

How we’re delivering our purpose: greener

Key performance indicators

Our key performance indicators for building a greener North West are achievement of our Better Rivers commitments, our carbon pledges relating to renewable energy, green fleet, peatland restoration and woodland creation, and the Environment Agency’s Environmental Performance Assessment. We report on a selection of other environmental metrics of interest to stakeholders on page 72.

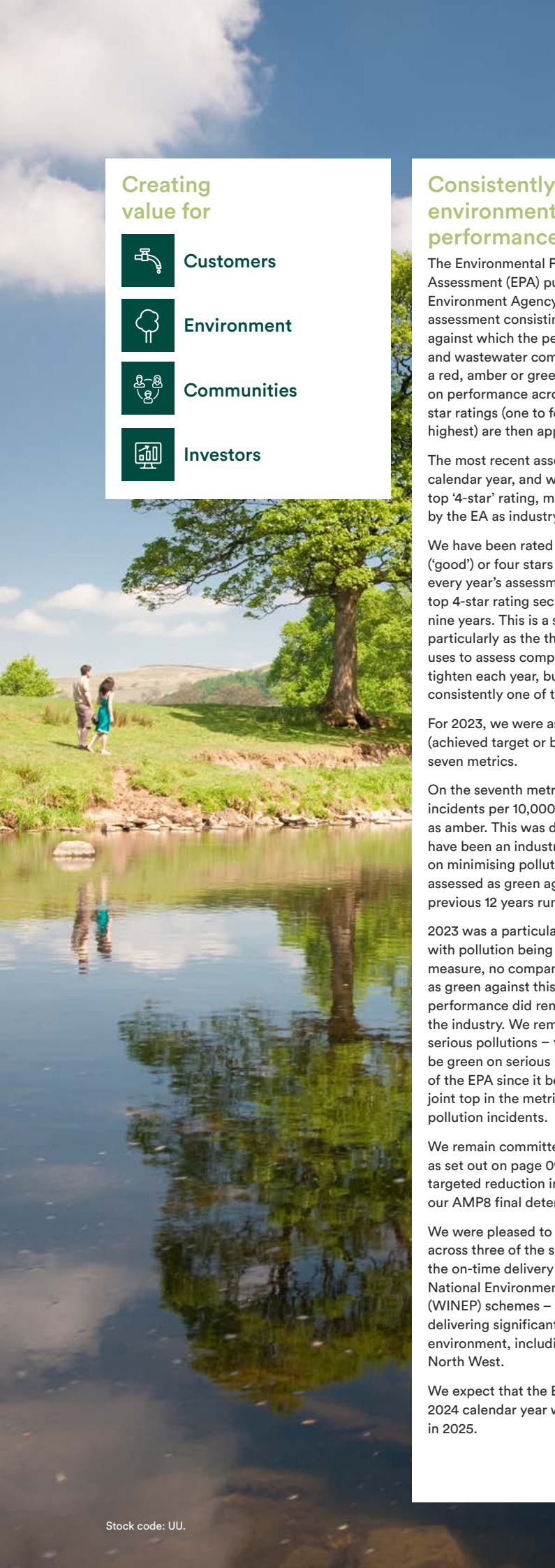
<p>Better Rivers: Better North West commitments</p> <p>The percentage of in-year milestones delivered as part of our Better Rivers programme.</p>	<p>Carbon pledges</p> <p>Six pledges to reduce our carbon footprint. Activities include peatland restoration, woodland creation and reducing the reliance of fossil fuels of our fleet.</p>	<p>EA’s Environmental Performance Assessment (EPA) rating⁽¹⁾</p> <p>The Environment Agency’s annual assessment across six, key sector, environmental performance measures.</p>
<p>Target</p> <p>At least 95% of programme milestones delivered by 2025</p>	<p>Target</p> <p>Individual targets for each of the six carbon pledges, as set out on page 74</p>	<p>Target</p> <p>Upper quartile performance within the water industry each year</p>
<p>Annual performance</p> <p>100%</p> <p>All of this year’s Better Rivers programme milestones have been delivered.</p> <p>2023/24: 100 per cent of milestones for the year</p> <p>2022/23: 100 per cent of milestones for the year</p>	<p>Annual performance</p> <p>Good progress</p> <p>We have met three of the six pledges, and continue to make progress with the remainder. We have over 200 battery electric vehicles on the road and a further 200 ordered, 83 hectares of woodland will have been created by the end of the 2025 planting season, and we have reduced our scope 1 and 2 emissions by 10.5 per cent since 2020.</p> <p>More information can be found on page 74</p> <p>2023/24: Pledges 2, 4 and 6 met</p> <p>2022/23: Pledges 2 and 6 met</p>	<p>Annual performance</p> <p>4-star ‘industry-leading’ rating</p> <p>The most recent assessment is for 2023, when we were one of only three companies awarded the top 4-star rating, meaning we were classed by the Environment Agency (EA) as an industry-leading company.</p> <p>The EA will publish its annual assessment for 2024 later in 2025.</p> <p>2022: Joint second (3-star)</p> <p>2021: Joint first (4-star)</p>
<p>Status</p> <p>Met expectation/target</p>	<p>Status</p> <p>Met expectation/target</p>	<p>Status</p> <p>Met expectation/target</p>
<p>Key stakeholder</p> <p>Environment</p>	<p>Key stakeholder</p> <p>Environment</p>	<p>Key stakeholder</p> <p>Environment</p>
<p>Relevant material themes⁽²⁾</p> <p>Environmental river water quality and storm overflows</p> <p>Political and regulatory environment</p> <p>Trust, transparency and legitimacy</p>	<p>Relevant material themes⁽²⁾</p> <p>Climate change mitigation</p> <p>Energy management</p> <p>Trust, transparency and legitimacy</p>	<p>Relevant material issues⁽²⁾</p> <p>Customer service and operational performance</p> <p>Trust, transparency and legitimacy</p> <p>Political and regulatory environment</p>
<p>Link to remuneration⁽³⁾</p> <p>Bonus</p>	<p>Link to remuneration⁽³⁾</p> <p>LTP</p>	<p>Link to remuneration⁽³⁾</p> <p>LTP</p>
<p>Assurance⁽⁴⁾</p> <p>Internal audit team</p>	<p>Assurance⁽⁴⁾</p> <p>Independent third-party verification</p>	<p>Assurance⁽⁴⁾</p> <p>Independent third-party verification</p>

⁽¹⁾ Measure relates to the water and wastewater activities of our regulated entity, United Utilities Water Limited.

⁽²⁾ Read more about our materiality assessment on pages 29 to 30.

⁽³⁾ Read our remuneration report, with details about the bonus and Long Term Plan (LTP), on pages 146 to 172.

⁽⁴⁾ Read more about the assurance over our performance metrics on page 67.



Creating value for

- Customers
- Environment
- Communities
- Investors

Consistently strong environmental performance

The Environmental Performance Assessment (EPA) published by the Environment Agency (EA) is an annual assessment consisting of seven metrics against which the performance of water and wastewater companies is assessed on a red, amber or green (RAG) basis. Based on performance across all of the metrics, star ratings (one to four, with four being the highest) are then applied to each company.

The most recent assessment is for the 2023 calendar year, and we were awarded the top ‘4-star’ rating, meaning we were classed by the EA as industry leading.

We have been rated either three stars (‘good’) or four stars (‘industry-leading’) in every year’s assessment so far, with the top 4-star rating secured in six of the last nine years. This is a strong achievement, particularly as the thresholds that the EA uses to assess companies’ performance tighten each year, but we have remained consistently one of the best in the industry.

For 2023, we were assessed as green (achieved target or better) on six of the seven metrics.

On the seventh metric, total pollution incidents per 10,000km², we were assessed as amber. This was disappointing, as we have been an industry-leading performer on minimising pollution, and had been assessed as green against this metric for the previous 12 years running.

2023 was a particularly wet year and, with pollution being a weather-responsive measure, no company was assessed as green against this metric, but our performance did remain one of the best in the industry. We remained green against serious pollutions – the only company to be green on serious pollutions in every year of the EPA since it began – and we were joint top in the metric for self-reporting of pollution incidents.

We remain committed to improving further, as set out on page 09, with a 30 per cent targeted reduction in pollution incidents in our AMP8 final determination.

We were pleased to achieve 100 per cent across three of the seven metrics, including the on-time delivery of our Water Industry National Environment Programme (WINEP) schemes – a programme that is delivering significant improvements for the environment, including rivers, across the North West.

We expect that the EA’s assessment for the 2024 calendar year will be published later in 2025.

Improving environmental water quality and reducing spills from overflows

We are dedicated to improving rivers, bathing waters, and other water bodies across the North West, and this is reflected in our strategic priorities and the commitments we have made as part of our Better Rivers programme, with four pledges supported by around 30 commitments to kick-start a river revival in the region.

Spills from storm overflows are an area of particular concern for many stakeholders across the UK, and we are committed to changing this century-old feature of wastewater networks. This is a significant change to the way these networks have operated for the last 150 years, not just in the UK but across the world, and it will not happen overnight.

In the North West, with more rainfall and more combined sewers (receiving rainwater in the same pipe as sewage) than average in the country, delivering the significant reduction in spills from storm overflows required by the Environment Act 2021 will be more challenging in the North West than in other areas. This is why we have an industry-leading spill reduction programme for AMP8, and have been accelerating work at high-spilling sites to deliver meaningful improvements as quickly as possible.

2024 was the first year with full monitoring across the entire period, as we completed fitting monitors to all of our storm overflows by December 2023. To improve transparency, we also published a map that shows the location and operational status of each overflow in near-real time.

View our map of overflows across the North West at unitedutilities.com/better-rivers/storm-overflow-map

The investment and dedication we have put into spill reduction is delivering significant improvements. In 2024, we had almost 20,000 fewer spills than in 2023, amounting to more than 205,000 fewer hours, which is a 31 per cent reduction in the duration of those spills.

Despite experiencing periods of particularly intense rainfall and four named storms in the last three months of the year, spills per overflow were down 39 per cent compared with the 2020 baseline. This surpasses our AMP7 target of a one-third reduction by 2025, and demonstrates the great progress we are making.

However, there is still a long way to go. Our AMP8 plans include the UK’s biggest storm overflow spill reduction target, to deliver a reduction of more than 60 per cent in the decade to 2030, with an industry-leading £2.4 billion of investment dedicated to this in our final determination for the next five years.

How we're delivering our purpose: greener

Another area that is particularly high on stakeholders' priorities for environmental water quality improvement is reducing phosphorus levels. Phosphorus can enter bodies of water from a number of sources, including agricultural runoff, industrial discharges, and wastewater. It can cause problems, particularly in static bodies of water such as lakes, where it stimulates the growth of algae. This is worsened by warmer weather, which also encourages algal bloom, so climate change will continue to increase this issue.

We have already delivered significant reductions in phosphorus levels from treated wastewater through our WINEP delivery, and our AMP8 plans include upgrading 80 wastewater treatment works to remove phosphorus at the highest technically achievable limit, and a further 28 per cent targeted reduction in phosphorus by 2030.

We have been innovating with more sustainable ways to remove phosphorus, including natural plant-based coagulants to replace some of the chemicals that are traditionally used, and FujiClean – an innovative version of a septic tank, which provides a full wastewater treatment system in a box, removing phosphorus without the use of chemicals. More on FujiClean can be found on page 73. We are also working with partners and third parties to help reduce phosphorus from other sources.

Focus on Windermere

Windermere is an iconic lake at the heart of the Lake District National Park and a popular tourist attraction, and its water quality has attracted a great deal of interest. We have been working to protect and improve Windermere's water quality for many years, taking responsibility for everything within our control and supporting others to help safeguard the lake for generations to come.

In 2024, despite rainfall in Cumbria being heavier than it was in 2023, we reduced both the number and the duration of spills around Windermere, and our AMP8 plans will see significant further improvements.

We are investing £200 million to improve water quality in the Windermere catchment – tackling phosphorus and other nutrients as well as reducing spills from storm overflows. Our investment will bring every wastewater treatment works in the catchment up to the highest possible standard there is, using new innovative technologies, and increase storage capacity at each of our storm overflows to achieve the long-term target of ten spills or less per year.

In addition to this investment to tackle our impact, we are also working in partnership with Love Windermere to help address other sources of pollution into the lake from private households and commercial sites.

More information on the innovative technologies we are using around Windermere can be found on page 73.

Innovative interventions to reduce pollution

We are increasingly making use of innovative technology and techniques, including artificial intelligence (AI) and machine-learning, to help us predict and resolve issues across our wastewater network before they lead to sewer flooding or pollution incidents.

Our investment in Dynamic Network Management (DNM) has helped us to clear record numbers of predictive and proactive blockages, leading to a significant reduction in reactive blockages, particularly in the last three years. We are now deploying the same DNM logic, tools, and systems to predictively and proactively detect and resolve pollutions, and we are already seeing positive results from this.

We have also now mobilised our Drone Squad to help detect pollution incidents and their sources, whether these be from United Utilities-owned assets or from external third-party sources. Our seven drones have varying capabilities, including infra-red, internal pipe inspections, and LIDAR surveillance.

Around a third of our pollution incidents are caused by power outages, and part of our AMP8 investment programme involves deploying back-up generators and large-scale batteries to ensure that key sites and assets can continue operating when there are outages on the grid, helping us to minimise pollution incidents. This is in addition to further potential benefits of this increasing power resilience, including tariff management opportunities.

Conserving water

We are at our lowest levels of leakage across the North West, and in the last year we have increased our find and fix rates by 70 per cent, fixing more leaks than ever before.

We are using a number of innovations including satellite imagery, artificial intelligence, and a new 'no dig' repair capability. This has shown extremely strong results in trials over the last six months with a 92 per cent success rate, helping us to reduce both the time taken to fix leaks and halving the operational costs of repair. Both of these are key areas of focus as we drive further improvements against our stretching AMP8 targets.

We have also been working with customers to better understand their usage, helping them to lower their consumption and their bills. This includes targeted communications to high water users and water efficiency home audits. This work has helped us to identify areas of high usage and internal leaks and, once fixed, these have helped drive reductions in per capita consumption, where we are an upper quartile performer.

Net zero target and environmental pledges

Our net zero transition plan, set out on pages 34 to 36, is ambitious and adaptive, and aims to achieve net zero (as defined by the SBTi Net-Zero Standard) across all three emissions scopes by 2050.

In 2020, we made six carbon pledges, and have already achieved three of these, as initial priorities to reduce our carbon footprint. Our activities include switching to low-carbon electricity, changing our fleet to green vehicles, restoring peatland, and creating woodland.

Our peatland restoration and woodland creation programmes are not only beneficial from a carbon perspective, capturing and sequestering greenhouse gases, but also deliver wider benefits to protect water and other habitats, and enable recreational access for communities and tourism.

This year, the Science Based Targets initiative (SBTi) validated that our science-based greenhouse gas emissions reduction targets conform with the SBTi Corporate Net Zero Standard, meaning we are the first (and only) UK water company to have approved science-based targets for the near term, long term and net zero.

Our net zero ambitions will be supported by £55 million of net zero enhancement funding approved in the AMP8 final determination to support the delivery of a net zero catchment strategy for St Cuthbert's Garden Village, explore technologies to monitor nitrous oxide release from wastewater processing, and restore a further 1,500 hectares of peatland.

Building on our carbon and Better Rivers pledges, later this year we will finalise a set of nature pledges to make clear our continued action to restore, enhance and connect habitats across the North West. As set out on page 74, these nature pledges will include activities that support the Government's commitment to the global '30 by 30' target – protecting 30 per cent of land and ocean by 2030.

Working with our supply chain to reduce scope 3 emissions

Building close relationships with our supply chain is helping to drive innovation, deliver value for our customers, and take steps to decarbonise the work that we do.

One example of this collaboration has taken place on our Vyrnwy Aqueduct Modernisation Programme sites, where our supplier Avoxe has been trialling hydrotreated vegetable oil (HVO) as an alternative fuel source for their equipment. This has given great insights on the potential of using HVO as a reliable fuel source, as well as reducing carbon emissions.

Another supplier, Costain, has been using low-carbon solutions on our sites during the construction phase. This has included the use of hybrid generators and low-carbon materials, which have helped reduce carbon emissions and improve our understanding of what innovative technology and practices can be adopted for future use.

In early 2025, we sent out our first carbon questionnaire to a select number of suppliers to understand their maturity, journey so far, and decarbonisation plans. This has provided insight into our suppliers' decarbonisation strategies, allowed us to understand more granular data in relation to supplier emissions, and identified potential opportunities for collaboration.

Climate resilience

We are proud to be contributing to the UK's efforts to mitigate climate change, but we remain conscious that adapting to more extreme and variable weather is a significant challenge. We are already seeing the effects of climate change on the region's weather, with increasing summer temperatures, wetter winters, and more extreme rainfall events. It is, therefore, important that we also continue to adapt and enhance the resilience of our assets, processes and customer services to its effects.

The risks of climate change are examined in our adaptation reports. We published our fourth adaptation report in 2024, setting out our approach to assessing the likely future impacts of climate change and the steps we are taking now, and expect to take in the future, to adapt to the challenges.

In our latest report, we have further developed our understanding of climate risk by incorporating the latest climate science into our risk assessment processes. Taking a regional approach to assessing the effects of climate change has enabled us to complete a more robust risk assessment that is context specific to the five diverse counties that make up the region we operate in.

We have also integrated our improved understanding of the impacts of climate change into our other long-term plans. Our investment plans for AMP8 will help us to significantly improve climate resilience as well as environmental performance. We account for climate change impacts on our water supply and demand balance in our Water Resources Management Plan (WRMP), and apply the same approach in our Drainage and Wastewater Management Plan (DWMP), with our plans to intercept rainwater, increase storm tank capacity, and upgrade treatment works. In our long-term delivery strategy, within our PR24 business plan, we have used an adaptive planning approach to demonstrate how our services might be resilient to a range of plausible climate change scenarios.

We also hosted the inaugural Resilience Community of Practice to help raise awareness for the need to adapt to climate change. The event brought together industry leaders, experts, and passionate individuals focused on building resilience across various sectors. We built a collective view on progress to date in climate change adaptation, and explored our ambitious plans to build a more climate-resilient region.

Rainwater management

With more urban rainfall, increasing challenges from climate change, and an ever-growing population, we need to find new ways to manage rainwater. We were really pleased to have investment of more than £250 million approved in our final determination for rainwater management and climate resilience.

Part of our rainwater management strategy is to develop initiatives that capture, remove and slow rainwater to impact the rate at which it enters our sewers, helping to relieve the pressure placed on the system and alleviate flood risk. This also helps to improve biodiversity, provides green spaces for human mental and physical health benefits, and makes communities more resilient in the face of climate change impacts.

As part of our Green Recovery programme, we have delivered sustainable drainage (SuDS) schemes in partnership with local authorities. For example:

- Raingardens and permeable surfaces to manage rainwater in Oldham, also providing public realm improvements with a new park area, disability ramp, seating and a cycling route with cycle racks.
- 242 SuDS-enabled tree pits across Blackpool town centre to re-direct surface water runoff from the highway gullies into street trees on the associated pavements, and achieve health, wellbeing and natural capital benefits for the local area.
- Raingardens, permeable surfaces, recreation seating, cycleway and SuDS-enabled trees in the centre of Altrincham.

We are working in partnerships with combined authorities in Greater Manchester and Merseyside to improve rainwater management in these urban areas, as mentioned on page 86.

Property level interventions can also make a difference in some areas. We are carrying out our biggest property level supply-and-install trial in Hale, part of Cheshire, where we are installing rainwater planters at customer properties to build household resilience against high rainfall events by providing rainwater retention capabilities.

39%

reduction in spills per monitored storm overflow compared with 2020 baseline

4-star industry leading

in the EA's annual assessments for 2023

Strong progress

against carbon and river pledges, and in the process of finalising a set of new nature pledges

How we’re delivering our purpose: greener

Status key

Performance against target

Met expectation/target

Close to meeting expectation/target

Behind expectation/target

Stakeholder key

Customers

Environment

Communities

Colleagues

Suppliers

Investors

Measure	2025 target	Performance				Assurance ⁽⁶⁾	Link to remuneration ⁽²⁾	Key stakeholder	Status
		2024/25	2023/24	2022/23					
Pollution incidents per 10,000km sewer network ⁽¹⁾	19.5	36.2	27.93	16.29		RRA	LTP		
Reduction in spills per storm overflow monitored	33% sustainable reduction ⁽⁴⁾	39%	24%	41%		IAT	Bonus		
Treatment works compliance ⁽¹⁾	99%	98.46%	99.0%	98.5%		RRA	LTP		
Leakage reduction ⁽¹⁾	15% ⁽³⁾	9%	9%	6%		RRA	LTP		
Reduction in per capita consumption ⁽¹⁾	6.3% ⁽⁴⁾	3.5% decrease	2.5% decrease	0.5% increase		RRA	PC		
Internal flooding incidents per 10,000 sewer connections ⁽¹⁾	1.34	3.52	4.35	2.32		RRA	PC		
External flooding incidents ⁽¹⁾	5,859	7,315	7,063	5,916		RRA	PC		
Waste to beneficial use	98%	98.3%	98.3%	98.3%		IAT	n/a		
Enhancing natural capital for customers ⁽¹⁾	£4 million	£5.386 million	£15.777 million	£0		RRA	PC		
Number of trees planted	500,000	640,252	600,466	565,733		IAT	n/a		
Carbon pledge 1: reduction of scope 1 and 2 GHG emissions	14% reduction ⁽⁵⁾ (42% by 2030)	10.5% reduction	3.4% reduction	3.7% reduction		ITV	n/a		
Carbon pledge 2: renewable electricity purchased	100% by 2023	100%	100%	100%		ITV	n/a		
Carbon pledge 3: green fleet	100% by 2028	204 vehicles	91 vehicles	33 vehicles		IAT	LTP		
Carbon pledge 4: peatland restoration	1,000 hectares (ha) by 2030	3,000 ha	1,211 ha	585 ha		ITV	LTP		
Carbon pledge 5: woodland created	550 hectares (ha) by 2030	83 ha	37 ha	37 ha		ITV	LTP		
Construction services suppliers with science-based targets	66%	78%	23%	23%		IAT	LTP		
Better air quality: nitrogen oxides (NOx) emissions per unit of renewable electricity generated ⁽¹⁾	1.42	0.87	0.96	1.07		RRA	PC		
Energy generated directly, and with partners, as a percentage of used	25% at 2026	22.5%	22.4%	23.0%		ITV	LTP		

⁽¹⁾ Measure relates to the water and wastewater activities of our regulated entity, United Utilities Water Limited. Total uncapped performance delivered.

⁽²⁾ Read our remuneration report, with details about the bonus and Long Term Plan (LTP), on pages 146 to 172. PC = Performance commitment subject to reward and/or penalty as part of customer outcome delivery incentives (ODIs). These feed into both bonus and LTP through inclusion of customer ODIs and return on regulated equity (RoRE), respectively.

⁽³⁾ As measured against a 2017/18 baseline.

⁽⁴⁾ As measured against a 2019/20 baseline.

⁽⁵⁾ As measured against science-based target baseline year 2019/20.

⁽⁶⁾ Read more about the assurance over our performance metrics on page 67. ITV = Independent third-party verification. RRA = Regulatory reporting assurance. IAT = Internal audit team.



Case study: Innovative wastewater treatment comes to Windermere

We’re delivering the largest ever upgrade to wastewater services in the Windermere catchment – through a £200 million package, which will improve and help protect this iconic lake’s water quality.

As part of this investment, we’re bringing world-leading innovations to Windermere. We’re the first water company in Europe to introduce an innovative low-carbon, chemical-free wastewater treatment process – which is almost like a treatment works in a box – and Near Sawrey will be one of our first sites to have this technology installed.

FujiClean, which was developed in Japan, is a chemical-free phosphorus removal solution, originally developed as an alternative to septic tanks. The technology was discovered by one of our senior engineers at a conference which showcased wastewater innovations from all over the world. He then worked with the founding company to trial the system for United Utilities.

Our wastewater county business leader for Cumbria said: “The system offers a much more enhanced wastewater treatment option that provides phosphorus removal without the use of chemicals. The treated wastewater is much better quality and we can now remove phosphorus in the same system. An added benefit of the design is that it doesn’t need emptying as much. This, combined with not needing chemical deliveries, means fewer vehicle movements to our small sites – a win for the environment and rural communities.”

Our innovation team has already trialed the technology a test site in Cheshire, with promising results. Work will begin to install FujiClean at Near Sawrey later this year.

It’s not just at Near Sawrey that we’re installing innovative techniques to improve river water quality. At Langdale, an innovative biological approach is being introduced that uses renewable plant material to support the growth of the bacteria used to treat wastewater. Mobile Organic Biofilm™ (MOB™) will enhance the treatment processes at Langdale Wastewater Treatment Works, also enhancing Windermere’s water quality. We are already seeing great results in Cheshire where this technology is helping to improve water quality in the River Bollin.

There are ten wastewater treatment works that collect and clean the sewage of homes and businesses around the Windermere catchment. The largest, at Tower Wood, treats the wastewater of around 18,000 properties. It’s already treating the wastewater to the best technically achievable standard there is, and, as part of the £200 million investment, the remaining nine sites will also be upgraded. Many of those are much smaller and some serve populations in the low hundreds or less.

In AMP8 we’ll be tackling the storage capacity at all six of the storm overflows which can operate around Windermere, to reduce spills to less than ten per year, by, or before, our regulatory requirements. Once all six schemes are delivered, this largest-ever upgrade will deliver an 89 per cent reduction in storm overflow spills. It will also mean a significant reduction in nutrients, with more phosphorous removed per year, as the vast majority of the wastewater around Windermere will be treated to even higher standards, using the best global technology.

Alongside these plans, we’re working in partnership with Love Windermere to help address other sources of pollution, with a plan to help others, including private household septic tanks or packaged treatment plants used by larger commercial sites.

Delivering value for

This is creating value for the environment, local communities, and customers.

Read more about what we’re doing to help improve Windermere water quality on our website at unitedutilities.com/my-local-area/news-in-your-area/cumbria/windermere/action-windermere

How we’re delivering our purpose: greener

Pledges towards a greener North West

Across the five counties, we own over 56,000 hectares of land, which delivers several ecosystem service benefits such as water supply, timber, air quality regulation, and recreation. Demonstrating our commitment to protect and enhance this value, we have made carbon and Better Rivers pledges, and we will finalise new nature pledges later this year.

Carbon

Five years ago, we made six pledges with our initial priorities for our part towards a low-carbon future. We have since set four near-term targets and long-term targets, all of which have been validated by the Science Based Targets initiative (SBTi). We have also incorporated measures into our remuneration via our Long Term Plan.

Pledge 1: 42 per cent reduction of scope 1 and 2 emissions by 2030 10.5 per cent reduction since 2020

We have achieved three of our six carbon pledges and are making good progress to deliver the rest.

Creating and maintaining even small pockets of woodland can deliver natural flood management, provide habitats for wildlife and boost biodiversity in addition to climate benefits. Our planting does not prioritise carbon sequestration, as that can promote high-growth monoculture woodland; instead, we value actions that have broader sustainability or conservation merit. We choose appropriate species mixes and planting density, to create the best woodland for our land holding. Our current estimate is that we will have created our pledged 550 hectares of new woodland by the end of the 2030 planting season.

We have met our scope 3 supplier engagement SBT with 78 per cent of category 2 suppliers by emissions having set near-term targets aligned to SBTi criteria.

Pledge 2: 100 per cent renewable electricity by 2021 Achieved in 2021

All electricity bought through contracts has been renewable since October 2021. Science-based targets covering all scope 3 emissions were approved by the SBTi in 2021 and, so far, we have 3,000 hectares of peatland under restoration meeting this pledge and the associated LTP target.

Pledge 3: 100 per cent green fleet by 2028 204 vehicles; 8 per cent of our fleet

Pledge 4: 1,000 hectares of peatland restoration by 2030 Achieved in 2024

Advanced telematics mean we now have a better understanding of our transport needs and can optimise the number and types of vehicles while accelerating the decarbonisation of our fleet. Once recent orders are delivered, we will have over 400 all-electric vehicles, including four HGVs, while continuing to trial alternative fuels such as hydrogen and HVO.

Pledge 5: Plant one million trees to create 550 hectares of woodland by 2030 640,252 trees planted and 83 hectares of woodland created since 2020

Pledge 6: Set a scope 3 science-based target by 2021 Achieved in 2021

Better Rivers

In 2022, we launched our Better Rivers: Better North West programme and made four pledges, underpinned by around 30 commitments, to improve river water quality, leading to 115 miles of improved waterways.

Pledge 1: Ensuring our operations progressively reduce impact to river health

We are continuing to grow our team of River Rangers who proactively patrol North West riverbanks, checking on our assets, taking part in litter picks, building relationships with our partners, engaging with community groups, and taking water samples at a variety of locations.

Woods. We work with groups to improve the environment and river water quality through activities such as Himalayan balsam bashing – pulling up and destroying this invasive non-native species.

Pledge 2: Being open and transparent about our performance and our plans

Pledge 3: Making rivers beautiful and supporting others to improve and care for them

We also have sensors installed to monitor the operation of every one of our more than 2,250 storm overflows, and the data is published on our interactive, near real-time map.

Our Better Rivers community fund, set up as one of our commitments, supports groups who know and care for waterways. For example, Bollin and Birkin Flyfishers, in Cheshire, successfully applied to the fund for safety equipment, water testing kits, and information boards, to help them act and raise awareness of the need to protect and support better rivers in the area.

Pledge 4: Creating more opportunities for everyone to enjoy rivers and waterways

We are forging close links with local communities and organisations, such as Mersey Rivers Trust and Friends of Bluebell

Nature

Later this year, we will finalise several nature pledges to clearly set out our dedication to restore, enhance and connect habitats across the North West.

Our nature pledges will focus on both land with special designations, and habitats that are prominent in our region, and include activities that:

- support the government commitment to the global ‘30 by 30’ target, protecting 30 per cent of land and ocean by 2030;
- enhance biodiversity;

- create and improve the condition of woodland; and
- restore peatland.

Energy and carbon report

The Companies Act 2006 (Strategic Report and Directors’ Reports) Regulations require us to publish this energy and carbon report applying the 2019 UK Government Environmental Reporting Guidelines, including the Streamlined Energy and Carbon Reporting Guidance (SECR). We use the financial control approach so our energy and carbon accounting is aligned with the consolidated financial statements for United Utilities Group PLC for 1 April 2024 to 31 March 2025. This includes the subsidiaries listed in section A7 on page 238.

Energy data

	2024/25 GWh	2023/24 GWh	2022/23 GWh	2021/22 GWh
Energy use				
Electricity	822.4	819.6	818.8	803.3
Natural gas	14.2	34.1	33.6	33.8
Biogas in boilers	16.4	n/a	n/a	n/a
Stationary fossil fuels (gas oil, kerosene, diesel)	49.1	51.4	55.8	50.5
Energy for transport (from fuel used or distance travelled)	76.0	75.8	74.8	72.6
Low-carbon alternatives (HVO, LPG, EVs)	0.27	0.25	0.05	0.20
Total energy used⁽³⁾	978.3	981.1	983.0	960.4
Electricity purchased				
Grid renewable ⁽¹⁾	680.1	657.6	655.6	611.0
Grid standard tariff ⁽²⁾	0.13	0.09	0.13	22.3
Total purchased	680.2	657.7	655.7	633.3
Renewable energy generated				
CHP	105.2	120.4	123.0	133.8
Biogas in boilers	16.4			
Solar	42.0	47.3	46.4	47.8
Wind	4.7	5.2	5.1	4.8
Hydro	6.3	7.6	6.9	7.2
Biomethane	45.6	40.2	44.7	48.9
Total generated	220.2	220.7	226.1	242.5
Renewable energy exported				
Electricity	16.1	18.6	18.3	23.5
Biomethane	45.6	40.2	44.7	48.9
Total exported	61.7	58.8	63.0	72.4

⁽¹⁾ All contractually purchased electricity since October 2021 has been bundled with, or backed by, separately purchased, REGO certificates.
⁽²⁾ Grid standard tariff electricity is the consumption on interim tariffs for newly adopted sites.
⁽³⁾ All energy was consumed in the UK and if calculated from volume or distance used net calorific values.

Energy efficiency actions

We have an integrated approach to energy efficiency across site operations, engineering and energy services to achieve successful outcome through the continuous improvement of:

- people – optimising ways of working;
- systems – improving visibility of use and analysis of data systems; and
- technology – targeted investment to improve efficiency.

Our energy management programme sets a common approach for benchmarking performance and develops action plans to optimise energy use. The programme also includes operational carbon e-learning and a comprehensive energy performance reporting and analysis capability.

A key feature of the programme are local workshops where specialist teams of energy engineers work with operational staff to identify problems and opportunities on their site. The opportunities identified are collated into a company-wide database for assessment and to develop business cases for future projects.

We have completed hundreds of systems and technology measures to improve energy efficiency from installing low energy lighting to automating operations of our water and wastewater assets, such as with new controls for secondary treatment and pumps. We have also installed over 3,000 sub-meters to identify opportunities to restrain energy use and quantify the financial and GHG emissions benefits of interventions.

A focus this year has been on the installation of variable speed drives (VSD) to improve the control and efficiency of pumps. At Bearstone, use of a VSD has been shown to reduce the power consumption by up to 25 per cent with no reduction in the flow rate of the pump. At Denton Pumping Station, using a VSD instead of throttling improved the performance and lifespan of pumps by operating closer to their best efficiency point.

VSDs can also improve the operation of other equipment such as compressors. A study at Huntington Water Treatment Works found that about a third of one compressor’s energy consumption is in off-load operation. Replacing the existing air compressor with a 30kW compressor with a VSD would reduce the start/stops and off load operation and savings of 38.5 per cent might be achieved.

Energy strategy

Our energy management strategy has four objectives:

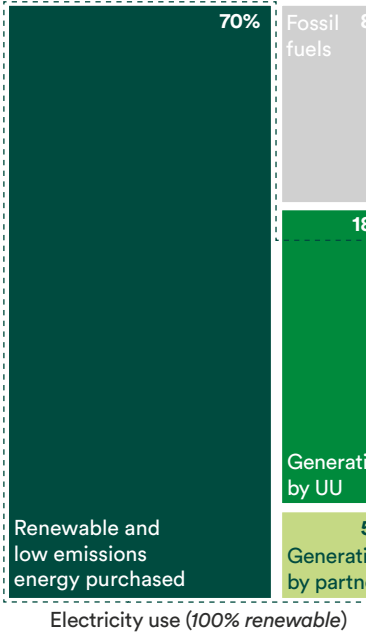
- Efficient use of energy;
- Maximising self-generation and direct supply opportunities;
- Minimising costs; and
- Building supply resilience to ensure we can deliver our services.

Each year, we serve a growing population, which means increased energy use as we strive to achieve stringent environmental performance targets. We seek to mitigate this through our energy management and, in recent years, have maintained consistent energy use in the face of considerable upward pressures.

To support our aims to switch to clean, green energy, last year, we introduced an energy metric and included it in the 2023 Long Term Plan (LTP) for executive directors. This target incentivises energy efficiency, switching away from fossil fuel, and clean energy generation. For the 2024 LTP, the remuneration committee has approved a direct measure to reduce the fuel-related GHG emissions to further encourage switches to low-emission power sources.

Switch to clean, green energy

As illustrated below, only 8 per cent of our total energy used is from fossil fuels. We aim to reduce this further through our energy management strategy.



How we're delivering our purpose: greener

Energy and carbon report: GHG emissions inventory

Emissions are calculated by estimating the individual greenhouse gases that result from all United Utilities' activities, converted into a tonnes carbon dioxide equivalent (tCO₂e). Tools and values used in 2025 include UK water industry Carbon Accounting Workbook v19, the 2024 UK Government GHG conversion factors for company reporting, global warming potentials from IPCC 5th Assessment report and Global CEDA (Comprehensive Environmental Data Archive) v7. 100 per cent of our emissions are related to activities and energy consumption in the UK.

Our greenhouse gas inventory, and the underlying energy data, has undergone independent third-party verification by Achilles group and is certified to the requirements of the Toitū CarbonReduce programme, as aligned to the GHG Protocol Corporate Accounting and Reporting Standard (2015) and the international carbon reporting standard ISO 14064, Part 1:2018. The assurance certificate and report can be found at unitedutilities.com/corporate/responsibility/environment/climate-change

		2024/25	2023/24	2022/23	2021/22	SBT baseline
		tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	2019/20
Scope 1 and 2 greenhouse gas emissions ⁽⁴⁾						
Scope 1: Emissions from activities we own or control, e.g. burning fossil fuels, wastewater and sludge processing						
Direct emissions from burning of fossil fuels		15,922	20,188	21,166	19,207	15,247
Process and fugitive emissions – including refrigerants		90,633	96,173	94,915	96,020	96,186
Transport: Company-owned or leased vehicles		17,785	17,838	17,665	16,507	15,739
Scope 2: Emissions from purchased electricity including for use in vehicles						
Purchased electricity – generation	Market-based ⁽¹⁾	47.2 ⁽⁵⁾	32.9 ⁽⁵⁾	9.3 ⁽⁵⁾	4,201	11,789
	Location-based ⁽²⁾	140,847	136,183	126,813	134,492	164,521
Purchased electricity – vehicles	Market-based	31.1	6.8	1.7	<0.1	0
	Location-based	31.1	6.8	1.7	<0.1	0
Gross scope 1 and 2 emissions total						
	Market-based	124,418	134,239	133,757	135,936	138,961
	Location-based	265,218	270,389	260,561	266,226	291,693
Net emissions reductions						
Renewable electricity exported ⁽³⁾		-2,726	-3,101	-2,888	-4,317	-3,979
Biomethane exported	Location-based	-8,479	-8,439	-9,360	-10,283	-9,302
Green tariff electricity purchased ⁽³⁾	Location-based	-132,127	-136,162	-125,746	-133,197	-164,210
Net scope 1 and 2 emissions total						
	Market-based	121,693	131,138	130,869	131,619	134,982
	Location-based	121,887	122,687	122,567	118,429	114,202

- ⁽¹⁾ Market-based figures use emission factors specific to the actual electricity purchased. For electricity supplied on a standard grid tariff, we use CO₂e per kWh from suppliers' public fuel mix disclosures.
- ⁽²⁾ Location-based figures use average UK grid emissions to calculate electricity emissions and are shown in *green italics*.
- ⁽³⁾ Exported electricity emissions use the average UK grid emissions factor for both market and location-based totals.
- ⁽⁴⁾ From 2023/24 emission factors use IPCC AR5 global warming potentials where CH₄ = 28, N₂O = 265. Earlier years use AR4 where CH₄ = 25, N₂O = 298.
- ⁽⁵⁾ Emissions from electricity for recently adopted sites supplied on standard tariffs until they can be moved onto our corporate renewable contracts.

		2024/25	2023/24	2022/23	2021/22	SBT baseline
		tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	2019/20 tCO ₂ e
Scope 3 greenhouse gas emissions						
Category 1: Purchased goods and services ⁽⁶⁾		239,757	233,480	250,189	292,946	213,442
Category 2: Capital goods ⁽⁶⁾		106,250	99,962	138,182	112,498	128,286
Category 3: Fuel and energy-related emissions ⁽⁷⁾						
Purchased electricity – well to tank and transmission and distribution		46,383	46,536	44,704	50,020	38,865
Fuel (excluding electricity) – well to tank		7,820	6,653	8,742	8,928	6,397
Category 4: Upstream T&D – sludge transport ⁽⁷⁾		8	6	35	103	3,374
Category 5: Waste generated in ops: including sludge disposal ⁽⁷⁾		28,357	26,135	27,454	25,458	27,936
Category 6: Business travel: public transport, private vehicles and hotel stays ⁽⁷⁾		1,503	1,464	1,486	1,138	3,508
Category 7: Employee commuting and homeworking ⁽⁸⁾						
Employee commuting		4,676	4,631	4,974	2,990	2,405
Homeworking		572	505	361	1,076	1,703
Scope 3 total		435,326	419,372	476,128	495,158	426,039
Scope 3 SBT measure (excludes category 2)		329,076	319,410	337,946	382,660	297,753

- ⁽⁶⁾ Categories 1 (excluding chemicals) and 2 use the latest Global CEDA (v7 for 2024/25) to estimate emissions based on the amount spent by spend category. CEDA is a multi-region, environmentally extended input-output database, that has global coverage and is a CDP recommended tool.
- ⁽⁷⁾ Categories 3, 4, 5 and 6 use activity records and 2023 UK Government GHG conversion factors for company reporting.
- ⁽⁸⁾ Category 7 uses EcoAct models to estimate emissions from employee commuting and homeworking based on company FTE figures and home, site, and hybrid working policies.

		2024/25	2023/24	2022/23	2021/22
		tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e
Greenhouse gas emissions intensity					
Gross scope 1 and 2 emissions per £m revenue	Market-based	58.0	68.9	73.3	73.0
Net scope 1 and 2 emissions per £m revenue	Market-based	56.7	67.3	71.7	70.7
Net water operational emissions per megalitre water treated ⁽⁹⁾	Location-based	172.1	177.6	101.4	106.9
Net wastewater operational emissions per megalitre sewage treated ⁽⁹⁾	Location-based	198.5	209.0	158.8	144.2

⁽⁹⁾ UK water industry intensity metrics. The method for calculating these was redefined by Ofwat in 2024. Emission units are kg CO₂e.

Scope 1 emissions

Wastewater and sludge processes cause over 70 per cent of our scope 1 emissions as the gases released, nitrous oxide (N₂O) and methane (CH₄), have much greater global warming potential than carbon dioxide (CO₂). Our wastewater process emissions are proportional to the population and the sludge produced, therefore emissions rise as population numbers increase. We believe the method all UK water companies use underestimates emissions, however, to address this, we have successfully obtained AMP8 net zero enhancement funding to monitor N₂O release, identify ways to improve the estimation method, and reduce or capture those emissions for beneficial use.

Fuel and energy

15,922 tCO₂e + 54,203 tCO₂e
Fossil fuel use at our sites and the well-to-tank and transmission and distribution scope 3 emissions for all energy makes up 13 per cent of our net total footprint. Reducing our consumption and replacing such fuels with low emissions alternatives is central to our net zero transition plan. We intend to grow our renewable capabilities and play an active role in the development of new technologies such as hydrogen.

Transport 17,785 tCO₂e

We have a growing infrastructure to support our fleet transition to low-carbon fuels. By summer 2025, we will have 400 electric vehicles and are exploring options to fuel HGVs, including hydrogen and HVO.

Sludge and biogas 36,260 tCO₂e

Treatment of sludge produces biomethane. The majority of our facilities use advanced anaerobic digestion which captures more of this biomethane to power and heat our processes or generate electricity. This reduces methane emitted both during treatment and after disposal.

Wastewater processing 54,123 tCO₂e

The biological processes used in wastewater treatment produce N₂O and CH₄, both potent GHGs. Emissions are, approximately, proportional to the size of the communities producing the wastewater.

Gas losses 250 tCO₂e

GHG from refrigerants R410A and HFC134a.

Capital goods

106,250 tCO₂e
We have a significant capital programme to develop our water and wastewater services infrastructure and this construction will produce substantial emissions.

Scope 2 emissions

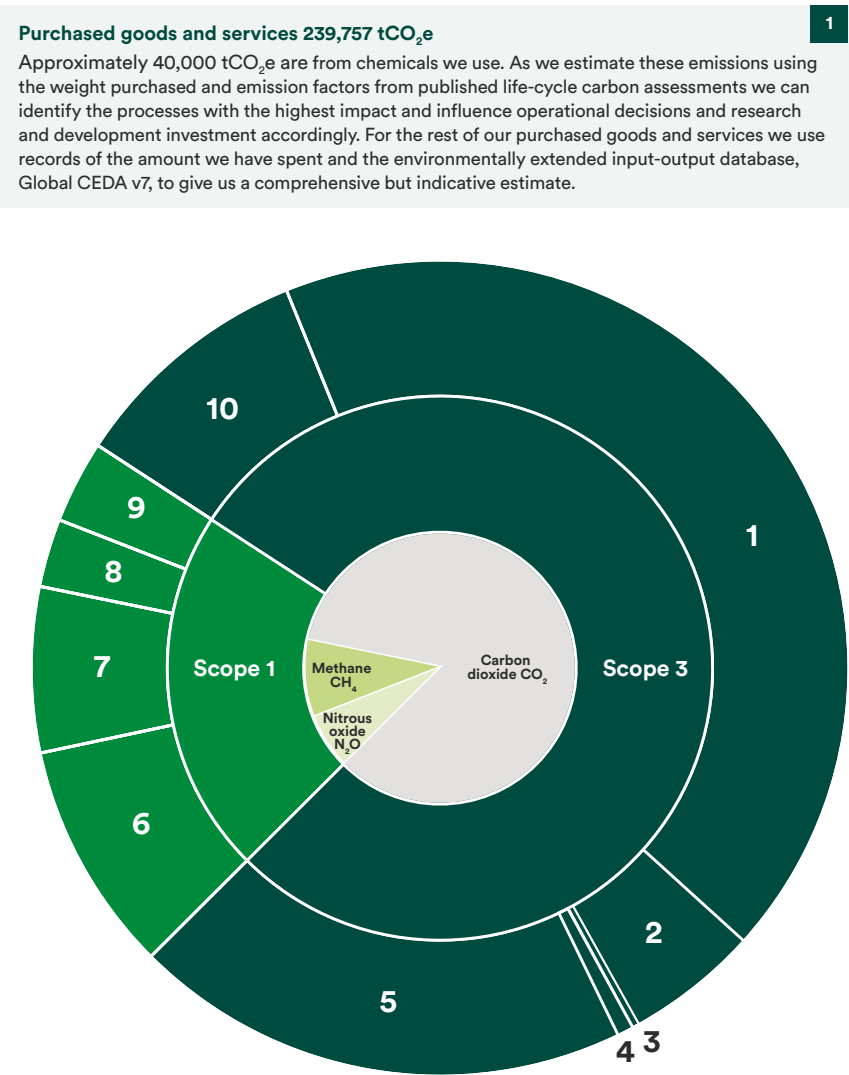
As all our contract purchased electricity is currently REGO backed, the only market-based scope 2 emissions are those from interim supply tariffs and from public and home charging of electric vehicles. Note we are currently reviewing our commitment to buying REGO certificates for all our electricity purchase.

Scope 3 emissions

Most of our scope 3 emissions are in GHG Protocol categories 1 (products and services) and 2 (capital goods), the latter being the construction services we buy. With the exception of chemicals, we estimate these emissions based on the value of goods and

services bought and their spend category using a multi-region, environmentally-extended input-output database, Global CEDA v7. This provides an estimate that is determined by the scale and timing of our investments rather than our design or supplier choices. We are, however, increasing the use of sustainability as a criteria in both supplier and product selection and in parallel are developing ways to recognise the benefit of such management decisions on our emissions.




The next highest category is the indirect emissions from fuel and energy so switches to more efficient processes and the use of low carbon alternative fuels will reduce both scope 1 and 3 footprints.



How we’re delivering our purpose: healthier

Key performance indicators

Our key performance indicators for building a healthier North West are colleague engagement, customer satisfaction (as measured through our ranking within Ofwat’s C-MeX survey), and the number of customers lifted out of water poverty. We report on a selection of other metrics relating to customers, colleagues and other social matters on page 82.

<p>Colleague engagement</p> <p>Level of colleague engagement as measured by our annual colleague opinion survey.</p>	<p>C-MeX ranking⁽¹⁾</p> <p>Ofwat’s customer measure of experience (C-MeX), comprising two surveys – the customer service survey, and the customer experience survey.</p>	<p>Customers lifted out of water poverty⁽¹⁾</p> <p>Where our support acts to lift a customer out of water poverty, which is defined as spending more than 3 per cent of income on their water bill.</p>
<p>Target</p> <p>At least as high as the utilities norm benchmark</p>	<p>Target</p> <p>Upper quartile against water and sewerage companies (WaSCs)</p>	<p>Target</p> <p>At least 66,500 customers lifted out of water poverty by 2024/25</p>
<p>Annual performance</p> <p>87%</p> <p>Colleague engagement has increased this year to a very high level, outperforming the utilities norm and seven points higher than the UK high performing norm benchmark.</p> <p>2023/24: 81 per cent</p> <p>2022/23: 82 per cent</p>	<p>Annual performance</p> <p>Second quartile</p> <p>We continue to be the highest-performing listed company, ranked sixth out of the WaSCs, and eighth out of all 17 companies.</p> <p>2023/24: top listed company, fourth WaSC, and sixth overall</p> <p>2022/23: top listed company, fourth WaSC, and fifth overall</p>	<p>Annual performance</p> <p>96,937</p> <p>We have helped nearly 100,000 customers out of water poverty so far this AMP (including 84,726 against our regulatory target and related ODI, which applies a maximum cap on the number of company-funded customers that can be included).</p> <p>2023/24: 100,758 customers</p> <p>2022/23: 106,936 customers</p>
<p>Status</p> <p> Met target</p>	<p>Status</p> <p> Close to meeting target</p>	<p>Status</p> <p> Met target</p>
<p>Key stakeholder</p> <p>Colleagues</p>	<p>Key stakeholder</p> <p>Customers</p>	<p>Key stakeholder</p> <p>Customers</p>
<p>Relevant material themes⁽²⁾</p> <ul style="list-style-type: none">• Colleague engagement• Diverse and skilled workforce• Health, safety and wellbeing	<p>Relevant material themes⁽²⁾</p> <ul style="list-style-type: none">• Customer service and operational performance• Trust, transparency and legitimacy• Political and regulatory environment	<p>Relevant material themes⁽²⁾</p> <ul style="list-style-type: none">• Affordability and vulnerability• Customer service and operational performance• North West regional economy
<p>Link to remuneration⁽³⁾</p> <p>n/a</p>	<p>Link to remuneration⁽³⁾</p> <p>Bonus</p>	<p>Link to remuneration⁽³⁾</p> <p>LTP</p>
<p>Assurance⁽⁴⁾</p> <p>Independent third-party verification</p>	<p>Assurance⁽⁴⁾</p> <p>Regulatory reporting assurance</p>	<p>Assurance⁽⁴⁾</p> <p>Regulatory reporting assurance</p>

⁽¹⁾ Measure relates to the water and wastewater activities of our regulated entity, United Utilities Water Limited.

⁽²⁾ Read more about our materiality assessment on pages 29 to 30.

⁽³⁾ Read our remuneration report, with details about the bonus and Long Term Plan (LTP), on pages 146 to 172.

⁽⁴⁾ Read more about the assurance over our performance metrics on page 67.

Creating value for

-  Customers
-  Communities
-  Colleagues
-  Suppliers
-  Investors

Delivering great service for our customers

We have made a number of improvements to customer service, over the last year and across AMP7.

The performance commitment targets set out in our final determination for AMP7 were increasingly challenging year-on-year, but we have met or beaten around 80 per cent of them across AMP7, and earned a net reward against outcome delivery incentives (ODIs) in every year, with a cumulative net ODI reward of £129 million across AMP7. This has been consistently higher than average, and demonstrates a strong all-round level of service.

Some of the improvements helping us to earn this ODI reward are our strong performance on increasing reservoir resilience, mains repair and reductions in unplanned outages, lead replacement, and reducing the number of customers experiencing low water pressure. However, there are other areas where we fell short of the stretching target and are working to improve further.

We improved water quality further this year, with a 29 per cent reduction in customer contacts achieved over AMP7. Our long-term investment programme to clean and re-line the Vyrnwy Aqueduct, which will continue in AMP8, is driving a big reduction in discolouration, which is one of the main drivers of customer contacts about water quality. This has been supported by our Water Quality First programme, launched in 2021 with the aim of providing customers with industry-leading water quality, which is training and engaging colleagues right across the business and our key supply chain partners on how they can help improve water quality. However, the number of contacts was higher than targeted and there is more to do.

Our AMP8 investment programme will help us to deliver further improvements for customers. Lead pipes will be replaced in 30,000 homes, we are upgrading seven of our water treatment works as well as continuing re-lining the Vyrnwy Aqueduct, we have a major programme to replace 900 kilometres of water mains, and construction work will be starting on replacing key sections of the Haweswater Aqueduct.

We experienced periods of particularly intense rainfall in the winter of 2024, and four named storms in the last three months of the year. This, naturally, impacted our weather-responsive wastewater performance measures, particularly flooding, resulting in a £24 million ODI penalty for combined internal and external incidents. This is a challenging measure for us, but we recognise the huge impact it has on customers and continue to work very hard to improve.

Notwithstanding the penalties incurred, we have delivered around a 19 per cent reduction in internal sewer flooding compared with last year. We earned a net reward on the permanent solutions we have implemented to improve hydraulic flood risk resilience, reducing the risk of flooding due to the overloading of sewers. We have also performed well with rewards for reducing sewer blockages, which are down by around a fifth since 2020, and raising customer awareness to reduce flooding. This has been supported by our investment in Dynamic Network Management (DNM), with sensors across the wastewater network alerting us to issues so that we can proactively intervene and resolve these before customers are impacted.

This will remain an area of particular challenge during AMP8, and we have ambitious multi-faceted plans to tackle the risk of sewer flooding. We have more than £100 million targeted investment for sewer flood resilience, we are expanding the use of DNM with thousands of additional sewer-level sensors, and installing property-level flood alert sensors in every flooded property to reduce the chance of repeat incidents in these higher-risk areas.

We are also investing and working with partners on new and innovative approaches to rainwater management, particularly in heavily built-up urban areas like Greater Manchester and Merseyside where we are partnering with the combined authorities, as set out on page 86, which will help to reduce flood risk as well as contributing to reducing spills from storm overflows.

Our consistently strong all-round performance has helped us to rank highly in Ofwat’s measure of customer satisfaction, C-MeX, earning a reward against this metric in every year and achieving the third highest reward in the industry across AMP7. For this year, we placed eighth highest of all 17 companies, sixth highest water and wastewater company, and we are consistently ranked as the best of the listed companies.

We also perform strongly on developer satisfaction, D-MeX, and business retailer satisfaction, BR-MeX. We expect to finish the year in an upper quartile position for both. These are important measures of our service and, as we enter AMP8, these experience measures will increase in importance.

Underpinning our focus on service excellence for all customers, we are the only UK water and sewerage company to have earned the ServiceMark with Distinction from the Institute of Customer Service, the Chartered Institute of Credit Management excellence in credit management, and the BSI kitemark for inclusive service.

How we're delivering our purpose: healthier

Supporting customers with affordability and vulnerability

The North West of England contains 47 per cent of the most deprived (top 1 per cent) neighbourhoods, so helping customers that struggle to pay their bills has always been a key focus area for us and we have an industry-leading approach to affordability and vulnerability support.

We have supported 414,000 households in AMP7 through our comprehensive range of affordability schemes, and we continue to lift customers out of water poverty, earning an ODI reward against this performance commitment.

We use a variety of methods to help support customers with management of their bills and highlight the support we have available. Utilising data, we're monitoring customer payment behaviour to proactively identify customers showing signs of struggling to pay, and sending early intervention emails with tailored messaging designed to increase customer awareness of the support we, and third-party organisations, can offer.

Our use of Open Banking enormously speeds up the time it takes for customers to clear eligibility criteria, making the process much simpler and quicker for us to get customers the right support when they need it.

Customers that struggle to pay their water bills will inevitably also struggle with other bills, so we believe the key to providing real tangible support is cross-industry collaboration. We host annual affordability summits in January of each year, bringing together partner agencies and key stakeholders to highlight the importance of collaborative cross-sector working and discuss ways to be more joined up when it comes to helping people across the region.

With necessary bill increases to support the increased investment needed in AMP8, we proposed our biggest ever support package, doubling the financial support available to £525 million and helping one in six customers during 2025–30. We have also introduced new social tariffs, including an annual discount for low income households. More information can be found on page 83.

We also remain supportive of the drive to introduce a national social tariff, which would help to provide a more equitable sharing of support for customers across the country.

It is not just customers experiencing financial hardship that require additional support from us. There are a number of different factors of vulnerability, including medical needs, age, and language barriers. Our Priority Services Register helps to provide additional tailored support for customers experiencing vulnerable circumstances. Since the launch of the register in 2015, we have significantly increased the number of customers receiving support, exceeding

our AMP7 targets. Around 540,000 of our customers are registered for our Priority Services offering, which holds accreditation to the international consumer vulnerability standard, ISO 22458:2022 – one of the first water companies to attain this.

When conducting research for our AMP8 business plan, we included a wide range of vulnerable customers and designed our research to be representative and accessible.

As well as affordability summits we also host annual vulnerability summits, giving us an opportunity to share what we are doing to support vulnerable customers with key stakeholders across the charitable sector, local authorities and vulnerability groups.

At our third customer vulnerability summit, in May 2024, we shared our business plan and our future commitments relating to vulnerable customers with 100 organisations across the region, who provided valuable feedback and creative ideas. In June 2024, we also published a new vulnerability strategy setting out our plans, priorities and targets, as well as progress made to date.

 Read our vulnerability strategy at unitedutilities.com/globalassets/documents/pdf/10400-priority-services-strategy-document.acc24.pdf

We will continue to develop our industry-leading support for vulnerable customers in AMP8, improving the quality and level of support we provide, and by 2030 we are targeting 20 per cent of our customers to be accessing Priority Services.

Providing a safe and great place to work

Delivery of our purpose is underpinned by a strong, high-performance culture and the diverse, skilled and engaged colleagues that carry out day-to-day activities.

In our annual colleague engagement survey, our overall engagement score of 87 per cent was an improvement of 6 points on last year, and exceeded all external benchmarks used in the survey (High Performing companies, UK companies, and Utility companies). Our highest performing categories in the survey were Health and Safety (94 per cent), Wellbeing (94 per cent) and Equity, Diversity and Inclusion (90 per cent), reflecting our commitment to prioritising the health, safety and wellbeing of our colleagues and improving equity, diversity and inclusion.

We were particularly pleased that 91 per cent of colleagues said they are proud to be part of United Utilities. In order to deliver the significant improvements we have planned for AMP8, we are going to need a great team of people behind us, so having such a high level of engagement will be really important.

Our 'Call it Out' initiative encourages colleagues to raise ideas and opportunities for improving efficiency and performance directly to the CEO, allowing swift action to be taken. We know that we are better

together, and our colleagues bring an unparalleled level of knowledge and experience to help us improve. This also helps to improve engagement, with everyone knowing that they have a voice that is valued – 87 per cent of surveyed colleagues agreed with the statement "my voice is heard".

Following positive feedback from the all-colleague event we hosted after submission of our business plan, we hosted a follow-up event this year, once again open to everyone across the organisation, to discuss our final determination and plans for AMP8, and give all our colleagues the opportunity to ask any questions they may have had. We have a big programme to deliver, and getting everyone together to talk about how we will accomplish that and what it means for each and every colleague is an important step.

Health, safety and wellbeing continue to be key focus areas. We have engaged with more than 1,100 colleagues in face-to-face 'standdowns', and implemented improvements in the way we tackle occupational road risk and process safety management through cross-business 'task and finish' teams. We have also refreshed our Home Safe and Well programme this year, with three behaviours supported by 12 lifesaving rules, as set out on page 53.

Through collaborative effort and focus on health and safety, we have increased our health and safety engagement score to 94 per cent this year, and also reduced our colleague one-day lost time injuries frequency rate by just over 30 per cent. Our colleague RIDDOR injury frequency rate for 2024/25 was 0.078 per 100,000 hours worked, a 15 per cent improvement compared with last year, amounting to 11 injuries in the year.

Unfortunately, with the increase in workload as we ramp up to AMP8, we have seen higher incidents of contractor lost-time injuries – 24 in the last 12 months compared with 20 in the prior year. Our contractor RIDDOR injury frequency rate was 0.078 accidents per 100,000 hours worked. We are actively working with our contractor partners to learn from all incidents, and forming a joint safety forum to collaborate and share best practice to simplify and streamline our health and safety processes.

Focusing on equity, diversity and inclusion

Diversity breeds creativity, and we make sure we are reaching and recruiting from every part of our community. In 2024, we were placed fourth on the Inclusive Top 50 UK Employers list, which highlighted our commitment to equity, diversity, and inclusion through our comprehensive strategies and initiatives. We were ranked in the Top 10 of the Corporate Religious Equity, Diversity & Inclusion (REDI) Index, an international benchmarking survey that is used to track progress in embracing religion and belief (including non-theistic beliefs).

We were awarded Diversity Team of the Year at the 2024 Inclusive Awards, reflecting the significant strides we have made in advancing equity, diversity and inclusion across the company, and our focus on fostering a supportive and inclusive workplace whilst increasing diverse recruitment to build a strong diverse culture.

This year our colleague networks represented the company at Pride events within our five counties and introduced a number of new awareness campaigns including Islamophobia Month, South Asian Heritage Month, and hosting our first armed forces remembrance service. We also connected members of our networks with others in similar roles within different organisations and industries across our region, and hosted the first external colleague network session, attended by representatives from over 30 organisations, now regularly sharing many valuable examples of best practice of diversity and inclusion in the workplace.

Our workforce profile remains at 65 per cent male and 35 per cent female. At 44 per cent, we exceeded our 2024 target to have 40 per cent of women on the board, ranking in the top third of 100 FTSE companies in the FTSE Women Leaders index. In the utilities sector, we were ranked sixth in the combined FTSE 350+ Private 50 companies index. We also led the way this year with 24 per cent of engineering roles filled by women – putting us ahead of the national average by 7.5 per cent. As a result of our commitments to gender equality, we were included in the 2024 Women in Work (WiW) Gender Equity Measures Report as being an equal, fair, and supportive workplace for all women.

Our graduates and apprentices also bring a breadth of diversity, with 40 per cent of our overall graduates and 28.5 per cent of our apprentices being female. Our work to attract, support and develop women across all areas of the business will bring long-term improvements in our gender pay gap, building on the positive improvements we've seen since we started reporting, with our 2024 mean gender pay gap standing at 4.8 per cent. We were proud to have our first female mechanical field service engineer join our apprenticeship programme, and she was awarded the Derek Jackson Special Achievement Award for her outstanding work in the North Manchester water services team at the Young Engineer Awards.

In our latest survey, 92 per cent of colleagues – across all business areas, job roles, genders and time served within the company – said that United Utilities supports diversity and inclusion in the workplace.

Attracting and developing future talent

We have strong levels of retention, successful graduate and apprentice schemes, and a continued focus on training and development, helping us to ensure we have the right skills and a committed team of people to help us ensure long-term success.

We deliver our own apprenticeship training using the Government's Apprenticeship Levy, and were Ofsted inspected in 2024 at our Bolton Technical Training Centre. We are very proud to have been rated 'Good' in all five areas of our internal apprenticeship provision. The inspection noted that our leaders are ambitious and acutely aware of industry skills shortages and the importance of succession planning, with apprenticeships providing a pipeline of talent and leaders supporting apprentices to successfully achieve their apprenticeship and to secure employment beyond it.

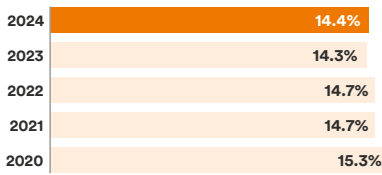
We've also set a new benchmark for workforce competency and operational excellence by becoming the first water company in the UK to extend the Competent Operator Scheme beyond water treatment works to include water networks.

882 colleagues secured new roles within the company this year, and we continued to recruit and train new talent through our award-winning graduate and apprentice programmes. We welcomed 127 new graduates and apprentices this year, bringing the total to 455 in AMP7, and we expect to see a further 750 in AMP8.

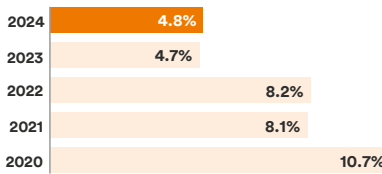
Strong female role models from all levels of our organisation volunteered to help run our award-winning 'Engineering Masterclass' competition with secondary schools from the local area. With a high number of pupils from deprived and disadvantaged backgrounds, this helps to improve social mobility, and its aim is to inspire young people from a wide range of backgrounds to pursue STEM-related careers.

We have welcomed 43 students from the 10,000 Black Interns programme into the business since 2021. Through a six-week placement, the programme is designed to transform the horizons and prospects of black students by offering paid work experience to undergraduates and postgraduates.

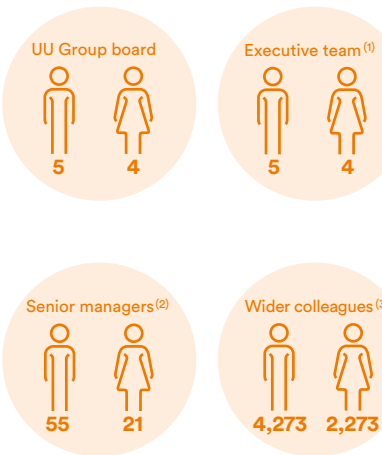
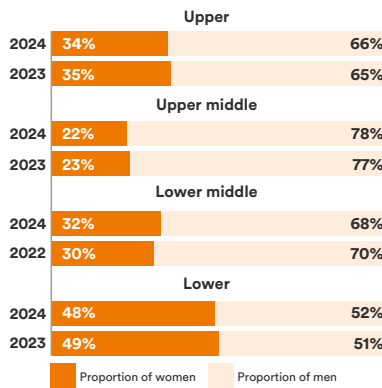
Our median gender pay gap over time



Our mean gender pay gap over time



Percentage of women and men overall and in each quartile of the pay range (figures for 2023 and 2024)



⁽¹⁾ Executive team excludes CEO and CFO who are included in group board figures.

⁽²⁾ As at 31 March 2025, there were 7 male and 5 female colleagues appointed as statutory directors of subsidiary group companies but who do not fulfil the Companies Act 2006 definition of 'senior managers'.

⁽³⁾ Wider colleagues as at 31 March 2025.

How we're delivering our purpose: healthier

Status key
Performance against target Met expectation/target Close to meeting expectation/target Behind expectation/target

Stakeholder key
Customers Environment Communities Colleagues Suppliers Investors

Measure	2025 target	Performance				Assurance ⁽⁵⁾	Link to remuneration ⁽²⁾	Key stakeholder	Status Performance against target
		2024/25	2023/24	2022/23					
Customer ODIs ⁽¹⁾	Year on year improvement	£24 million	£34 million	£25 million		RRA	Bonus		
Water quality customer contacts per 10,000 population ⁽¹⁾	12.2	12.8	13.2	14.1		RRA	Bonus		
Supply interruptions per property per year (hours:minutes:seconds) ⁽¹⁾	00:05:00	00:14:18	00:09:39	00:38:44		RRA	PC		
Unplanned outages of peak week production capacity ⁽¹⁾	2.34%	1.78%	2.05%	1.73%		RRA	PC		
Number of household written complaints compared to WaSCs ⁽¹⁾	Upper quartile	Third quartile ⁽⁵⁾	Third quartile	Second quartile		RRA	n/a		
Speed of resolution ⁽¹⁾	5 days	5 days	3.95 days	3.9 days		RRA	n/a		
Developer satisfaction score (D-MeX) ⁽¹⁾	Above industry median	Above industry median	Above industry median	Above industry median		RRA	PC		
Number of households registered for Priority Services ⁽¹⁾	In excess of 220,000 (7%)	540,380 (16.51%)	401,987 (12.35%)	294,490 (9.1%)		RRA	LTP		
Certification for Priority Services ^{(1) (4)}	Maintain certification	Maintained ISO22458	Maintained ISO22458	ISO22458: 2022 Verification achieved		ITV	n/a		
Helping customers look after water in their home ⁽¹⁾	10% increase	34.50%	34.30%	31.60%		RRA	PC		
Compliance Risk Index ⁽¹⁾	0.00	10.21	6.00	3.67		RRA	LTP		
Wellbeing Charter accreditation	Retain accreditation	Retained	Retained	Retained		ITV	n/a		
Accident frequency rate for colleagues (per 100,000 hours)	10% year-on-year improvement	0.078	0.092	0.072		IAT	n/a		
Accident frequency rate for contractors (per 100,000 hours)	Year-on-year improvement	0.078	0.043	0.078		IAT	n/a		
Your Opinion Survey score for diversity and inclusion questions	Upper quartile against utilities norm	Upper quartile	Upper quartile	Upper quartile		ITV	n/a		

⁽¹⁾ Measure relates to the water and wastewater activities of our regulated entity, United Utilities Water Limited.
⁽²⁾ Read our remuneration report, with details about the bonus and Long Term Plan (LTP), on pages 146 to 172. PC = Performance commitment subject to reward and/or penalty as part of customer outcome delivery incentives (ODIs). These feed into both bonus and LTP through inclusion of customer ODIs and return on regulated equity (RoRE) respectively.
⁽³⁾ Latest comparative data available 2023/24.
⁽⁴⁾ The new Consumer Vulnerability standard, ISO 22458:2022 replaces the previous BS18477:2010 Inclusive Service Provision standard.
⁽⁵⁾ Read more about the assurance over our performance metrics on page 67. ITV = Independent third-party verification. RRA = Regulatory reporting assurance. IAT = Internal audit team.



Case study:
Increasing our affordability support to help one in six households with their bills

With the scale of our investment for AMP8 requiring an increase in bill levels, we know that it's more important than ever that we support customers who are already feeling the strain on their finances due to cost-of-living pressures.

Through the work we'll carry out over the next five years we aim to secure improved resilience in the face of climate change, meet the demands of our growing population, and address the priorities of our customers – helping to create a stronger, greener and healthier North West. While we've worked to make our programme as efficient as we can, and will have the third lowest projected bill in England by 2030, delivering a step change on the things that matter most will, however, mean that bills will need to increase – and we need to have robust measures in place to extend our affordability offerings.

That's why we're increasing our support to £525 million for the 2025–30 period. It's our largest ever affordability support package, and will help one in six households with their bills. Our commitment to helping those struggling to pay has been recognised by regulators, with Ofwat stating that our business plan demonstrated a "sector-leading level of ambition on affordability".

We're introducing two new schemes for AMP8, on top of our existing levels of support. The first of these, our Low Income Water Discount, provides a £50 annual discount on water charges for eligible

income-deprived households. As a result of our data share agreement with the Department for Work and Pensions, over 180,000 customers have already been flagged as eligible in our billing system, ready to receive the discount on their first bill containing 2025/26 charges – and we have a manual application process in place for customers not automatically identified.

Secondly, we're launching WaterSure Plus, an extension of our WaterSure scheme which caps bills for metered customers who use a lot of water due to medical conditions or having a large family. The WaterSure Plus tariff widens eligibility beyond the current legislative scheme to include low-income customers in receipt of disability-related benefits.

On top of this, we're working to make the affordability support process as seamless as possible for customers. We've launched the first phase of a new, improved assessment solution, building on our existing partnership with IE Hub. It allows us to create a more holistic affordability assessment journey, with capability for customers to self-serve where appropriate. Future phases will provide additional improvements, including the integration of open banking – which we're already using to verify customer income in real time to

improve the accuracy and efficiency of our customer affordability assessments.

And we continue to host an annual Affordability Summit, bringing together organisations including councils, charities, housing associations and others that interact with vulnerable customers and those experiencing financial difficulty. The summits give attendees the chance to share experiences and discuss ways for their organisations to be more joined up when it comes to helping people across the region. At this year's event, guest speakers included the credit reference agency Equifax, and the Money and Mental Health Institute. Attendees also heard from the Department for Work and Pensions on how they support customers with disabilities return to the workforce and the upcoming changes to Universal Credit.

Delivering value for






This is creating value for customers and communities.

Read more about affordability on page 80

How we’re delivering our purpose: stronger

Key performance indicators

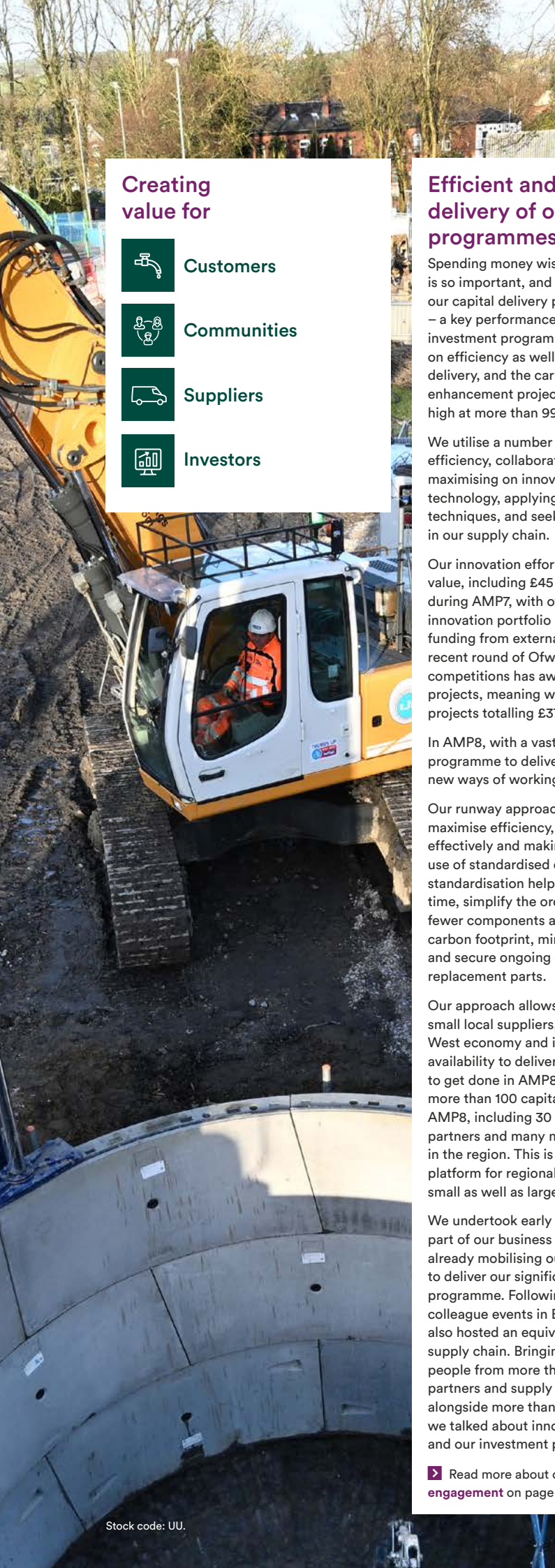
Our key performance indicators for building a stronger North West are our capital programme delivery incentive, community investment, and our ratings and rankings against a range of trusted investor indices. We report on a selection of wider governance metrics of interest to stakeholders on page 88.

<p>Capital programme delivery incentive (CPDi)</p> <p>Measures the extent to which we have delivered our capital projects efficiently, on time, and to the required quality standard.</p>	<p>Community investment</p> <p>Total community investment as measured by the Business for Societal Impact (B4SI) method.</p>	<p>Performance across a range of trusted investor indices</p> <p>Company performance relative to water and utilities sector participants in a selection of trusted investor ESG ratings and indices.</p>
<p>Target</p> <p>At least 85%</p>	<p>Target</p> <p>Average community investment between 2020 and 2025 to be at least 10% higher than the average between 2010 and 2020 of £2.56 million per annum</p>	<p>Target</p> <p>Upper quartile</p>
<p>Annual performance</p> <p>99.6%</p> <p>We have delivered a strong performance, exceeding our target again this year.</p> <p>2023/24: 98 per cent</p> <p>2022/23: 93 per cent</p>	<p>Annual performance</p> <p>£9.8m</p> <p>We have significantly increased our investment this year and surpassed our target, having invested £21.6 million cumulatively over AMP7, which is an increase of more than 50 per cent.</p> <p>2023/24: £3.99 million</p> <p>2022/23: £2.88 million</p>	<p>Annual performance</p> <p>Upper quartile</p> <p>We have maintained upper quartile performance across our selection of ESG ratings and indices.</p> <p>2023/24: Upper quartile</p> <p>2022/23: Upper quartile</p>
<p>Status</p> <p> Met expectation/target</p>	<p>Status</p> <p> Met expectation/target</p>	<p>Status</p> <p> Met expectation/target</p>
<p>Key stakeholder</p> <p>Investors</p>	<p>Key stakeholder</p> <p>Community</p>	<p>Key stakeholder</p> <p>Investors</p>
<p>Relevant material themes⁽¹⁾</p> <ul style="list-style-type: none">• Customer service and operational performance• Financial risk management• Corporate governance and business conduct	<p>Relevant material themes⁽¹⁾</p> <ul style="list-style-type: none">• Supporting communities• Trust, transparency and legitimacy• Recreational land and waters	<p>Relevant material themes⁽¹⁾</p> <ul style="list-style-type: none">• Trust, transparency and legitimacy• Corporate governance and business conduct• Political and regulatory environment
<p>Link to remuneration⁽²⁾</p> <p>Bonus</p>	<p>Link to remuneration⁽²⁾</p> <p>n/a</p>	<p>Link to remuneration⁽²⁾</p> <p>n/a</p>
<p>Assurance⁽³⁾</p> <p>Internal audit team</p>	<p>Assurance⁽³⁾</p> <p>Independent third-party verification</p>	<p>Assurance⁽³⁾</p> <p>Independent third-party verification</p>

⁽¹⁾ Read more about our materiality assessment on pages 29 to 30.

⁽²⁾ Read our remuneration report, with details about the bonus and Long Term Plan (LTP), on pages 146 to 172.

⁽³⁾ Read more about the assurance over our performance metrics on page 67.



Creating value for

-  Customers
-  Communities
-  Suppliers
-  Investors

Efficient and effective delivery of our capital programmes

Spending money wisely and efficiently is so important, and we are pleased that our capital delivery programme incentive – a key performance measure for our investment programme that focuses heavily on efficiency as well as quality, on-time delivery, and the carbon impact of our enhancement projects – has remained very high at more than 99 per cent.

We utilise a number of ways to improve efficiency, collaborating with partners, maximising on innovations and new technology, applying value engineering techniques, and seeking other opportunities in our supply chain.


Our innovation efforts continue to deliver value, including £45 million of efficiencies during AMP7, with over 80 per cent of our innovation portfolio attracting additional funding from external sources. The most recent round of Ofwat Innovation Fund competitions has awarded us another two projects, meaning we now lead on nine projects totalling £37 million.

In AMP8, with a vastly different and larger programme to deliver, we are looking at new ways of working with our supply chain.

Our runway approach enables us to maximise efficiency, allocating risk more effectively and making significantly more use of standardised designs. Increased standardisation helps us to reduce design time, simplify the ordering process with fewer components and materials, lower our carbon footprint, minimise upfront costs and secure ongoing economies of scale for replacement parts.

Our approach allows us to work with more small local suppliers, supporting the North West economy and improving supply chain availability to delivery everything we need to get done in AMP8. We have onboarded more than 100 capital delivery partners for AMP8, including 30 small locally-based partners and many more with a presence in the region. This is helping to drive a platform for regional economic growth, for small as well as large businesses.

We undertook early supplier engagement as part of our business plan process, and are already mobilising our supply chain ready to deliver our significant AMP8 investment programme. Following the success of our colleague events in Blackpool, in April we also hosted an equivalent event for our supply chain. Bringing together nearly 400 people from more than 90 construction partners and supply chain organisations, alongside more than 100 of our colleagues, we talked about innovation, collaboration, and our investment plans for AMP8.

 Read more about our **AMP8 supply chain engagement** on page 89

Contributing to our communities

We support local communities through financial investment in environmental and community partnerships, our range of affordability schemes, delivery of education in schools, and colleague volunteering time.


This year, our direct community investment (calculated using the B4SI method) totalled £9.8 million. This means we exceeded our five-year target, delivering £21.6 million over AMP7. A key driver of this is our sustainable urban drainage projects funded from the green recovery programme, as discussed on page 71. These have realised a range of benefits including slowing the flow of rainwater, biodiversity, and creating new green spaces for local communities.

We have sought further opportunities to engage with communities across the North West, addressing some of their issues through community investment that is also strongly aligned with our strategic priorities. For example, we have seen continued success with our Better Rivers community fund. Set up in 2023, this fund offers grants of up to £2,500 to local community groups who have a connection to their local watercourse. These funds have helped pay for items such as litter picking equipment, waders and sampling kits over the past 12 months, with over £80,000 shared.

Keeping customers updated on our plans and progress is a key feature of our engagement. We have been running ‘see for yourself’ tours, providing customers and community groups the opportunity to see how we operate our wastewater treatment works and understand the technology we use to clean used water and return it safely to the environment. Our information centre on Windermere High Street provides locals and visitors with information about our plans to further improve water quality in the lake, and we’ve held events at the centre on water saving, meters, affordability support, and our graduate and apprentice schemes.

Our community investment in 2024/25 has seen us support numerous charities linked to our activities, focus on specific places such as where we are undertaking construction activity, engage in careers and skills events for the next generation, and support many environmental projects, whether that is working with the region’s Rivers and Wildlife Trusts or planting trees.

Each of our five counties has very different challenges and needs and our approach to community investment reflects this. With dedicated stakeholder managers in each county and county delivery squads, we have set ourselves up to ensure we are ready to deliver our business plan at pace, and this brings to life the improvements that we will be delivering for people in their local area.

 Read more about our **five-county approach** on pages 08 and 55

How we're delivering our purpose: stronger

Working in partnership

The most effective and efficient way for us to deliver improvements is through collaboration and partnership working. Partnerships can bring multiple groups together all working towards a common goal. For instance, the Love Windermere initiative includes nine partnership members where we all have a strong desire to improve water quality in this iconic lake.

Working with community groups, we often find that we can deliver more for less, or partners can leverage additional funds and other resources to invest in schemes with mutual benefits that improve things for water customers as well as other stakeholders. We are better together. This is consistent with our overall catchment management approach, where we look at the end-to-end water cycle within a catchment to deliver improvements in the most effective way.

One way we measure partnership activity is through the partnership leverage ratio, which was 1:3 this year. This means that for every £1 we invest into partnerships, we attract £3 from other sources. Though slightly below our target of 1:4, we have seen a significant increase in both the quantity and value of our partnerships over the past few years.

Co-creating, co-financing and co-delivering partnership solutions are core capabilities for us, and we continue to build on this. We work closely with a broad variety of third parties, including tenant farmers to improve water quality from catchment land, projects with organisations such as Natural England and the Environment Agency, and long-term strategic partnerships. As set out below, we have also established important water management partnerships with the Greater Manchester Combined Authority and the Liverpool City Region Combined Authority.

30,000

jobs supported through our AMP8 plans, with 7,000 new skilled jobs created

99%

of invoices paid within 60 working days or less

£2.7bn

raised through our sustainable finance framework to date

Working together to improve water management



Greater Manchester

With the scale of the challenge to manage too much water in times of flooding, and too little water during droughts, continuing to grow, water supplies in Greater Manchester come under increasing pressure. Rainfall is predicted to rise by 59 per cent by 2050, even if carbon reduction targets are met, and in storms, with the city region sitting in a natural bowl, heavy rainfall can see water levels rise rapidly, causing flood risk. In September 2021, we signed a Memorandum of Understanding together with Greater Manchester Combined Authority (GMCA) and the EA, creating the first partnership looking to manage water differently across the city region, with an Integrated Water Management Plan (IWMP) developed by this partnership and working with others.

So far, the partnership has:

- Commissioned an integrated catchment model, with data from all three partners, to provide a shared understanding of catchment dynamics, growth and investment, and enable more integrated investment plans;
- Helped to secure an innovative, flexible rainwater management programme through the Advanced WINEP, to deliver rainwater management projects across Greater Manchester, enabling large scale regeneration to include sustainable water interventions that deliver wider benefits for the community; and
- Hosted a visit from Defra and the launch of the Independent Water Commission's call for evidence, both of which expressed an interest in this trailblazing partnership and IWMP.

Merseyside

This year, we also signed a Memorandum of Understanding with the Liverpool City Region Combined Authority and Mersey Rivers Trust to help deliver the Government's national water quality goals and accelerate the cleanup of the River Mersey. Partners are committed to a joint five-year action plan aimed at reducing spills, improving water quality, reducing flood risks, and boosting biodiversity across the city region. This includes a joint programme of water management projects in collaboration with local authorities, developers, and community organisations, which will explore innovative nature-based solutions, such as sustainable drainage systems and natural flood management techniques, to reduce pressure on the sewer network.

We will work to ensure that local rivers meet and exceed national standards under the Water Framework Directive, supporting the aim for rivers to achieve 'Good' ecological status, and to enhance public access to the region's waterways, creating cleaner and safer spaces for communities to enjoy. This commitment aligns with our ongoing efforts to tackle pollution and reduce spills, and builds on our legacy partnership and founding membership of the Mersey Basin Campaign, which demonstrated what we can achieve when we work together.

Directly contributing to national government targets, the partnership is a model for other regions, showing how local leadership, industry collaboration, and community involvement can drive faster progress on water quality.



External recognition and benchmarking



United Utilities Group PLC has been included in the FTSE4Good Index Series since June 2001. Latest review March 2025⁽¹⁾.

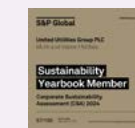


In the annual review in July 2023, our status was assessed as Prime⁽²⁾.



As of November 2024, United Utilities Group PLC received an MSCI ESG rating of A⁽³⁾.

⁽¹⁾ [lseg.com/en/ftse-russell/indices/ftse4good](https://www.ftse.com/en/ftse-russell/indices/ftse4good)
⁽²⁾ [issgovernance.com/esg/ratings/badge](https://www.issgovernance.com/esg/ratings/badge)



We have reported through the Corporate Sustainability Assessment for 25 years. For 2024, our overall performance was 67% and we are proud to be a component of the iconic Dow Jones Best-in-Class World Index (effective December 2024) and a 2025 Sustainability Yearbook Member.



In our latest assessments, United Utilities joined the Climate A list of the world's best performing companies out of more than 24,800 companies assessed by CDP in 2024. As well as the 'A' score for the Climate theme United Utilities also attained a leadership score of 'A-' for Water security.



In October 2024, United Utilities received an ESG Risk Rating of 9.5 and was assessed by Sustainalytics to be at negligible risk of experiencing material financial impacts from ESG factors⁽⁴⁾.

⁽³⁾ [msci.com/legal/notice-and-disclaimer](https://www.msci.com/legal/notice-and-disclaimer)
⁽⁴⁾ [sustainalytics.com/legal-disclaimers](https://www.sustainalytics.com/legal-disclaimers)

Working with suppliers

Our activities during AMP8 will support around 30,000 jobs both directly and through our supply chain. This includes an additional estimated 7,000 jobs, helping to support the North West economy.

Suppliers play an important role in delivering our services and, alongside our colleagues, often act as the face of our business for many customers and communities. Events in recent years have shown the importance of maintaining strong relationships with our supply chain partners and we continue to encourage collaboration as part of our United Supply Chain approach. We work constantly to ensure that our core service delivers maximum value to internal stakeholders, key suppliers, our broader supply chain and ultimately, customers.

Payment practices are critical to our business and our suppliers – particularly at a time when there have been significant rises in the costs of key commodities. As a signatory to the Prompt Payment Code, and in addition to the commitment to pay at least 95 per cent of invoices within 60 working days, we also continue to pay 95 per cent of our small and medium-sized enterprise (SME) suppliers within 30 days. Over the last year, we have continued to outperform our target to pay suppliers promptly, with around 99 per cent of our invoices paid within 60 days, and an average time to pay of 12 days. We act fairly and transparently with all our suppliers and as a signatory to the Code, comply fully with the reporting requirements.

United Supply Chain

United Supply Chain (USC) underpins our supplier collaboration strategy to support the delivery of our sustainability goals. Its purpose is to collaborate, share knowledge and create value with our suppliers, ensuring that our responsible sourcing principles are brought to life and embedded throughout

our supply chain. As part of our procurement process, in-scope suppliers are required to commit to our responsible sourcing principles as either signatories or leaders.

As a signatory, a supplier commits to adhere to the principles and support us to identify and mitigate any risks in the supply chain. As a leader, suppliers not only agree to the responsible sourcing principles but also commit to go further by demonstrating their commitment to the principles, collaborating with us to improve practices and identify new ways of working, to enhance the value delivered to customers.

Since 2016, we have been a partner to the Supply Chain Sustainability School (SCSS). The school is free for our suppliers to join and allows access to numerous training options and resources to help embed our responsible sourcing principles through our supply chain. Our internal colleagues and supply chain have free access to learning pathways, virtual conferences, and tailored training on ESG topics aligned to our responsible sourcing principles. Our relationship with SCSS has gone from strength to strength and we have retained our Gold status with them year on year.

Raising sustainable finance and paying our fair share of tax

Our sustainable finance framework allows us to raise financing based on our strong ESG credentials alongside conventional issuance. We have issued £2.7 billion so far through this framework, of which £1 billion was issued this year. We published an allocation and impact report during the year, detailing the investments made with the proceeds of funds raised under the framework.

Read more at [unitedutilities.com/corporate/investors/credit-investors/sustainable-finance](https://www.unitedutilities.com/corporate/investors/credit-investors/sustainable-finance)

Recognising the group's ongoing commitment to paying its fair share of tax and acting in an open and transparent manner in relation to its tax affairs, we were delighted to retain the Fair Tax Mark independent certification for a sixth consecutive year. We pay significant contributions to the public finances every year, including employment taxes for our more than 5,000 strong workforce.

Read more on our [UK tax policies and objectives](#) on page 173

Performance across a range of trusted investor indices

We have participated in a range of independently assessed global ESG ratings and indices for many years to benchmark our approach against best practice and emerging sustainability challenges. Our approach to responsible business has ensured consistent upper quartile performance in selected ESG ratings and indices.

We remain a component of the Dow Jones Best-in-Class World Index along with just three other companies from the Multi Utilities and Water sector. In the Sustainalytics assessment, we are classified as negligible risk and in the top 2 per cent of performers in the Utilities industry group. We are also proud to be ranked among Corporate Knights' 2025 100 Most Sustainable Corporations in the World.

The external perspective provided by these ESG ratings goes beyond the UK water sector and compares our performance against international water utilities, wider utilities and non-utility companies. We continue to respond to best practice and emerging ESG trends to maintain our performance in these ratings, and we are increasing our engagement with investors on ESG matters.

How we’re delivering our purpose: stronger

Status key
Performance against target Met expectation/target Close to meeting expectation/target Behind expectation/target

Stakeholders

Customers

Environment

Communities

Colleagues

Suppliers

Investors

									Status
		Performance				Assurance ⁽²⁾	Link to remuneration	Key stakeholder	Performance against target
Measure	2025 target	2024/25	2023/24	2022/23					
Credit rating - UUW senior unsecured debt (Moody's, S&P, Fitch) ⁽¹⁾	Baa1, BBB+, A-	Baa1, BBB+, A- (Stable outlook)	A3, BBB+, A-	A3, BBB+, A-	ITV	n/a			
Maintain sustainable finance framework	Available/continued issuance	Available	Available	Available	IAT	n/a			
Anti-bribery: percentage of identified colleagues completing required training	100%	100%	100%	100%	IAT	n/a			
Number of children benefitting from education materials	20,000	33,442	39,131	23,253	ITV	n/a			
Partnership leverage ⁽¹⁾	1:4	1:3	1:3	1:4	RRA	n/a			
Invoices paid within 60 days	At least 95%	98.71%	99.60%	98.91%	ITV	n/a			
Average time taken to pay invoices	<28 days	12	11	12	ITV	n/a			
Supplier Relationship Management score	90%	94%	95%	90%	IAT	n/a			
CIPS ethical mark	Retain accreditation	Retained	Retained	Retained	ITV	n/a			
Percentage of targeted suppliers signed up to United Supply Chain	100%	100%	94%	89%	IAT	n/a			
Percentage of partner and strategic suppliers that have sustainability risk assessments in place	75%	94%	78%	73%	IAT	n/a			
Percentage of suppliers in high risk categories (in sustainability risk assessments) covered by enhanced due diligence audits	5%	5%	4%	3%	IAT	n/a			
UK Corporate Governance Code	Maintain compliance	Compliant	Compliant	Compliant	IAT	n/a			
Fair Tax Mark	Retain accreditation	Retained	Retained	Retained	ITV	n/a			
Living Wage accreditation	Secure and retain	Retained	Retained	Retained	ITV	n/a			
Pension Quality Mark +	Retain accreditation	Retained	Retained	Retained	ITV	n/a			

⁽¹⁾ Measure relates to the water and wastewater activities of our regulated entity, United Utilities Water Limited.
⁽²⁾ Read more about the assurance over our performance metrics on page 67.
ITV = Independent third-party verification. RRA = Regulatory reporting assurance. IAT = Internal audit team.



Case study:
Engaging early – our approach to supply chain engagement for AMP8

The size and scale of investment for AMP8 means we have refreshed and updated our capital delivery approach to shape projects for the right infrastructure and environmental outcomes.

A new runway model provides the ability to access a wider range of supply chain partners, from the sector’s largest construction organisations through to smaller, more agile specialists with knowledge of local areas. The model is based on a series of different ‘runways’ that match the appropriate type of supplier to the specific characteristics of a project – allowing us to adopt the right approach for delivery depending on the type of scheme to be delivered and the desired outcome.

A new runway for AMP8 is the ‘build only’ runway, which contains 30 construction partners. One of the key drivers behind the creation of this is the desire to build closer, more flexible partnerships with smaller construction firms. This encourages innovation, drives better value for clients, and allows us to tap into the local knowledge and specialist skills that smaller partners bring to the table, while supporting job opportunities and the local economy.

The biggest and most complex capital projects will be delivered by the United Utilities Enterprise, an alliance formed of seven industry partners alongside United Utilities. This partnership brings together expertise in design, engineering, and construction to ensure we deliver projects safely, efficiently, and sustainably.

The Enterprise commercial model helps integrated teams to deliver differently and is founded on a set of commercial principles which make room for collaboration and early engagement with a diverse supply chain.

The United Utilities Enterprise team began supply chain ecosystem engagement during mobilisation, running a large-scale engagement event in Autumn 2024. The event was an opportunity to begin building key relationships and ensure the scale of opportunity for innovation, collaboration, and standardisation across programmes is well understood and communicated consistently. By working in a more joined-up way, we can share expertise, standardise processes and asset designs, and remove unnecessary delays.

We’re also working with a strong supply chain, with long-term contracts and a new commercial model that will help us make the most of the latest innovations – both in and out of the water industry.

Once the Enterprise had secured its first programme-level procurements, it launched a dedicated digital platform for suppliers. The platform provides suppliers with a single source of information, communication and point of contact to ensure a positive experience. Since then, the first programmatic procurement has successfully been secured in time for the start of AMP8.





Delivering value for

This is creating value for customers, communities, suppliers and investors.

Read more about **our supply chain engagement** on pages 08, 26 and 85 to 87

Our S172(1) Statement

Our strategic priorities

-  Improve our rivers
-  Create a greener future
-  Deliver great service for all our customers
-  Provide a safe and great place to work
-  Spend customers' money wisely
-  Contribute to our communities

Our key decisions during the year to 31 March 2025

Throughout this integrated annual report, we provide examples of how the board have thought about the likely consequences of long-term decisions and how we:

- build relationships with stakeholders and balance their needs and expectations with those of the business;
- understand the importance of engaging with our colleagues;
- understand the impact of our operations on the communities in our region and the environment we depend upon;
- are mindful of the interactions we have with our regulators; and
- understand the importance of behaving responsibly and being consistent with the company's purpose, values and strategic priorities.

Statement by the directors in performance of their statutory duties in accordance with S172(1) Companies Act 2006

The board of directors of United Utilities Group PLC consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and having regard (amongst other matters) to factors (a) to (f) s172 Companies Act 2006, in the decisions taken during the year ended 31 March 2025 including:

⁽¹⁾ Includes our delivery against performance commitment levels and our performance for the environment in the round (including the Environment Agency's annual performance assessment)

Acceptance of the final determination for AMP8:

Link to strategy



The decision

The final determination (FD) for the asset management period 2025–30 was published by Ofwat on 19 December 2024. The UUW board accepted the FD on 29 January 2025.

Outcome

Based on the FD, our capital programme for the 2025–30 period is set at £13 billion. As part of this, the group will deliver a circa £5.7 billion enhancement expenditure plan, including an industry-leading £2.4 billion CSO programme to deliver a 60 per cent reduction in spills from storm overflows this decade.

How we engaged with stakeholders

Customer and stakeholder engagement directly informed the development of our business plan submission and strategy to deliver it through customer insight and research which was used to directly inform it. Engagement was conducted in a variety of ways, including: setting up customer focus groups, workshops, and online 'Your Water, Your Say' community panels in each of the counties across the North West served by United Utilities (Cumbria, Lancashire, Merseyside, Greater Manchester and Cheshire) to ensure that regional differences would be reflected in the construct of our AMP8 and enabling us to plan and communicate the outcomes for each county. 12 panel sessions were held in total, providing insight incorporated into the proposed business plan. At the panel sessions held after the draft business plan submission in October 2023 we shared how the insight gained from stakeholders had impacted our plan.

The draft determination was published by Ofwat on 11 July 2024. The company engaged with its regulators throughout the process, answering queries and providing further information prior to submitting its revised submission to Ofwat on August 2024, with the FD published on 19 December 2024.

The board's view

The board reviewed the consequences of accepting the FD in the form published by Ofwat noting the delivery challenge of a plan of this size – with the need for investment in performance, further CSO spill reduction and the accelerated plan for bioresources.

Notwithstanding the 'step-up' in average customer bills in 2025/26 was larger than anticipated, UUW's average customer bills will be the fourth lowest in the industry in AMP8 – average customer bills will increase by 32 per cent from the end of 2024/25 to 2029/30, but would enable the company to address customers' views and priorities obtained during the research and testing phases of the plan – 74 per cent of customers supported our original business plan. Notwithstanding the additional requirements in the plan, affordability support is expected to be provided to one in six households. This package of support totals £525 million, inclusive of £200 million provided by shareholders. The board carefully considered whether to challenge the FD through the appeals process. However, it determined that doing so would not best serve the long-term success of the company for the benefit of its members as a whole.

Dividend policy for AMP8

Link to strategy



The decision

To set the dividend policy for AMP8.

Outcome

The board will target growth in the dividend per share, from the 2024/25 base, of CPIH inflation each year of AMP8.

How we engaged with stakeholders

The UUG dividend policy is closely related to UUW's dividend policy and the outcome of the FD. As set out above, the business plan was informed through extensive stakeholder engagement through the 'Your Water, Your Say' community panels, all-colleague engagement events held in Blackpool in December 2023 and March 2025, and through our offer to MPs in our region and local authority representatives to discuss the draft business plan following its submission to Ofwat. The board regularly engages with investors both directly and indirectly, including shareholders and credit investors.

The board's view

Payment of a dividend by UUG is contingent on the dividend paid by UUW. In its price review submission for AMP8, the board of UUW committed to further cementing its responsible approach to gearing, dividends and benefit sharing in AMP8 and more explicit alignment with the changes introduced in May 2023 by Ofwat in relation to its new powers to regulate water companies paying dividends. The UUW board will make decisions on dividends on an annual basis and will provide stakeholders

with a clear explanation of its approach and decision as part of the UUW annual performance report. When declaring or paying a dividend, the board will:

- Take account of a full range of matters including service delivery for customers and the environment;⁽¹⁾
- Consider company performance in the round and over time, encompassing all aspects of delivery against its licence, including delivery against performance commitments, investment plans, cost efficiency and other areas of its operations;
- Give consideration to the company's current and future investment needs and financial resilience over the short and longer term; and
- Have due regard to whether the dividend rewards efficiency and the effective management of the business, including performance across a number of periods. The board believes the underlying approach applied by the UUW board, and therefore impacting the availability of dividends available for the UUG board to pay to its shareholders would be most likely to promote the long-term success of the company for the benefit of its members as a whole.

Haweswater Aqueduct Resilience Programme (HARP)

Link to strategy



The decision

The board supported the conclusion of the Full Business Case and approved its submission to Ofwat as part of the 'Control Point F' submission in the HARP procurement

process and recommended the award of the Direct Procurement for Customers (DPC) contract to the preferred bidder, the STRABAG Equitix Consortium.

Outcome

The board provided its assurance statement as part of the Ofwat Control Point F submission confirming that the full business case was produced in accordance with good industry practice, that it reflected the suite of procurement documents provided to Ofwat in support of the submission and that UUW had achieved a best value price through a competitive tender process, therefore offering value for money for customers. Ofwat has provided consent in principle to award the contract to the preferred bidder, subject to final consent upon receiving the final form of the contract.

How we engaged with stakeholders

We have secured planning permission from nine planning authorities for this complex scheme. Such an outcome has been achieved through focused engagement with communities and stakeholders explaining our plans, listening to feedback and concerns and then amending and adjusting our plans as appropriate. Prior to starting the project, we engaged with numerous stakeholders including representatives from the relevant local authorities, local highways authorities, National Highways, Natural England, Environment Agency and landowners, to help shape our plans for dealing with the risk associated with the existing tunnel sections of the Haweswater Aqueduct. Relevant councillors, community representatives and special interest groups have also been engaged and offered opportunities to meet with the project team to provide their feedback. The proposed solution was also

tested with our regulator and other parties to ensure it was the most appropriate solution.

The board's view

Following a series of inspections and risk assessments it was identified that there was an increasing risk of failure associated with the existing Haweswater Aqueduct, requiring the replacement of the tunnel sections of the existing aqueduct. At PR19, UUW proposed the DPC approach to procure a Competitively Appointed Provider (CAP) to design, build, finance and maintain the new tunnel sections. Through AMP7, UUW progressed the design and development of the project, including working with Ofwat to develop the commercial model for DPC to ensure that the outcome delivers best value for customers. This has involved considerable engagement with bidders and other stakeholders as well as Ofwat. UUW has utilised expert legal and financial advisers throughout the project's development and ensured the necessary assurance at each stage, including the establishment of an oversight committee, consisting of external experts with experience of major project finance initiatives and large and complex capital infrastructure projects. The board has been kept updated along the journey and is of the view that replacing the tunnel sections of the Haweswater Aqueduct continues to be the preferred option which best meets its strategic objectives and that the company has achieved a best value price through a competitive tender process, therefore offering value for money for customers and would be most likely to promote the long-term success of the company for the benefit of its members as a whole.

