enable us to proactively communicate and offer timely support when it can bring customers the greatest value.

For customers who need extra help and support, it is really important to use simple and clear language in our communications, select images they can relate to, and steer away from jargon.

Our research (cont'd)

Awareness and perceptions

	NW 2022	NW 2021	ESW 2022	ESW 2021
Agree their water and wastewater charges are affordable	85%	81%	78%	77%
Agree that charges are fair	76%	71%	73%	65%
Likely to contact company if worried about paying bill	71%	68%	70%	67%
Aware of WaterSure	9%	11%	14%	17%
Aware of the Priority Services Register	44%	51%	45%	45%
Aware of other schemes offered which provide lower charges to help customers who struggle to afford their bills	38%	34%	35%	39%
Aware that we offer free fitting of water meters (unmeasured customers only)	68%	67%	57%	63%
Aware of option to go back to rateable value charge within 24 months	22%	23%	19%	24%



Building on strong foundations

The approach of our inclusivity strategy is to build on the range of support already in place and tailor or personalise it to have real impact.

Being bold in our ambition to end water poverty and create unrivalled experiences for our customers means we want to be clear on how we can support our customers as well as how they can easily access that support.

To meet our customers' needs, our services need to be intuitive and relevant in our customers' ever-changing lives. We need to constantly be aware of evolving challenges and be able to personalise our offerings to individual circumstances.

This strategy centres on developing these tailored options from our established strong range of support measures and implementing new assistance where gaps are identified.

We already support our customers in vulnerable circumstances in the following ways:

- **Living with autism:** Carrying out works can be noisy and disruptive, where pre-planned we will give advanced notice so that customers can be prepared.



- **Cognitive impairment including dyslexia and dementia:** We can send bills to a trusted friend or family member or call to talk through the bill.



- **Mobility:** We can make arrangements to deliver bottled water where there is an extended interruption to supply and provide support if access to a property is affected during works.



- **Living alone:** Protect homes from scammers and bogus callers. We can set passwords so customers know it's really us.



- **Bills in a different format:** We can send bills and letters in large print, Braille and audio CD. We also offer Text Relay and British Sign Language video translation.



- **Nominate someone to manage an account:** A carer, relative or family member can be nominated speak to us or receive bills and letters on a customer's behalf.



- **English not first language?** We can provide a telephone interpreter and our website can be translated using our accessibility and language tool, Recite Me.



- **Need to use more water because of a medical condition or large family and receive income-related benefits?** We can cap customers metered charges, if they need to use more water than the average household, for reasons that can't be helped.



Building on strong foundations (cont'd)

We offer a range of support to customers who are going through financial hardship. In addition to offering direct support, we work closely with charities and other organisations that can point our customers in the right direction for help. This can include debt advice, checking that they receive all the benefits they are entitled to or wider personal support with services such as Age UK.

The support we offer includes:

- **Flexible payment plan:** We can help customers set up a payment plan with payments they can afford.
- **Low-income discount:** If households have a low income, or customers receive Pension Credit we may be able to offer up to 50% off water bills.
- **Reduced bill:** If there isn't enough money coming in to cover the most important bills, we may be able to lower payments by up to 50%.

- **Bill cap scheme – WaterSure:** We may be able to cap water bills if a customer has a water meter and receives income-related benefits.
- **Payment breaks:** We can offer payment breaks to help manage unexpected changes such as the loss of a job or unexpected changes in income.
- **Benefit checker:** We can check to see if customers are receiving all the benefits they're entitled to.
- **Debt support:** We can refer customers to free debt advice and support organisations to help manage debts.
- **Water Direct – using benefit payments:** Water Direct helps pay bills directly from benefits.
- **Money and mental health advice:** We offer advice and support to customers feeling stressed and anxious about money.



Co-creating this strategy

In developing this strategy we have involved customers who face financial, mobility and communication barriers, among others. We heard first-hand about what they consider to be unrivalled customer service.



External research and guidance

The Consumer Council for Water (CCW) is the independent voice for water consumers in England and Wales. Every year, CCW conducts research to track household customers' views on the services they receive from water companies. The 2021 report found that while a high proportion of customers would benefit from extra support, their awareness of it was low. Clearly, there is more we can do to promote the help we can offer.

CCW also conducted an affordability review (Independent Review of Water Affordability One-Year on) and made recommendations to water companies and regulators. This report highlighted our successful bid to Ofwat's Innovation Fund for our "Support for All" project, a cross-sector data sharing project, as an example of good practice.

We have already implemented most of the advice and are working towards implementing the rest.

For example, we have:

- Reduced the bill cap for our WaterSure scheme from the average metered household bill (instead of the overall average bill, which included metered and unmetered).
- Amended our websites to simplify and align wording.
- Added more information about how customers can access support and what support is available.
- Engaged with CCW to identify barriers to some of its recommendations and where the government and others could make changes.

Customer co-creation

We want customers to be at the heart of every decision we make. As we have developed our long-term strategy to 2050 and our Business Plan for 2025-30, we have made sure a quarter of the customers involved have been those who might benefit from extra support.

Water Forum challenge

Our Water Forum, which scrutinises our approach and challenges our plans, includes community and voluntary sector experts.

We have engaged with Water Forum members to make sure our plans reflect customer priorities, and they have provided valuable **guidance and feedback**.

Customer priorities

We constantly talk to our customers to understand not only what they think, but what matters to them and what doesn't. As well as talking about the services we deliver, we also talk to our customers about how they want us to deliver them.

We take time to understand what our customers want and expect from their water and wastewater company. We invest effort and resources into carefully reviewing what they tell us. Our customers have shared with us their priorities for unrivalled customer experience. We have taken all their feedback and developed six customer priorities - these are our golden threads and they form 'what' we need to do to be successful in our customers' eyes.



Our Six Customer Priorities are:

Build it around me



Your services are accessible, easy to use and are available around the clock.

- We embrace diversity and support the individual needs of all our customers, always.
- Our channels are built around our customers' needs enabling them to choose how they engage with us, and when.
- We offer high-quality, accredited customer experience training to all colleagues and partners.
- Our leaders are 100% committed to providing the best experiences, driving our 'right first time, fast time, every time' culture.
- Understand the barriers for customers in vulnerable circumstances face, ensuring tailored options are always available and accessible.

Earn the trust of my community



I trust you to provide us with the services we need in a sustainable and ethical way.

- We look after the environment and our local communities for now and the future.
- Social value is important to us, we invest in local supply chain, work with key stakeholders, and leave positive legacies.
- We invest in our beaches, bathing waters and rivers and ensure thriving spaces in our communities.
- We're building an exceptional workplace culture, delivering a Great Place to Work for all colleagues.
- We regularly engage diverse customer groups to build trust and understanding of community needs.

Make it easy



I enjoy interacting with you because you make it nice, simple and fast for me.

- We embrace diversity and support the individual needs of all our customers, always.
- Our channels are built around our customers' needs enabling them to choose how they engage with us, and when.
- We offer high-quality, accredited customer experience training to all colleagues and partners.
- Our leaders are 100% committed to providing the best experiences, driving our 'right first time, fast time, every time' culture.
- Understand the barriers for customers in vulnerable circumstances face, ensuring tailored options are always available and accessible.

Keep your promises



I can count on you to always do what you say you'll do.

- Training colleagues to connect with our customers is a top priority for us.
- We do what we say we will, when we say we will, every time, as we strive for a consistent right first time culture.
- We benchmark our performance against best in class, not just our own industry, to make sure we keep up with changing expectations and stay on top of promises.
- We measure and learn from customer feedback and sentiment to make sure we drive positive experiences that are effortless and easy to access.
- We horizon scan to find new and innovative ways to be creative and do more of what matters most to customers.

Our Six Customer Priorities are: (cont'd)

Own my problems



When things go wrong, you get to the bottom of it and put it right straight away. You know how to say sorry.

- We're focused on improving our customers' experiences and reducing complaints, if we don't get things right first time, we'll say sorry and put them right quickly and fairly.
- We invest in our people and their skills so they show emotional intelligence and resilience and can problem solve for our customers.
- Our people thrive on finding ways to innovate, and to make sure we always have our customers at the heart of what we do and how we deliver our services.
- We find ways to inform our customers about channels and services useful to them, gently nudging towards the simplest and best solutions.
- We measure what caused pain points and we use our toolkits and experience to re-design journeys engineering out failure.

Show me that I matter



You show me you know what matters to me and you focus on that.

- Our tone of voice is always friendly and inclusive, and we pride ourselves on being 'a good neighbour' in what we do and how we do it.
- We give our people all the tools and time they need to deliver great customer service every time and we seek feedback so we can continually improve.
- We research and engage with our customers continually, ensuring that their voice and feedback influences our business decisions.
- We personalise as much as we can so we really focus on what our customers tell us is important to them, tailoring our services and engagements.
- We measure the things that matter most, know what success looks like, and keep building from it to be even better.



Our Pillars of Customer Experience Excellence

Six Pillars

To enable our performance against the Six Customer Priorities, we've also invested in finding the right proprietary model – tried and tested in many of the best-performing companies worldwide – to show 'how' we make that happen.

We've worked with KPMG Nunwood over a number of years to understand their model – the Six Pillars of Customer Experience Excellence – and to embed it into our training, our thinking and our ways of working. It provides the 'how' to our customers' stated 'what' and provides great practical tools for our people to use in making our experiences unrivalled.

Six pillars of customer experience excellence*

Each pillar builds on the other to create world class experiences.

They show **how** we must focus our energies and efforts to provide unrivalled experiences every time.



Integrity

Being trustworthy and engendering trust.



Resolution

Turning a poor experience into a great one.



Expectations

Managing, meeting and exceeding customer expectations.



Time and effort

Minimising customer effort and creating frictionless processes.



Personalisation

Using individualised attention to drive an emotional connection.



Empathy

Achieving an understanding of the customer's circumstances to drive deep rapport.

Innovation and ambition

Our ambition is to make a difference for our customers and to help change their lives. In our view there is no reason why, in the 21st century, customers should be in a position where a water bill is unaffordable.



Ambition

Our goal is to eradicate water poverty in our operating areas by 2030. Water and sewerage services should be affordable for all our customers, whatever their circumstances. We want to exceed all industry and regulatory expectations, so that given the choice customers would choose us every time.

The essential nature of our services means that keeping bills affordable is extremely important. If water bills are not affordable or perceived as affordable, this can damage customer and stakeholder trust in our communities. While this means making sure overall bills represent good value for money, we also must pay particular attention to those customers who find it most difficult to pay. Water and sewerage services should be affordable for all our customers – and everyone should have equal access to an unrivalled customer experience.

Northumbrian Water customers have one of the lowest average bills of any combined water and wastewater company in England and Wales, and bills are currently 5% lower than four years ago.

Essex & Suffolk Water bills are currently 1% higher than four years ago. While these are the second highest for any water-only company, we have delivered one of the lowest bill increases across all companies.

In 2018 we published our Inclusivity Strategy, which set out how we would achieve these goals. Since then, we have developed our zero water poverty action plan, a sophisticated, ongoing and wide-ranging plan of initiatives between now and 2030 to move around 400,000 customers out of water poverty.

Through increasing awareness, implementing data-sharing arrangements, and building strategic partnerships with national and local stakeholders, we have successfully grown the benefit we provided to our customers. We now support 107,863 customers with a reduced or capped bill.

We have reduced the percentage of customers spending more than 3% of their income on bills from 22% in 2019-20 to 15.27% in 2022-23. We now have nearly 9% of households registered for our Priority Services Register from around 1% in 2020-21 who will receive a tailored experience.

The water sector, under guidance from Ofwat (the economic regulator of the water sector in England and Wales), is currently preparing its longer-term plans as part of a five-yearly 'price review' which will cover the period 2025-30. Our approach to supporting customers with financial and non-financial vulnerability will, now more than ever, play a key part in our approach. Within these plans, we are committed to delivering a plan that demonstrates our ambition at scale for all customers.



Our areas of focus for inclusivity

This section provides more information about the steps we will take to deliver our Inclusivity Strategy. Each of the nine areas listed builds on our customers' priorities and will form the basis of our action plans.



1 Water poverty

Why it's important

Improving our customers' ability to afford our services is one of the most important ways we can help them. Despite serving areas with some of the highest levels of deprivation and lower-than-average household incomes, we were the first company to set an ambitious goal to eliminate water poverty in our regions by 2030. This goal formed a significant commitment to our Inclusivity Strategy and has influenced wider national debates about the scope and opportunity for a national social tariff.

What we've done

When we first set our water poverty target, we had an estimated 22% of our customer base in water poverty, equating to 380,000 households. We set out to reduce this number to 140,000 households by 2025.

We planned to use a range of initiatives such as bill reduction, maximising household incomes, water efficiency, metering, and social tariffs to help reduce costs for those least able to afford them.

We are pleased with our progress so far, however some of our initial gains relating to our 2020-25 Business Plan bill reduction

have subsequently been eroded away with higher than expected inflation rates.

We anticipated smart metering would help move 59,000 customers out of water poverty through using less water. However, following supply-chain issues and further challenges resulting from the global micro-chip shortage, the programme has made less progress than expected. Therefore, we have seen less benefit than we anticipated. The water industry's approach to affordability issues has evolved over many years. In 2021, an independent review of water affordability conducted by CCW identified that many households, despite existing support measures, continued to be charged more than 5% of their disposable income on water and sewerage charges.

Our plan for 2025-30

We plan to remove approximately half of these households, some 300,000, from water poverty through a social tariff scheme at 5%. In addition, we forecast that our company-funded scheme will benefit 25,000 households by the end of 2030.

Aligning our plans and support packages for addressing water poverty at 5% in line with the newly established industry measure of water poverty will help to create a greater consistency of support between

companies making it easier for customers to understand when they can get help. We understand that this creates a gap for customers we are currently supporting at the 3% water poverty level. Our analysis indicates that the typical customer in this gap will have low income and we are introducing a shareholder backed hardship fund which we will use to continue to support those we are already supporting where they do not meet the 5% water poverty definition.

Maintaining our commitment to eradicate water poverty at 3% will leave us with a gap in the region of 117,000 households. We will work to minimise any negative impact through further innovations, driving efficiency, providing holistic support, and exploring alternative funding sources. Closing this gap will require additional funding of £7m per year.

Our plan will see us supporting an additional 265,000 households since the start of 2020. This will have reduced water poverty in our operating areas from 19% to 0%. From 2025, we will introduce our new Financial Hardship fund – with a £20m contribution from our shareholders over the next five years. This is new support from our shareholders in addition to current commitments. Doing more for people who are struggling, in turn, supports the overall affordability of our plan for 2025-30.

During 2022/23, the number of customers benefitting from financial support through our SupportPlus tariff increased by 27,780.

Our company-funded tariff also increased this year, which means we now have 13,777 customers benefitting from bill reductions of up to 50%.

1 Water poverty (cont'd)

Water Poverty Unit

Building on the excellent progress made on Fuel Poverty, this partnership funds research, political lobbying and tactical initiatives by the National Energy Action (NEA) alongside practical applications across all of our business activity.

This commitment – combining independent research, a focus on the customers in the most vulnerable circumstances and seeking to build a new way of thinking across all utilities – demonstrates the ambition of our plans to benefit customers, communities, our regions and the wider water sector.

With an emphasis on physically locating resources together in a way that fosters genuine and effective collaboration, we are funding this new Water Poverty Unit, to take on the challenge of bringing affordable water and affordable warmth to vulnerable and low-income householders.

This is a multi-year commitment that will not only allow us to understand what opportunities there are to help our customers in the most vulnerable circumstances, but also offer opportunities for the wider water, and utilities sector, to take on the challenges set by Ofwat and Ofgem. The Zero Water Poverty Unit will become a hub for national best practice on engagement with water industry customers and stakeholders on affordability matters, with open learning platforms and dissemination activities to make sure that the whole sector benefits from its work.

This partnership also allows for direct engagement with the All Party Parliamentary Group on Fuel Poverty and Energy Efficiency, which is chaired by Peter Aldous MP, from our [Essex/Suffolk] supply area and who launched the partnership in Parliament.

Over 190,000 customers have been positively impacted through bill reductions and support tariffs.



2 Innovative tariffs

Why it's important

Innovative water tariffs are important because they help us use water wisely, make sure we have enough water for the future, and manage water in a way that is good for the environment and society, even as our needs change over time. These tariffs encourage people and businesses to use water efficiently, plan for the future, and protect our water resources for generations to come.

What we've done

In 2021, in partnership with the NEA, we ran a design sprint involving 26 participants from 16 organisations to explore if water tariffs could be redesigned to address multiple challenges facing the water industry and their customers.

Recognising the ongoing work towards a single social tariff, this was not about providing additional support to those eligible for pre-existing affordability support but about identifying other needs and developing potential tariffs to meet those needs.

In addition, we are introducing a new water-saving smart meter tariff in 2023/24 to reward customers for positive environmental and water use behaviours to achieve a shift in attitudes and sustainable behaviour change.

Cross-subsidies must be recognised and supported by customers, and in 2020 we conducted robust customer research to test support for an increase in our cross-subsidy for social tariffs and to understand what level of subsidy they might be willing to bear.

Our plan for 2025-30

Tariff innovation is crucial for our longer-term approach to affordability. Ofwat has already opened discussions about tariff innovation in the context of supporting affordability. Our response detailed how we would be looking to support large households or people with limited control over water use due to household composition (for example, families with children or those with medical conditions).

We are looking for opportunities to use innovative tariffs to phase any negative impact of compulsory metering, which we will introduce in Essex & Suffolk only from 2025. This might include, for example, capping charges for high water users who

cannot effectively manage their usage, such as larger households or lower-income households with a medical need where benefits are not paid. These customers are not eligible for our WaterSure tariff that caps bills but would be vulnerable to a large bill increase. Our smart metering programme gives us an opportunity to offer digital customers more flexibility in payments, billing and tariffs and we are using our insights to tailor new tariff offerings.

We are keen to trial new tariffs and have engaged with the recent Ofwat consultation and workshops. For example, we will trial a water-saving tariff alongside our smart metering programme next year to reward customers who reduce their consumption.

We have also looked at innovative tariffs that could help customers save money, such as reducing standing charges to allow customers to reduce their bills where they were using less water.

We will complete annual engagement sessions with customers and partners to understand the opportunities to deliver tariffs that support our customers, with focus on horizon scanning and how we deliver tariffs that support our digitally excluded customers.

In 2021, in partnership with the NEA, we ran a design sprint involving 26 participants from 16 organisations.

We now have 13,777 customers benefitting from bill reductions of up to 50%.

We've seen a steady increase in our WaterSure numbers, which have increased to 17,298.

2 Innovative tariffs (cont'd)

Company Funded Tariffs and Pensioner Support

In February 2023, we launched an option for our customers to apply online for all our affordability tariffs using our Financial Assessment tool. This tool is provided by Policy In Practice, who are experts in benefit entitlement. We had been hosting this service for customers to check eligibility for government benefits already.

Our previous application approach involved customers having to send us proof of their household income which included bank and benefit statements, so this caused a barrier for customers to apply and high customer effort.

Working with Policy In Practice, we enhanced the service and built in all the eligibility criteria for customers to provide them a one stop shop option to check if they are eligible for a discount and any additional government benefits at one time.

The tool:

- Gives instant answer on eligibility for a discount.
- Compares an unmetered bill with how much a metered bill would cost, based on number of occupiers.
- Provides a link to apply for other government benefits they are eligible for.
- Prompts customers to complete an income and expenditure form to see if they would be eligible for a reduced bill, as they don't have enough money to cover essential if not eligible for low-income discount.

It only takes around ten minutes to complete the form and customers have an instant answer. For any customers who are unable to complete themselves, we can complete this over the phone to make sure everyone has access to the enhanced information.

So far more than 6,000 customers have used the solution and we now understand their household situation and provide them tailored support to improve their financial position.

Case Study

Helping customers check eligibility for government benefits



We plan to remove **300,000** from water poverty through a social tariff at 5% by 2030.

3 Customer and stakeholder participation

Why it's important

We want customers to be at the heart of everything we do, and every decision we make. High quality customer engagement is critical to empower customers and make sure that their voice is heard by everyone involved in developing our long-term strategy and Business Plan for 2025-30. Engaging informed stakeholders, who have expertise on the detail of policy issues or into customer groups, helps us better understand the impact of our actions and decisions.

What we've done

We already ask customers as well as employees and stakeholders to participate in designing and renewing our services and policies.

We are developing a deeper understanding of our customers and using innovative segmentation to reach specific groups. We already include customers who need extra support in all of the customer engagement and participation that we currently carry out so we can understand different perspectives.

At the 2022 Innovation Festival working with wide-ranging customers, stakeholders, and colleagues, highlighted the need for a universally inclusive design for all our customer journeys. As we identified that customers' situations are fluid and therefore their experiences need to accommodate changes frequently.

Our work includes developing relationships with specialist partners to help better understand physical challenges, mental well-being, financial hardship and life in rural communities.

Current activity:

- Regular stakeholder testing of views on affordability and inclusivity.
- Dedicated task group work from Water Forum (our independent challenge group) on affordability and inclusivity.
- Universal design of all new business customer journeys and processes.
- Engagement with external awareness campaigns, such as Talk Money Week.

Our customers are at the heart of everything we do.

Customers should be able to tell us about things that matter to them, in the way they want to talk to us.

At least 25% of our research participants are those who are in circumstances where they may be considered or consider themselves vulnerable.

We measure satisfaction of customers in vulnerable circumstances with the support provided both financial and non financial.

3 Customer and stakeholder participation (cont'd)

Our plan for 2025-30

We will continue to invest in our communities through initiatives like “Just an Hour,” encouraging employees to give back to causes they care about.

We will organise annual events that bring together local and regional organisations, building stronger relationships with them and increasing awareness of the support we can offer.

Customers are at the heart of our planning and decision-making processes. We value their input and design services based on their needs and preferences.

By aligning customer engagement with our work, we have made sure our Business Plan reflects the right outcomes at the right time, meeting customer expectations.

For example, together with our innovation network, we’re developing low-carbon, water-efficient homes, testing these out with real customers with the goal of lowering energy and water costs.

We will also continue to engage with customers on a large scale, offering valuable services like lead pipe replacement, water efficiency advice, and financial support as needed.

We’re committed to making a positive impact on our communities, engaging customers in our journey, and pioneering sustainable solutions for a brighter future.



4 Expand our strategic partnerships and nurture regional and local relationships

Why it's important

Partnerships are key to successful outcomes for those most in need. In 2025-30, we will continue to build a strong network that is alive to our customers' needs and reaches the households and individuals who will benefit most from our support and services. We will work with trusted advice agencies, such as Citizens Advice, and voluntary organisations that support our customers, promote our services and refer customers to trusted organisations for additional support.

What we've done

We are an active member of Norfolk Governance Network, PAN Northern Collaboration and Utilities Together, which bring together expertise across industries to share best practice and do combined initiatives to have the optimum customer reach.

We committed to a five-year partnership from 2020 to 2025 with the charity National Energy Action to fund their Water Poverty Unit, a hub for research and sharing national best on affordability, from which the whole sector benefits.

Increased engagement and applications for Priority Services by working in partnership with Age UK North Tyneside.

Following an idea from our Innovation Festival, we completed a six-week trial working with Believe Housing in the North East. Believe is a social housing provider in County Durham with more than 18,000 homes. During the trial, we co-located employees in Believe's offices, also working with the local authority and Money and Pension Service to offer a one-stop support service covering water, housing, council tax and money/debt advice. This initiative delivered fantastic customer outcomes in providing rounded support to those in need.

Internally, we have introduced training on inclusivity in partnership with the Money Advice Trust to help identify customers in situations where we can offer further support.

Partnerships are key to successful outcomes for those most in need.

We committed to a five-year partnership with the charity National Energy Action to fund their Water Poverty Unit, a hub for research and sharing national best on affordability, from which the whole sector benefits.

We were the first company to partner with StepChange, a leading UK debt charity.

4 Expand our strategic partnerships and nurture regional and local relationships (cont'd)

Our plan for 2025-30

We will further develop our support for customers by expanding our strategic regional and community partnerships: We already partner with StepChange Debt Charity, which offers free, independent debt advice to help customers manage their budgets. In addition, StepChange refers customers to us, advising them to apply for our affordability schemes. Our customers' feedback on this service has been very positive, with many customers being provided with a route out of debt.

We will also:

- Extend our commitment to fund the industry-leading water poverty unit with the NEA to continue to learn lessons from its great efforts to eradicate fuel poverty and to understand how we can work together to benefit water and energy consumers.
- Build strong community partnerships in Essex and Suffolk linked to our smart metering roll-out. As part of this, we will look to partner with a discount provider to offer a range of shopping discounts which help customers' money go further.
- Build on a trial that saw our people working in the same office as Believe Housing, to offer a more holistic customer support experience, to develop a 'one-stop shop' approach to support housing providers and other partners.
- Expand our partnerships, for example, we have already worked with Gateshead Council and Citizens Advice Gateshead to support their warm spaces initiative over the winter months. In addition, we're committed to making donations to help offset the additional costs for water use incurred by the smaller organisations offering these services.
- Work with TransUnion to give our customers access to their credit information which will drive awareness, share insight, and provide education and alerts to support them in taking steps to improve their credit score and overall financial well-being.
- As set out in Waterwise's Water Efficiency Strategy 2030, reducing household water consumption plays an integral role in reducing carbon emissions and achieving Net Zero. Heating water (excluding space heating) accounts for 17% of household energy use. This means that households reducing hot water use can also save money on their water bills. We also know that around 4-5% of UK greenhouse gas emissions come from how we use water in our homes. It's therefore crucial that water efficiency measures are included in future national energy efficiency retrofit programmes. We're leading the Task & Finishing Group responsible for delivering Waterwise's strategic objective to include water efficiency measures in building retrofit programmes, including achieving net zero.
- Continually review customer feedback, and the levels of engagement and support provided in each area. Using demographics to identify gaps in our support which we can improve on.



5 Building awareness of our help

Why it's important

There is a significant challenge across the sector to raise awareness and take-up of financial and non-financial support. Identifying customers who are most likely to need help and, more importantly, engaging with them can be challenging.

The socio-economic challenges in our operating area mean the need for priority services to support customers is more significant than in many other regions in England and Wales.

North East income and health:

- Over 40% of the population lives in households with an income of less than £20k. More than 25% of the households are socially rented, and households containing lone parents occur more in the North East than in Great Britain.
- The highest health care needs in the UK, in part due to higher levels of chronic pain, alcohol problems, COPD and cardiovascular disease.

Essex income and health:

- More than 123,000 people in Essex, including 40,000 children, live in areas that are in the 20% most deprived of the whole UK.
- Essex is also home to a growing gap between the most and least deprived districts.

Suffolk income and health:

- Several areas have the highest deprivation levels in the country, with levels higher than any in the North East.
- There is above average representation of health care needs such as arthritis, high blood pressure and heart attack.

This is why we place particular emphasis on delivering effective customer assistance schemes. In addition, we must continue to work to identify and engage with customers in vulnerable circumstances and improve the breadth and uptake of support we offer. Responding to these local and national challenges both now and in the future will be vital in building and maintaining trust with our customers.

Some customers may not seek help because they are wary of sharing their personal information or through pride or fear. These customers may prefer to make sacrifices, such as going without heating or food, rather than failing to pay their water bill.

Customers may also not realise the impact a change of circumstances, such as illness, bereavement or job loss, can have.

As a result, they may refuse support if it is not promoted correctly, and no single approach to services or communication will be successful with all customers.

Where we cannot help further, customers tell us they would like us to signpost them to other sources of local help, such as charities and organisations that provide grants. We will seek to partner with these organisations to support as many as possible.



4/10 households in the poorest fifth of the population do not receive the benefits they are entitled to, leaving them without additional support.

5 Building awareness of our help (cont'd)

What we've done

To raise awareness of our different Priority Services and to encourage sign ups to our Register (PSR), we've proactively contacted customers using more than two million targeted email communications and social media campaigns. Such targeted and timely emails achieve high open rates and generate high traffic to the relevant pages of our websites. In addition, we have enhanced our social media messaging, focusing on situational rather than service-based narratives to target and offer support to different customers group.

Using our PSR digital twin dashboard, which details internal and external information about demographics, sign-ups to tariffs and PSR information to help us understand our customers better, we have been able to prioritise which segments to target who may need additional non-financial support. For example, segmenting pensioners, homes with young children, people with health problems and households with an income below £17,005. We've created a messaging matrix from this information by identifying their needs rather than using generic messaging.

We've created a suite of digital adverts using these messages promoted online on websites and social media and using keywords targeted on Google. We also continue our outdoor advertising for "Just Add Water" which will support these messages for customers who are not online.

We've been using recent incidents and topical situations as a proactive opportunity to encourage customers to update their contact details with us, sign up for PSR, and promote online accounts (through email marketing and our social media channels). For example, more than 2,700 people signed up for in one week following our communications about storms Eunice and Dudley.

Building on existing data-sharing arrangements with UK Power Networks, we are working with Cadent Gas, UK Power Networks, Northern Powergrid, Northern Gas Networks, as well as with other water companies, to identify the best way to share information about those who need extra support.

After successfully bidding for funding to Ofwat's Innovation Fund, the "Support for All" project seeks to design and build a hub to host this data, sharing Priority Service Registers between companies and saving customers from having to update their details more than once. Once this is working regionally, we would like to develop this into a national platform to benefit society.

Since the pandemic our external communications has been focused on supporting customers in vulnerable circumstances. We have often linked with external campaigns such as Debt Awareness Week, the Money and Pensions Service (MaPS) Talk Money Week, or our money-saving tariffs to Black Friday deals to reach a different audience who may not think these schemes are relevant for them.



5 Building awareness of our help (cont'd)

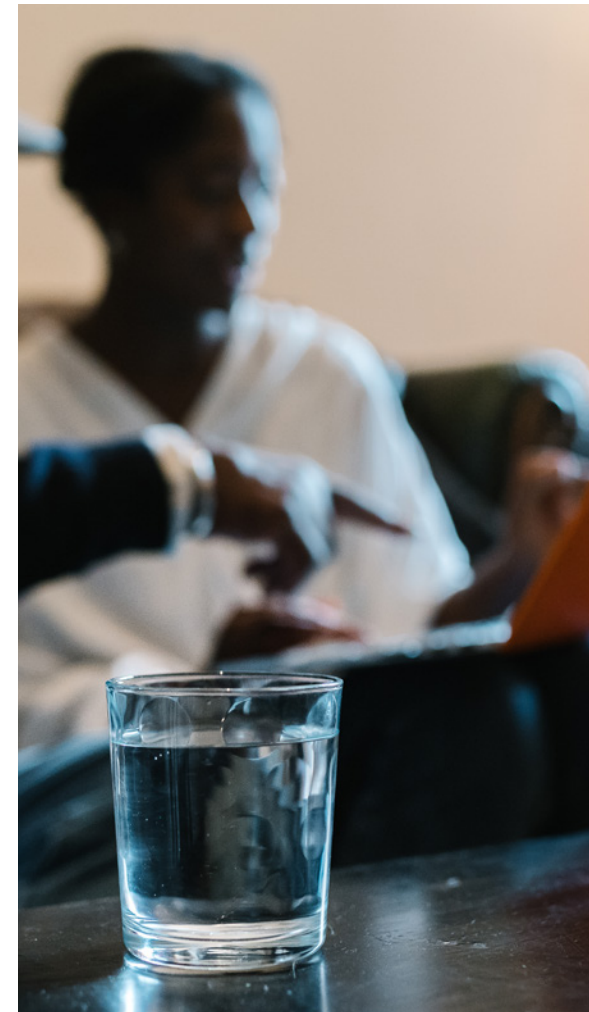
Our plan for 2025-30

We will enhance our targeted communications campaigns for each circumstance, by adding personalisation within these approaches. Correctly understanding customers' needs and diverse circumstances is critical to success. For customers needing extra help and support, we use straightforward language in our communications and avoid jargon.

To assist with this, we will integrate our financial and non-financial support services and customer records to make sure we can provide a clear and combined service package to customers. Combining these two data sets will enable us to better target and personalise our messages to make sure they are more relevant and have the greatest impact. Hyper-personalisation of our messages will enable us to proactively communicate and offer timely support when it can bring customers the greatest value.

We have made significant strides to enhance our local and strategic partnerships, and key initiatives for 2025-30 that will further build upon this include:

- Rebranding our inclusivity messaging following customer research. This will see our communications evolve from personas we used in developing our Water Without the Worry campaign to more relevant and accessible profiles.
- We're expanding our inclusivity training for all employees and partners working on our behalf. To make every customer contact count, we need everyone they are in contact with to be able to understand the wide range of support we have available. The training provides tips and tools to identify vulnerable circumstances and how we can tailor support to fit.
- We have developed an integrated approach where meter installers are specifically trained to give a rounded customer experience at an individual level based on their specific needs. Smart meter installers can talk to people about personal circumstances, at the time of installing the meter. This successful approach will now be rolled out across all meter services.
- 'Smart Cookies' is a development opportunity for employees across the company in all departments to learn about smart metering and become ambassadors. They will then be able to advise customers based on real time data and personalised information, improving customer service.
- We will integrate our general marketing communication campaigns to better highlight the financial and non-financial services we offer, personalised and tailored to customers unique circumstances.
- We will work with partners and stakeholders to share key messages across all available channels to make sure we have maximum exposure and reach.
- We will work to support customer adoption and education of digital tools and we will offer alternative routes of communication where social media and digital tools are unavailable. This may include having a greater presence in local communities where there is higher levels of digital deprivation.



5 Building awareness of our help (cont'd)

Age UK North Tyneside

Working in partnership builds trust with our customers; joint communications sent with Age UK North Tyneside has seen increased engagement and applications for Priority Services (PSR).

By using our data to target elderly customers in North Tyneside, we have written to customers to promote the vast array of support which Age UK provide and also detail the tariffs and support we can offer.

This approach has brought 4,500 new customers to our PSR and can add approximately 60,000 additional properties to the PSR if extended.

This has led to additional partnership work with Age UK North Tyneside, including sharing data to help them understand the journey to Net Zero for elderly customers.

Sonya Roe, Business Development & Marketing Manager at Age UK North Tyneside, said:

“We appreciate that working with trusted partners helps us to reach more customers and share messages about the services we can provide to them. We were delighted to be approached by Northumbrian Water to help build confidence in the benefits of Priority Services Register and signpost to our own range of services. We very much look forward to working together in the future to bring benefit to our mutual customers.”



6 Inclusivity awareness for all employees

Why it's important

It is vital that our employees have awareness of the broad range of needs of our diverse customers and have tools to support where appropriate or further signpost them to additional support services. Key to this is delivering our Inclusivity Awareness training across our organisation.

What we've done

Our online Inclusivity Awareness training has already been completed by over 300 of our frontline teams to give them the tools to identify customers in situations where we can offer further support.

This training programme will be reinforced with coaching and best practice assessments. We will run a detailed internal awareness campaign for all employees about the different types of circumstances customers may be in where we should offer extra help and support. On an ongoing basis we always encourage employees to contribute their ideas to improve services for customers and will highlight examples of good practice.

We are extending our training programme to our delivery partners who deliver capital programmes and large-scale works on our behalf. Our aim is for every contact our customers have with us or our partners will have the same experience around identifying vulnerable circumstances and signposting for additional support.

Our plan for 2025-30

We will:

- Create an enhanced inclusivity training package for employees co-designed with Northern Gas Networks and the National Energy Action group.
- Refine our affordability training to provide tailored communications and solutions.
- Work with the Alzheimer's Society to become a Dementia Friends company.
- Support colleagues in our field teams with full information of customers' needs and provide them with the tools to enable easy sign up to our support schemes.
- Host regular diversity and inclusion sessions that are open to all employees.

- Provide in-depth training for recruiting managers around diversity and inclusion.
- Inform our teams to develop an enhanced understanding of the different characteristics and needs and a toolkit of resources they can share with customers, friends and family
- Use diversity and inclusion networks to increase external engagement.

Our online Inclusivity Awareness training has already been completed by over 300 of our frontline teams.

We'll work with the Alzheimer's Society to become a Dementia Friends company.



We host regular diversity and inclusion sessions that are open to all employees.

7 Sharing customer data

Why it's important

Those needing support are often the very hardest to reach, and while increasing awareness of the support we offer is important, this alone will not be enough to make sure all eligible customers access these services. We are therefore also working with partners to explore all appropriate opportunities for data sharing.

What we've done

- Become an early adopter of data sharing with the Department for Work and Pensions (DWP) to help identify customers needing financial support.
- Worked with Norfolk County Council helping customers in arrears through the Government's Household Support Scheme and we are discussing data sharing and hardship support with a further six councils.
- Become an active member of Norfolk Governance Network, PAN Northern Collaboration, Utilities Together.

Our plan for 2025-30

Our plan will see a significant expansion of the breadth and depth of data sharing arrangements to make sure we can support as many customers as possible and provide better integration between our offerings for financial and non-financial support.

By 2030 we will have delivered the following improvements:

- Expansion of PSR data sharing for all regions.
- Data-sharing agreements with local authorities and housing providers in our operating areas and incorporated PSR in our scheduled agreements with local authorities.
- Arrangements to share data with trusted partner organisations, with customers' consent, so that customers who need extra support do not have to keep providing information to multiple organisations.

- 'Support For All' - a single online support hub to allow energy and water companies to share details of who is on their PSR. The ambition is for this to eventually lead to data being shared by utility providers to make it easier for customers in need of financial help to be identified and helped at an earlier stage.
- Expanded partnerships with the NHS.

Those needing support are often the very hardest to reach.

Data sharing with the DWP to move customers out of water poverty

In March 2021, we were an early adopter of data sharing with the Department for Work and Pensions (DWP) to help identify customers needing financial support. This Act allowed DWP and other authorities to share information with water companies to assist people living in water poverty to reduce their water bills, improve water efficiency, or improve their health or financial well-being.

We securely share customer data with the DWP, which matches it against its records to let us know if a customer receives certain benefits. This approach allows us to provide industry-leading proactive service to our customers, applying discounts to their water bills and moving them out of water poverty without needing them to take time and effort to apply to us. This has helped to increase the number of customers benefiting from WaterSure by more than 60% as of December 2022.

As a result, we now have four times as many pensioner households supported by a discounted bill compared to January 2022. We know pensioner households have heightened concerns about scams and often view support schemes as handouts. This proactive approach has overcome this barrier and provided customers with the discounts they are entitled to.

8 Being easy to access via channels of customers' choice

Why it's important

We aspire to be the world's most digital water company, making sure we keep pace with and drive positive change through technology enablement while ensuring that all our customers retain choice so they can contact us where, when, and how they need to.

We recognise that customers who need extra help often wish to use online channels because of personal sensitivities. We will enable this by systematically reviewing all customer journeys across our digital and non-digital estate, creating improved service and journey maps, and digitising touchpoints wherever possible.

Although levels of digital deprivation have been falling, there is a strong link between poverty and digital exclusion. We must continue to offer customers a range of accessible contact methods and support customer adoption of digital tools. For customers who prefer or require non-digital channels, we already use home visits to talk customers through the types of support we can provide, and a small number of customers visit our offices to seek help.

We know face-to-face conversations can be a useful way to make sure customers understand and can get access to the services we provide. We often use customer drop-in sessions and a team of Customer Heroes onboard Flo, our customer engagement vehicle, to reach customers across local communities and speak to them about how we can help. We will target communities where our help will make the biggest difference. We are investing in additional customer engagement vehicles for Essex and Suffolk to make sure we play a visible and active role in our local communities.

What we've done

We run sustained integrated communications campaigns to make sure internal messaging, external communications, digital and social media, marketing, and stakeholder engagement messages are consistently acknowledging the wider affordability challenges. For example, during Customer Service Week (October 2021) we relaunched 'Water Without the Worry' where we focused on promoting our support services and encouraging our customer service colleagues ('Water Without the Worry' Warriors) to use a specially designed social media tool kit to promote our services on their local social media groups.

In 2021 our integrated advertising campaign focused on the message "help with bills", and we communicated a wide range of free support, especially for those unexpectedly affected by the Covid-19 pandemic and people already having financial difficulties. We continue to provide our customers with guidance on how we can help make sure their water bills are more affordable. Using feedback from customers and their representatives, we have made changes to make finding the help they need on our website easier.

In addition we have:

- Used envelopes as well as bills to promote the wide range of support available because some people don't actually open their bills.
- Enhanced our messaging across all communications to make it relevant, for example, are you on Pension Credit or do you earn less than £17,005
- Updated and aligned our affordability scheme names following CCW customer research.
- Worked with a specialist language partner Mazaru to improve clarity of written communications including bills, promotions and reminder letters being issued to customers.

- Provided Recite Me, an accessibility toolbar, across all our website to allow for translation and tailoring for individual needs.
- Simplified online registration for PSR.
- Increased the number of face-to-face visits across all areas to provide affordability assessment support.
- Launched WhatsApp as a contact channel.
- Upgraded our communications system so that all contact channels are aligned and offering enhanced routing options.
- Achieved BSI Accreditation for a second year demonstrating our focus on providing excellent service to customers in vulnerable circumstances.

8 Being easy to access via channels of customers' choice (cont'd)

Our plan for 2025-30

As part of our smart metering implementation, we will support customers in moving to monthly electronic billing. This will help their understanding of the link between how much water they use and their bill and also mean new home movers will receive their first bills more quickly.

We will:

- Make our digital experiences more personal to the customer, highlighting information they need or would find useful at each point in the online journey.
- Use proactive notifications such as in-app and web notifications, including push notifications, in our mobile app and text messaging to flag changes in how much water they are using to alert them to possible increases in water use.
- Enhance our digital capabilities to offer our customers more flexibility and control of their payment plans. This will support customers with irregular incomes, such as those on zero-hours contracts, and customers requiring short-term budgeting flexibility.

- Make it easier for customers to get the help they need by creating an online tool that will allow customers to assess their eligibility and suitability for additional services such as affordability schemes, Priority Services, water metering and efficiency.
- Introduce an income verification tool to evaluate those suitable for a low-income discount, meaning that sending evidence for this discount type will no longer be required.
- Simplify online registration and access to our services and provide better options so all customers can manage their accounts and services online. This will make it easier for our customers and make sure they don't have to repeat information. For example, our technology can put contacts through to the same person the customer was previously in touch with. In addition, the investments we are making in new systems make it far easier for our advisors to see, at a glance, a customer's history and understand their circumstances.

- Build our understanding of customer behaviour on their use of our digital products through customer insight data and customer research to shape what we deliver in the future.
- Make sure all information is given at a relevant time, as well as consistent messaging across all platforms and channels of choice.

SETTLD

SETTLD is a free, simple, and secure "tell us once" end-of-life service we introduced in February 2022. It is the first time a water company in the UK has joined forces with a bereavement administration service to help ease the end-of-life admin stress for their customers.

The service allows next-of-kin to send us, and all other companies, a death notification by completing just one form. Once a next-of-kin has completed a SETTLD form, it updates customers on the closure or transfer of all accounts through digital notifications. This drives a faster resolution and removes effort and admin from the applicant, giving them more time to focus on what matters. In addition, SETTLD is rated an excellent 4.9/5 for customer satisfaction from its users.



9 Employee inclusion, diversity, and equity

Why it's important

Understanding the diversity in our business is key to helping us support colleagues and the communities we serve. Our ambitions include working towards a more diverse workforce, which reflects all customers throughout our regions and will improve what we do and how we do it.

For us, diversity helps our success and ability to innovate, with different people bringing skills and thinking to improve what we do and how we do it.

What we've done

In 2022 we launched our TIDE Strategy (TIDE: Together for Inclusion, Diversity and Equity), which outlines our commitment to a workforce representing the different cultures, backgrounds and viewpoints of the communities we serve.

We also started a new female health group to highlight support for various women's physical and mental health issues, including menopause, fertility, and women's safety.

We are proud to be named one of the UK's Best Workplace for Women, achieving a 19th place ranking in the Super Large Category, published by Great Place to Work UK. As the only water and sewerage company to feature, we are among 263 UK-based organisations recognised for creating a great workplace for all.

Working in partnership with other organisations will support us in achieving our TIDE ambitions. For example, we have been working with organisations that are leaders and experts in areas including gender, ethnicity, sexual orientation, disability, and social deprivation.



Our partners for the lifetime of this strategy are:

Women in Science and Engineering (WISE)	Gender
Business In the Community (BITC) Race Charter	Ethnicity
Stonewall Diversity Champion Programme	Sexual Orientation
Business Disability Forum (BDF)	Disability
Association for BAME Engineers (AFBEUK)	Gender/Ethnicity
Community Groups	Social Deprivation

9 Employee inclusion, diversity, and equity (cont'd)

Our plan for 2025-30

Community Engagement

We already have a wide-ranging community engagement strategy with teams and volunteers available for community events. We will further use that engagement to inform and support our TIDE targets. Additionally, we will use future census data to give us information on the broader picture of customer characteristics.

Community Information

Many of our 'minority' communities have groups and forums that we can tap into to offer advice and support. Some of these communities have traditionally been seen as 'hard to reach', and we will liaise with local councils in our operating areas to connect with community leads and representatives.

Customer Participation

We routinely use community and customer forums that provide an important structure for listening to the voices of our customers. It is vitally important that we make sure these environments are representative of our customers, and we will work hard to make sure the composition of these groups reflects the diverse communities we serve.

Recruitment

A deeper and broader connection in local communities will aid our TIDE recruitment targets. A greater profile in our minority communities will, in the long term, see NWG as an employer of choice as more customers become aware of all our services. We are connecting with schools, colleges, and universities to promote and expand our apprenticeship programme.

Our plan includes a full review of our job advertising to remove any perceived barriers around gender or ethnicity, so they are inclusive and open to everyone, with training for all recruiting managers to support on selection and how to adjust our approach to encourage diversity.

This will contribute to us being seen as more than just 'the water bill' in communities where our profile currently is no more than that.

Diversity and Inclusion

We have developed a gender diversity action plan to reduce the gap in gender pay and Diversity & Inclusion training will be included in our new Leader Management Development Programme for all new managers.



How will we know when we get there?

Our measures indicate progress on water poverty and the satisfaction of our customers who receive additional financial and non-financial support.

We also measure the overall perception of value for money. While this is a perception measure, it is the best way to assess views of whether the cost of our services for all our customers is appropriate.

We are confident in our ability to deliver our plans, and we give our commitment over the coming years to do so.

To support the delivery of our plans, we will closely monitor our progress on key metrics and report back regularly to our customers, the Water Forum, strategic partners, and stakeholders.

Key metrics we will use to measure progress include:

Every year we will:

- Provide an up-to-date and detailed assessment of water poverty within our operating areas to track progress in areas and demographics.

By 2030 we will:

- Increase awareness of our Priority Services to 65% and keep awareness at this level as a minimum.
- Contact 90% of households which have at least one individual registered on the PSR every two years to make sure they are still receiving the right support.
- Have over 250,000 customers registered for priority services.
- Provide diversity and inclusion training to 100% of new employees.

By 2035 we will:

- Achieve +63 Net Promoter Score (NPS) for customers who need extra help.



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WATER *living water*

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WATER *living water*