

How we manage our dependencies and impacts

We strive to positively impact and manage our dependencies on each of the six capitals.

	We depend/rely on it:	We can impact on it:	How we manage this resource	UN SDG link
Natural capital	<ul style="list-style-type: none"> to source clean water from reservoirs, rivers and boreholes, from which abstraction licences permit us to take water to be treated and supplied to customers; to receive cleaned wastewater back into the environment; to recycle biosolids, citing engineered or nature-based interventions, and to attenuate water flows; and to provide resources, such as chemicals, cement, metals and energy. 	<ul style="list-style-type: none"> by improving the condition of land, including habitat health and biodiversity; by improving the condition of rivers and water bodies and reducing overflows and pollution incidents; by reducing greenhouse gas (GHG) emissions contributing to climate change; and by storing greenhouse gases in our land, e.g. in soils and woodland. 	<p>Our approach to managing natural capital is underpinned by our strategic priorities to create a greener future and improve our rivers. We produce natural capital accounts of our land and region to understand the stocks and flows of natural capital in our region.</p> <p>► Our TNFD on pages 36 to 44 has more information on our strategy to protect and enhance natural capital</p>	3, 6, 13, 14, 15
Intellectual capital	<ul style="list-style-type: none"> to provide real-time monitoring and analytics that helps us provide our service efficiently and effectively; to provide innovative ways of doing things, which drive more value and better efficiency; to keep us safe from cyber attacks; and to give us a competitive advantage in how our processes and systems drive continuous improvement. 	<ul style="list-style-type: none"> by investing in research and development, and innovation; by improving our system monitoring and investing in smart assets; by investing in our digital capability and harnessing the power of artificial intelligence; and by collaborating with the supply chain and other partners. 	<p>Our simpler, smarter, better approach dictates how we work to improve our intellectual capital. This includes embracing technological change by making better use of data and artificial intelligence (AI), investing in innovative ideas, or working across the sector on collaborative innovation projects to tackle long-term challenges such as process emissions or river health.</p>	6, 9, 11, 12
Human capital	<ul style="list-style-type: none"> to deliver great services for customers through the skills, knowledge and experience of our workforce and supply chain; to provide diversity of thought and a range of perspectives; and to run a responsible business and deliver our services in an efficient and productive way. 	<ul style="list-style-type: none"> by creating a safe and great place to work; by prioritising health, safety and wellbeing; by bringing in new colleagues, including through graduate and apprentice programmes; by developing and training all of our people; and by creating a diverse workforce with fair opportunity for all. 	<p>The importance of our colleagues to the success of our business is reflected in our strategic priority to provide a safe and great place to work. This means attracting and retaining a diverse and highly engaged team of people, continuously training and developing them, and looking after their health and wellbeing as well as their safety.</p> <p>► Read more on our approach on pages 47 to 48</p>	3, 4, 5, 8, 10

UN Sustainable Development Goals (SDGs) key:



	We depend/rely on it:	We can impact on it:	How we manage this resource	UN SDG link
Social capital	<ul style="list-style-type: none"> to build trust with all of our stakeholders (customers, environment, communities, colleagues, suppliers and investors); to understand the needs of customers and stakeholders to deliver the things that are important to them; and to collaborate with customers and stakeholders on shared challenges such as flooding and water efficiency. 	<ul style="list-style-type: none"> by providing high-quality water, wastewater and customer services; by making our services resilient now and for the future; by supporting customers who struggle to pay their bills and those in vulnerable circumstances; by creating spaces for access and recreation; and by communicating and collaborating with all stakeholders. 	<p>Our strategic priorities to deliver a great service for all our customers and contribute to our communities underpin how we work to enhance social capital with our stakeholders. Our place-based approach helps us tailor our service to what matters most across the five counties we serve.</p> <p>► Read more about our customer strategy on pages 45 to 46 and our community strategies on page 50</p>	1, 8, 11, 16, 17
Manufactured capital	<ul style="list-style-type: none"> to deliver reliable performance for customers; to secure resilience of our assets to extreme weather and other shocks; to keep operating costs low by operating efficiently; to keep our assets secure; and to meet regulatory obligations and stakeholder expectations. 	<ul style="list-style-type: none"> by maintaining, protecting and improving assets and infrastructure; by developing new assets and infrastructure; by maintaining our assets effectively; by performing well in capital delivery; and by following best practice approaches to asset management, such as ISO 55001. 	<p>Our ISO 55001 accreditation demonstrates the wide range of activities we undertake to maximise the value from our assets for the long term. This includes balancing proactive and reactive maintenance, managing risk and value, and managing assets throughout their lifecycle, from planning to decommissioning.</p> <p>► Read more in our striving for asset management excellence case study on page 87</p>	6, 9, 11, 12
Financial capital	<ul style="list-style-type: none"> to finance our activities and smooth out cash flows; to pay our operating, financing, and capital delivery expenses; to demonstrate financial resilience to allow us to finance our activities in an affordable way; and to allow us to spread the cost to customers of infrastructure upgrades over the long term. 	<ul style="list-style-type: none"> by being efficient in our operations; by investing in our assets, improving asset health and reducing the likelihood of asset failure; by working with long-term investors and demonstrating good governance for fair and sustainable returns; and by being a responsible business. 	<p>Our strategic priority to spend customers' money wisely means that we consider efficiency in everything we do, from our day-to-day expenses to delivering our capital programme. Alongside this, we have robust financial controls and treasury policies designed to provide long-term financial resilience.</p>	6, 8, 9, 11

