

## How we report our performance

# Driving performance through transparency...

The next section details our performance against our operational KPIs, other operational metrics and financial KPIs. We have selected these KPIs and measures by considering what stakeholders tell us matters most to them, as well as our contribution to wider value and global goals such as the UN SDGs and climate change mitigation.

The metrics we report relate to activities undertaken by the group unless stated otherwise in the performance tables. Those that are not group metrics relate solely to the water and wastewater activities of our regulated entity, United Utilities Water Limited (UUV). In particular, we report against a number of regulatory performance measures, and these relate only to UUV as the regulated entity. UUV performance is, in most instances, the same as group performance for these metrics, as UUV makes up the vast majority of group activities, with only a small amount of non-regulated activity undertaken outside of UUV.

### Operational performance metrics

In order to assess our operational performance, we look at a variety of metrics to measure how effectively we are delivering against our purpose and strategic priorities.

We provide performance data for the last three years to enable movements and trends to be observed, and we rank performance against our targets using a traffic light system – green, amber or red.

### Performance commentary

Our metrics are supported by a commentary, which includes highlights of the year and provides additional insight into our performance.

Operational performance in this integrated report is structured according to the key elements of our purpose – greener, healthier and stronger. This also provides alignment with environmental, social and governance (ESG) matters.

#### Greener

## 0

category 1  
pollution incidents

## 47%

reduction in spills  
against 2020 baseline

## 13%

scope 1 and 2 greenhouse gas  
emissions reduction since 2019/20

► See the full list of our greener KPIs and metrics on pages 66 to 67

#### Healthier

## 4.5 Excellent

on Trustpilot

## 422,041

customers supported  
with affordability

## 90%

colleague  
engagement

► See the full list of our healthier KPIs and metrics on pages 76 to 77

#### Stronger

## 100%

capital programme  
delivery incentive (CPDi)

## £3.84m

community investment into  
North West communities (B4SI)

## Upper quartile

performance across a range  
of trusted investor indices

► See the full list of our stronger KPIs and metrics on pages 82 to 83



### Case study

How rainwater management helps us to deliver a greener North West

► Read more on pages 70 to 71



### Case study

How our affordability support helps us to deliver a healthier North West

► Read more on pages 80 to 81



### Case study

How our asset management approach helps us to deliver a stronger North West

► Read more on pages 86 to 87

## Financial KPIs

Financial KPIs are set out on page 90 and assess profitability and financial resilience. They include income statement, balance sheet and shareholder performance metrics and are unchanged from last year.

## Financial framework and guidance

The board sets our financial framework, including performance targets or forecasts for key financial measures. This covers our target gearing range, dividend policy and estimated asset growth based on the regulatory total expenditure allowance. We provide one-year forward guidance on key financials, including income statement measures, outcome delivery incentives (ODIs), and capital expenditure, on page 91. All forward-looking information should be read in line with the cautionary statement on the inside back cover of this report.

## Financial information contained in the APR

Financial performance information relates to the regulated company, UUW, and its appointed activities, and is prepared in accordance with the regulatory accounting framework. This differs from IFRS reporting, and a reconciliation is provided in the annual performance report (APR). For clarity, all financial metrics in this report relate to group-level performance and are calculated as per the definitions set out herein.

## Regulatory return

The regulatory return is the return generated on actual regulatory equity, calculated using average actual gearing applied to the regulatory capital value (RCV), as per Table 1F – Financial Flows of the Ofwat Annual

Performance Report. It encompasses the base return, outperformance, and the uplift to our regulatory asset base from inflation.

Regulatory return comprises the base allowed return set by Ofwat in the final determination, adjusted for outperformance or underperformance, and is reported annually and cumulatively over each five-year AMP period. The AMP8 base return is 5.24% (real) on average, including an uplift for our quality and ambition assessment.

Performance against the base return is influenced by three factors: totex outperformance or underperformance versus allowances; ODI rewards or penalties for service delivery; and financing performance relative to the allowed cost of debt.

We have consistently outperformed, delivering 1.4% above the base return in AMP6 and 2.1% in AMP7 (real). Operational performance feeds into regulatory return, particularly through ODIs.

## Remuneration

Remuneration for executives and colleagues reflects sustainability-related metrics alongside financial performance. Bonus measures apply to all colleagues, while executives and senior leaders are also assessed against longer-term targets through the LTP. Both schemes are linked to customer and environmental outcomes as well as financial performance, including customer satisfaction, ODIs, carbon measures, pollution and spills performance, and efficient delivery of the capital programme.

Many remuneration measures align closely with our operational and financial KPIs, and we disclose where metrics are linked directly or indirectly to bonus and/or LTP outcomes. Further detail is provided in the remuneration report on pages 140 to 170.

## Assurance of performance metrics

All disclosed performance metrics have received appropriate assurance, including independent third-party verification, regulatory assurance processes or internal audit review. The form of assurance obtained for each metric is shown in the performance tables on the following pages.

Sections subject to external limited assurance are clearly marked, including figures in the energy and carbon report and the remuneration report.

► Relevant audit opinions are available at [unitedutilities.com/corporate/responsibility/our-approach/esg-performance](https://unitedutilities.com/corporate/responsibility/our-approach/esg-performance)

## Benchmarking our ESG performance

We benchmark our performance against national and international standards of responsible business practice and align with recognised management standards and accreditations. We participate in a range of global ESG ratings, indices and frameworks, which form part of our operational KPIs.

Our consistent performance across these benchmarks demonstrates our commitment to responsible operations. Many indices draw data from this report, and we collate and publish a wide range of ESG performance measures. Additional information on specific frameworks is available on our website.

## Further performance disclosures



### Regulatory performance metrics

Performance against our regulatory contract is monitored and assessed each year, and more detailed information and narrative is reported within our separate annual performance report (APR), which is published in July of each year. The APR includes performance for the current year and cumulative performance across the AMP. The APR for 2025/26 will be published in July 2026.

► Our APRs are available on our website at [unitedutilities.com/corporate/about-us/performance/annual-performance-report](https://unitedutilities.com/corporate/about-us/performance/annual-performance-report)



### World Economic Forum (WEF) International Business Council (IBC)

The WEF IBC has proposed a set of common metrics for the consistent reporting of sustainable value creation in mainstream annual reports. We already integrate many of these metrics in our integrated annual report and, to make this easier for those searching for the information, we have collated them into one place on our website.

► Read more at [unitedutilities.com/corporate/responsibility/our-approach/cr-reporting/wef](https://unitedutilities.com/corporate/responsibility/our-approach/cr-reporting/wef)



### Sustainability Accounting Standards Board (SASB)




SASB standards aim to standardise the disclosure of material sustainability information mainly for companies based in the United States. As many of our shareholders are located in North America, we publish comparable SASB data on our corporate website. This covers the main SASB data points for the water utilities industry, of which we are a part.

► Read more at [unitedutilities.com/corporate/responsibility/our-approach/cr-reporting/sasb](https://unitedutilities.com/corporate/responsibility/our-approach/cr-reporting/sasb)

## How we're delivering our purpose: greener

### Key performance indicators

There are a broad range of performance indicators that help us to assess how we're delivering our purpose, working towards a greener future. The three 'greener' KPIs below have been selected due to their importance with stakeholders, with additional 'greener' performance metrics on page 67.

<p><b>Category 1 pollution incidents<sup>(1)</sup></b> Pollution incidents with a serious, extensive or persistent impact on the environment, people or property.</p>	<p><b>Spills reduction<sup>(1)</sup></b> Reducing the total number of activations at combined sewer overflows.</p>	<p><b>Scope 1 and 2 location-based GHG emissions target</b> One of two near-term science-based targets (SBTs) to reduce emissions by 2030 from the level in the base year of 2019/20.</p>
<p><b>Target</b> <b>0</b></p>	<p><b>Target</b> <b>60% reduction by 2030</b></p>	<p><b>Target</b> <b>42% reduction by 2030</b></p>
<p><b>Annual performance</b> <b>0</b> We have had zero category 1 pollution incidents this year, meeting our target of 0. 2024/25: 1 2023/24: 1</p>	<p><b>Annual performance</b> <b>47% reduction in spills against 2020 baseline</b> The level of spills since our 2020 baseline has reduced by 47%, well on track to meet our target of 60% reduction by 2030. 2024/25: 32% reduction 2023/24: 14% reduction</p>	<p><b>Annual performance</b> <b>13% reduction since 2019/20</b> in emissions, reporting on a like-for-like basis. However, this year we have updated how we calculate process emissions to align with recently adopted UK Government and IPCC guidance. The impact of this will trigger a recalculation and revalidation of the SBT baseline and this will be reflected next year's annual report. 2024/25: 9.1% reduction 2023/24: 7.3% reduction</p>
<p><b>Status</b>  Met expectation/target</p>	<p><b>Status</b>  Met expectation/target</p>	<p><b>Status</b>  Close to meeting expectation/target</p>
<p><b>Key stakeholder</b> Environment</p>	<p><b>Key stakeholder</b> Environment</p>	<p><b>Key stakeholder</b> Environment</p>
<p><b>Relevant material themes<sup>(2)</sup></b></p> <ul style="list-style-type: none"> <li>• Environmental river water quality and storm overflows</li> <li>• Natural capital and biodiversity</li> <li>• Political and regulatory environment</li> <li>• Trust, transparency and legitimacy</li> </ul>	<p><b>Relevant material themes<sup>(2)</sup></b></p> <ul style="list-style-type: none"> <li>• Environmental river water quality and storm overflows</li> <li>• Natural capital and biodiversity</li> <li>• Political and regulatory environment</li> <li>• Trust, transparency and legitimacy</li> </ul>	<p><b>Relevant material themes<sup>(2)</sup></b></p> <ul style="list-style-type: none"> <li>• Climate change mitigation</li> <li>• Energy management</li> <li>• Trust, transparency and legitimacy</li> </ul>
<p><b>Link to remuneration<sup>(3)</sup></b> LTP</p>	<p><b>Link to remuneration<sup>(3)</sup></b> Bonus</p>	<p><b>Link to remuneration<sup>(3)</sup></b> LTP</p>
<p><b>Assurance</b> Regulatory reporting assurance</p>	<p><b>Assurance</b> Regulatory reporting assurance</p>	<p><b>Assurance</b> Independent third-party verification</p>

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

<sup>(2)</sup> Read more about our materiality assessment on pages 24 to 25.

<sup>(3)</sup> Read our remuneration report, with details about the bonus and Long Term Plan (LTP), on pages 140 to 170.

## Status key

Performance against target



Met expectation/target



Close to meeting expectation/target



Behind expectation/target

## Stakeholder key



Customers



Environment



Communities



Colleagues



Suppliers



Investors

## Status

Measure	2030 target	Performance			Assurance <sup>(5)</sup>	Link to remuneration <sup>(2)</sup>	Key stakeholder	Performance against target
		2025/26	2024/25	2023/24				
Pollution incidents per 10,000 km sewer network <sup>(1)</sup>	18.63	42.15	45.00	27.93	RRA	PC		
Spills per storm overflow monitored <sup>(1)</sup>	17.71	26.80	34.68	45.43	RRA	LTP		
Treatment works compliance <sup>(1)</sup>	99%	98.20%	98.20%	98.97%	RRA	PC		
Leakage reduction <sup>(1)</sup>	23.9% <sup>(3)</sup>	9.4%	7.3%	7.1%	RRA	LTP		
Reduction in per capita consumption <sup>(1)</sup>	9.6% <sup>(3)</sup>	6.2%	5.1%	2.5%	RRA	Bonus		
Reduction in business demand <sup>(1)</sup>	5.7% <sup>(3)</sup>	1.0% increase	New	New	RRA	PC		
Internal flooding incidents per 10,000 sewer connections <sup>(1)</sup>	1.59	2.01	3.48	4.35	RRA	Bonus		
External flooding incidents per 10,000 sewer connections <sup>(1)</sup>	15.37	15.86	21.07	20.36	RRA	Bonus		
Biodiversity performance commitment <sup>(1)</sup>	230.21 Units by 2030	0 – on track	New	New	RRA	PC		
Wonderful Windermere <sup>(1)</sup> (kg phosphorus removed)	77.4	12.57	New	New	RRA	PC		
Nature pledges	100% achievement	On track	New	New	IAT	n/a		
Scope 3 near-term SBTi GHG emissions target	25% reduction by 2030 <sup>(4)</sup>	36.8% increase	10.5%	7.3%	ITV	n/a		

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

<sup>(2)</sup> Read our remuneration report, with details about the bonus and Long Term Plan (LTP), on pages 140 to 170. PC = Performance commitment subject to reward and/or penalty as part of customer outcome delivery incentives (ODIs). These feed LTP through return on regulated equity (RoRE). The measurement approach for the purpose of remuneration outcomes may differ from the exact approach shown here.

<sup>(3)</sup> As measured against a 2019/20 baseline.

<sup>(4)</sup> As measured against a 2019/20 baseline. Methodology changes will trigger a recalculation and revalidation of SBT base year emissions. Figure here is an estimated like-for-like value calculated using current year activity data and previous method as noted on page 73.

<sup>(5)</sup> ITV = Independent third-party verification. RRA = Regulatory reporting assurance. IAT = Internal audit team.

## Spotlight on EPA

We have retained our position as the second-highest-ranked company in the Environment Agency's Environmental Performance Assessment (EPA), with 13 stars out of a possible 16 in the first four years of this EPA cycle, with two stars for 2024. 2024 was a particularly wet and stormy year, and this, alongside the Environment Agency's updated approach to measurement of pollution incidents that occur during major storms,

adversely impacted industry ratings for the year. There will be future changes in methodology, beginning in 2027, which will impact the consistency of EPA reporting. The EPA continues to be an important area of focus for the future, and we welcome the ongoing improvements to the methodology to give a more rounded and transparent view of company performance.



## How we're delivering our purpose: greener



### Creating value for



### Tackling pollution

Most of the activities involved in providing our services are carried out reliably and without incident. Nevertheless, we recognise that on occasion, operational issues arise that can lead to an unpermitted discharge into the local water environment, which may result in an impact. These events, known as pollution incidents, remain a critical focus area for the company.

As well as failures in our assets, pollutions or environmental impacts can be caused by a wide range of external factors beyond our direct control, including the activities of industry, agriculture and the illegal disposal of waste. While we remain committed to reducing pollution arising from our own operations, we also work closely with these third parties to influence behaviours and collectively minimise risks to the environment.

Historically, we have performed strongly against our total pollution targets. Although our performance in this year showed an improvement compared with the prior year, we are disappointed not to have met all of our pollution-related targets for the year. However, in relation to the most serious category 1 incidents, we are proud to have maintained a performance of zero. Sustaining this level remains a core priority for the business.

Reducing the number of total pollution incidents continues to be an area of focus. In March this year, we published an updated Pollution Incident Reduction Plan (PIRP), which provides a clear and ambitious roadmap for driving down environmental harm across our operations. The plan incorporates lessons learned, advances in monitoring and automation technology, and a renewed emphasis on transparency and accountability.

Through continued investment in resilient infrastructure, enhanced monitoring capabilities and strengthened operational controls, we are determined to reduce both the frequency and impact of pollution incidents. This work is progressing against a backdrop of increasingly challenging external conditions, including the effects of climate change, population growth, urbanisation and other environmental pressures, all of which we are actively mitigating.

During the year, the industry's methodology for recording and reporting pollution incidents evolved, resulting in the inclusion of several categories of incidents that, in previous years, would have been removed from performance reporting due to being classified as outside of management control. This shift has reinforced the importance of our long-term strategy, including enhancing the resilience of assets to power outages, engaging customers on responsible disposal behaviours, and strengthening partnerships aimed at tackling the wider causes of pollution.

- ▶ Read our [Pollution Incident Reduction Plan](https://www.unitedutilities.com/corporate/responsibility/environment/reducing-pollution) on our website at [unitedutilities.com/corporate/responsibility/environment/reducing-pollution](https://www.unitedutilities.com/corporate/responsibility/environment/reducing-pollution)

### Spills and environmental water quality

Since 2020, the national conversation on the role of combined sewer overflows (CSOs) and their impact on the water environment has accelerated significantly, reflecting heightened public and regulatory expectations. Against this backdrop, we have continued to work tirelessly to modernise and re-engineer our legacy wastewater networks so that spills from CSOs occur only during periods of extreme rainfall, thereby protecting customer properties as originally intended.

We are extremely proud of the progress achieved to date on our journey towards a 60% reduction in spills by 2030, against a 2020 baseline, and to achieve an average of no more than ten spills per overflow per year by 2050. This year, we delivered a further overall reduction of 23% spills per overflow since 2024, despite rainfall being heavily concentrated towards the end of the reporting period. Notably, September alone experienced over 184% of the long-term average rainfall. As a result of our progress this year, our performance relative to the 2020 baseline now represents a reduction of 47% in spills, with further improvements expected throughout the remainder of AMP8.

Another important area of progress has been the continual improvement in the quality of treated wastewater returned to the environment. Our discharge permit compliance remains high, demonstrating that our assets continue to operate to the high standards set by the Environment Agency across the vast majority of our wastewater treatment activities.

A key feature of treated wastewater is the concentration of nutrients, particularly phosphorus, which can contribute to algal growth and ecological imbalance in rivers and lakes. Across AMP8, we are making significant investment to enhance the quality of discharges from our treatment works, including reducing phosphorus and other nutrient levels by more than half at many sites. This programme will lead to improvements across 450 kilometres of rivers over AMP8, supporting healthier ecosystems.

## Greenhouse gas emissions

Water and wastewater services are essential, and in the face of the global climate emergency we are committed to significantly reducing the greenhouse gas emissions associated with delivering our services. Reducing our operational and embedded emissions remains a core priority.

This year, we achieved a 13% reduction in scope 1 and 2 emissions compared with our 2020 base year on a like-for-like basis. Our latest forecasts to 2030 indicate that, while we are making strong progress in energy efficiency, renewable energy generation and low-carbon fuels, process emissions from wastewater treatment remain a challenge. During the year, we changed the electricity methodology from market-based to location-based to align with the methodology used by Ofwat, and we have adopted new UK Government guidance on accounting for process emissions.

Our scope 3 science-based target commits us to achieving a 25% emissions reduction across our supply chain. Having already met our previous goal for 66% of our construction suppliers to set science-based targets, we have now shifted attention towards this emissions reduction target. While the scale of our capital programme presents headwinds, our supply chain partners remain engaged and are incentivised to reduce carbon.

► Read more on our carbon and energy related performance on pages 72 and 73

## Managing water resources

This year has presented significant challenges from a water resources perspective, with the North West experiencing the driest start to a calendar year in decades. Despite these unprecedented conditions, the integrated nature of our network, combined with the responsiveness and dedication of our operational teams, enabled us to maintain supply for customers throughout the period. Notably, we did so without the need for temporary use bans, even though our region was the first in the country to be designated as being in drought by the Environment Agency.

The prolonged dry spell also placed additional pressure on our network infrastructure. As rainfall returned in late summer, the rapid transition from exceptionally dry to saturated ground conditions created stresses similar to those typically associated with freeze-thaw events. In response, our leakage gangs intensified their efforts, increasing the number of repairs undertaken by 24% compared with the same period last year. While these headwinds mean we are currently behind our regulatory target for leakage performance, reducing water loss across our network remains a priority.

Alongside increased find-and-fix activity, we continued to invest in the long-term resilience of our water infrastructure.

During the year, we replaced over 150 kilometres of water mains, contributing to our commitment to replace at least 925 kilometres or approximately 2% of our network by 2030. We remain on track to deliver this programme within the current price control period and meet our delivery price control deliverable.

We also made strong progress in the rollout of our smart metering programme, installing over 200,000 meters during the year. This marks the first stage of a sustained installation plan that will continue throughout the remainder of the AMP. Smart metering is a critical enabler in improving our understanding of network flows, helping us identify losses more proactively, particularly on the customer side, and supporting long-term improvements in water efficiency and demand management.

## Nature and biodiversity

We are proud to announce a comprehensive set of nature pledges that reflect the critical role of nature supporting the delivery of our essential services. These pledges bring together a wide range of initiatives designed to enhance the health of our land and water environments, while enabling more people to benefit from access to nature.

Our pledges include significant investment in peatland and woodland restoration, which strengthens ecosystem resilience, slows the movement of water through the landscape and, in turn, improves raw water quality. These activities also contribute to wider environmental benefits such as reducing flood risk and supporting drought resilience.

Over the past 12 months, we have delivered a further 1,245 hectares of peatland under restoration, bringing our progress to 63% towards achieving our 2030 target. For our 2030 tree planting target, we have created an additional 142 hectares of woodland across the North West, improving the resilience of our natural habitats.

Nature also plays a vital role in supporting people's wellbeing. That is why, alongside our pledges, we will continue to promote greater engagement with the natural environment, enhance inclusivity and improve facilities at priority recreational sites, ensuring that more communities can enjoy and benefit from these shared spaces.

This year also marks the introduction of the biodiversity performance commitment. To demonstrate outperformance under this measure, we must establish the baseline condition of our target sites, which we have been undertaking throughout the year. We expect to be in a strong position to report measurable progress as we move further into the AMP.

► Read more about our nature pledges on page 37

## Focus on Windermere

Windermere is one of the UK's most iconic and cherished lakes, and we fully recognise our responsibility to protect and enhance its ecological health. Over the course of the year, we have advanced a wide range of activities across the Windermere catchment, all aimed at improving water quality for the thousands of people who enjoy the lake each year.

We are progressing well with our circa £200 million investment programme across the catchment, delivering substantial upgrades at our wastewater treatment works and pumping stations. As part of this programme, we have mobilised additional stormwater storage capacity to ease pressure on the network during periods of heavy rainfall, reducing the need to operate storm overflows.

Active projects are now underway across nine of our wastewater treatment works in the catchment. In parallel, we have carried out an extensive campaign to promote first time sewerage to households and businesses that currently rely on septic tanks and small private treatment systems. These private systems are known contributors to phosphorus levels in the lake, and the potential to extend our network can play a vital role in reducing nutrient inputs.

While we remain focused on reducing phosphorus loadings and minimising spills from our own assets, tackling phosphorus from other sources such as private septic tanks and agricultural run-off is also essential. This broader approach underpins our Wonderful Windermere performance commitment, which is specifically targeted at reducing phosphorus from third-party assets across the catchment.

To support this work, we have been developing innovative and circular solutions, including the use of reactive media, and the introduction of nature-based solutions such as reed beds to further enhance water quality before it reaches the lake.


This year, we modelled a reduction of 12.5 kg/year of phosphorus removal from these interventions alone, with significantly more improvement expected across the rest of the AMP. We have also committed to reinvesting any financial reward earned through outperformance directly back into the Windermere catchment, ensuring benefits are retained locally.

While we are taking decisive action today, we are also planning for the long term. We have entered into a new partnership to explore the feasibility of achieving 'Only Rainwater into Windermere' – a future in which only rainwater reaches the lake. A specialist team has now mobilised to examine what is possible, drawing on international engineering expertise and global best practice to ensure the most effective and sustainable solutions are identified.

How we're delivering our purpose: greener



# Managing rain where it falls.

 Image: Raingardens and planters are helping to slow the flow at St Edmund's RC Primary School in Manchester



Schools invite  
nature into their  
playgrounds to  
help tackle rain

- ▶ Watch this video to find out how we're introducing green spaces into grey playgrounds across the North West

## Case study:

### Managing rain where it falls

We're transforming how the North West manages its plentiful rainfall by introducing nature-based features that help rain soak away naturally.

Through our sector-leading £280 million rainwater management programme, we're bringing these greener approaches into community, commercial and public spaces, helping places manage rainfall more sustainably while creating healthier, more biodiverse environments for local communities. This builds on our award-winning Resilient Rainwater pilots, which showed how natural solutions can enrich local places and help prepare them for a changing climate.

Rather than relying solely on traditional hard infrastructure, we design outdoor spaces so they can absorb, filter and slow rainfall at the surface. By reducing the amount of rainwater unnecessarily entering the wastewater network, we support cleaner, healthier waterways while also enhancing the quality of local places.

### Investment that delivers wider value

While the programme's ultimate aim is to reduce the volume of rainfall entering the sewer system, every scheme delivers much more than water management. Greener interventions bring nature back into everyday settings, support biodiversity, reduce carbon and help cool urban areas. They create more welcoming, attractive spaces for recreation and learning, and contribute to local regeneration and placemaking.

Our partnership approach enables us to unlock even greater value. Working with local authorities, community groups, developers and regional partners, we align rainwater management with wider ambitions for net zero, active travel routes, healthier streets and stronger local economies. By replacing hard, impermeable surfaces with green design, we're improving resilience while enhancing the everyday places where people live, work and learn.

### Project FLOW: creating living educational spaces

Schools are a powerful example of the programme in action. Through Project FLOW (Future Leaders of Water), we're helping schools adapt to heavy rainfall while inspiring pupils to value water and nature. With a goal of working with 400 schools by 2030, we're already well underway.

In partnership with the Environment Agency and the Greater Manchester Combined Authority, and aligned with the Integrated Water Management Plan, we prioritised 15 schools facing surface water challenges. We worked with teachers and designers to install raingardens and large planters that soak up rainfall naturally. These features slow the flow of water, encourage wildlife and transform playgrounds into living educational environments where pupils can learn about climate, habitats and stewardship first hand.

Each school also received a water-efficiency audit to fix leaks and install water-saving devices – saving more than 15,000 litres of clean water every day and over £50,000 across ten years, helping schools reinvest in pupils' learning and wellbeing.

### Outcomes and future impact

Across the first 15 schools, Project FLOW has created vibrant new green spaces and almost 136,000 litres of rainwater storage, reducing the amount of rainfall entering the wastewater network and enriching local habitats. We're now extending our approach across the region and to other education settings, supported by outdoor learning with partners.

By managing rain where it falls, we're improving local nature, supporting healthier communities and building places that are ready for a changing climate, while inspiring the next generation to care for the natural world.

#### Delivering value for



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

## How we're delivering our purpose: greener

# 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 2025 to 31 March 2026. This includes the subsidiaries listed in section A7 on page 237.

## Greenhouse gas emissions methodology

Emissions are calculated by estimating the individual greenhouse gases that result from all United Utilities' activities, converted into a tonnes carbon dioxide equivalent (tCO<sub>2</sub>e). Tools and values used in 2026 include UK water industry Carbon Accounting Workbook v20, the 2025 UK Government GHG conversion factors for company reporting, global warming potentials from IPCC 5th Assessment report and OpenCEDA (Comprehensive Environmental Data Archive) 2025. 100% 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 aligned to the GHG Protocol Corporate Accounting and Reporting Standard (2015) and the international carbon reporting standard ISO 14064, Part 1:2018. The Toitū Carbon Reduce programme certification and report can be found at [unitedutilities.com/corporate/responsibility/environment/climate-change-mitigation](https://unitedutilities.com/corporate/responsibility/environment/climate-change-mitigation)

		2025/26 Updated method	2025/26 Previous method	2024/25	2023/24	2022/23	2019/20 SBT baseline
<b>Scope 1 and 2 greenhouse gas emissions<sup>(4)</sup> tCO<sub>2</sub>e</b>							
<b>Scope 1: Emissions from activities we own or control, e.g. burning fossil fuels, wastewater and sludge processing</b>							
Direct emissions from burning of fossil fuels		19,825		15,922	20,188	21,166	15,247
Process <sup>(1)</sup> and fugitive emissions – including refrigerants		329,721	90,223	90,633	96,173	94,915	96,186
Transport: Company-owned or leased vehicles		18,724		17,785	17,838	17,665	15,739
<b>Scope 2: Emissions from purchased electricity including for use in vehicles<sup>(2)</sup></b>							
Purchased electricity – generation	Market-based	170,675		47 <sup>(5)</sup>	33 <sup>(5)</sup>	9 <sup>(5)</sup>	11,789
	<i>Location-based</i>	<i>125,136</i>		<i>140,847</i>	<i>136,183</i>	<i>126,813</i>	<i>164,521</i>
Purchased electricity – vehicles	Market-based	96		31	7	2	0
	<i>Location-based</i>	<i>96</i>		<i>31</i>	<i>7</i>	<i>2</i>	<i>0</i>
Gross scope 1 and 2 emissions total	Market-based	539,041	299,543	124,418	134,239	133,757	138,961
	<i>Location-based</i>	<i>493,502</i>	<i>254,004</i>	<i>265,218</i>	<i>270,389</i>	<i>260,561</i>	<i>291,693</i>
<b>Net emissions reductions</b>							
Renewable electricity exported <sup>(3)</sup>	Market-based and <i>Location-based</i>	-2,787		-2,726	-3,101	-2,888	-3,979
Biomethane exported	<i>Location-based</i>	<i>-8,623</i>		<i>-8,479</i>	<i>-8,439</i>	<i>-9,360</i>	<i>-9,302</i>
Green tariff electricity purchased <sup>(3)</sup>	<i>Location-based</i>	<i>-1</i>		<i>-132,127</i>	<i>-136,162</i>	<i>-125,746</i>	<i>-164,210</i>
Net scope 1 and 2 emissions total	Market-based	536,254	296,756	121,693	131,138	130,869	134,982
	<i>Location-based</i>	<i>482,091</i>	<i>242,593</i>	<i>121,887</i>	<i>122,687</i>	<i>122,566</i>	<i>114,202</i>

<sup>(1)</sup> 2025/26 Wastewater process and sludge disposal emissions use factors in updated in 2026 to align to latest IPCC guidance and UKWIR research. 2025/26 Previous method uses 2025/26 activity data with previous factors.

<sup>(2)</sup> Scope 2 methods – Market-based: uses intensity factors specific to the contractual agreements. For electricity supplied on a standard grid tariff, we use CO<sub>2</sub>e per kWh from suppliers' public fuel mix disclosures. *Location-based: uses average UK grid emissions intensities and are shown in green italics.*

<sup>(3)</sup> Exported electricity emissions use the UK Residual mix factor 420.7 g/kWh for both market- and *location-based* totals.

<sup>(4)</sup> From 2023/24, emission factors use IPCC AR5 global warming potentials. Earlier years use global warming potentials from AR4.

<sup>(5)</sup> Emissions from electricity for recently adopted sites supplied on standard tariffs until they moved onto our corporate renewable contracts.

		2025/26 Updated method	2025/26 Previous method	2024/25	2023/24	2022/23	2019/20 SBT baseline
<b>Scope 3 greenhouse gas emissions tCO<sub>2</sub>e</b>							
Category 1: Purchased goods and services <sup>(6)</sup>		372,701	307,082	239,757	233,480	250,189	213,442
Category 2: Capital goods <sup>(6)</sup>		132,557	125,798	106,250	99,962	138,182	128,286
<b>Category 3: Fuel and energy-related emissions<sup>(7)</sup></b>							
Purchased electricity – well to tank and transmission and distribution		48,395		46,383	46,536	44,704	38,865
Fuel (excluding electricity) – well to tank		9,449		7,820	6,653	8,742	6,397
Category 4: Upstream T&D – sludge transport <sup>(7)</sup>		2,068		8	6	35	3,374
Category 5: Waste generated in ops: including sludge disposal <sup>(1,7)</sup>		14,308	33,238	28,357	26,135	27,454	27,936
Category 6: Business travel: public transport, private vehicles and hotel stays <sup>(7)</sup>		1,700		1,503	1,464	1,486	3,508
<b>Category 7: Employee commuting and homeworking<sup>(7,8)</sup></b>							
Commuting		9,299	4,875	4,676	4,631	4,974	4,231
Homeworking		456		572	505	361	0
Category 11: Use of sold products		17		17	17	17	17
Scope 3 emissions total	Scope 3 SBT (excludes category 2)	458,393	407,280	329,093	319,427	337,962	297,770
	Scope 3 total	590,950	533,078	435,343	419,389	476,144	426,056

<sup>(6)</sup> Emissions for goods and services (excluding chemicals) were quantified based on the amount spent by sector. For 2025/26 we used open CEDA 2025 from Watershed, an environmentally extended input-output database that has global coverage and is a CDP recommended tool. 2025/26 Previous method estimates are the products of 2024/25 emissions per £ spend and 2025/26 spend for each category.

<sup>(7)</sup> Categories 3, 4, 5, 6, 7 and 11 use activity records and the relevant year's UK Government GHG conversion factors for company reporting.

<sup>(8)</sup> 2025/26 Category 7 figures are calculated using a bespoke United Utilities model drawing on company FTE data, average commute distances and hybrid working policies and UK Government travel statistics for the North West. 2025/26 Previous method uses travel statistics for England.

## Emissions commentary

### Process, chemicals and waste

Biological wastewater treatment processes produce nitrous oxide (N<sub>2</sub>O) and methane (CH<sub>4</sub>), both of which have a significantly higher global warming potential than carbon dioxide (CO<sub>2</sub>). Our wastewater process emissions are directly proportional to the population served and the volume of sludge produced and, therefore, increase as population grows.

In 2026, the UK water industry updated the calculation methodology for these emissions to reflect current IPCC guidance and published research. This accounting change increased reported process emissions by 239,498 tCO<sub>2</sub>e, representing underlying emissions more accurately rather than a change in performance.

47,144 tCO<sub>2</sub>e of our emissions from purchased goods and services were from chemicals used in water and wastewater treatment.

Sludge treatment produces biomethane, and the majority of our sites use advanced anaerobic digestion to maximise capture of this gas for use in heat and power generation. This reduces methane emissions during treatment and post disposal.

UKWIR research (Biosolids to land: carbon emissions and carbon capture) identified that previous industry methods significantly overestimated methane emissions associated with the land application of sludge biosolids. The updated factors have been used for 2025/26 emissions reporting reducing waste emissions by 18,930 tCO<sub>2</sub>e.

### Fuel and energy

Treatment and distribution of water and wastewater are energy-intensive activities, with fuel and energy accounting for 20% of our footprint. These emissions arise from the combustion of fossil fuels, purchased electricity, and associated well-to-tank and transmission and distribution emissions. Reducing energy consumption and replacing fossil fuels with lower-emission alternatives is central to the 'Reduce' theme of our net zero transition action plan.

We have continued to expand the infrastructure supporting our transition to low-carbon fleet fuels. As of April 2026, we operate over 100 electric vehicle charging points on our sites, 78 company van users have home charging, and there are over 400 electric vehicles in our fleet, including four HGVs. We are also increasing the use of renewable fuels such as biogas and HVO across our equipment and fleet, while exploring lower-emissions alternatives. In parallel, we plan to expand our renewable generation capacity and play an active role in the development of emerging technologies, including hydrogen.

### Goods and services

Most of our scope 3 emissions arise from categories 1 (purchased goods and services) and 2 (capital goods). Capital goods are defined as construction services, with all other goods and service spend reported under category 1.

With the exception of chemicals, emissions from goods and services are calculated using annual spend and sector-based factors from

the Open CEDA dataset, an open source environmentally extended input-output database. This provides a comprehensive but indicative estimate; however, it does not reflect our increasing use of sustainability criteria in supplier and product selection.

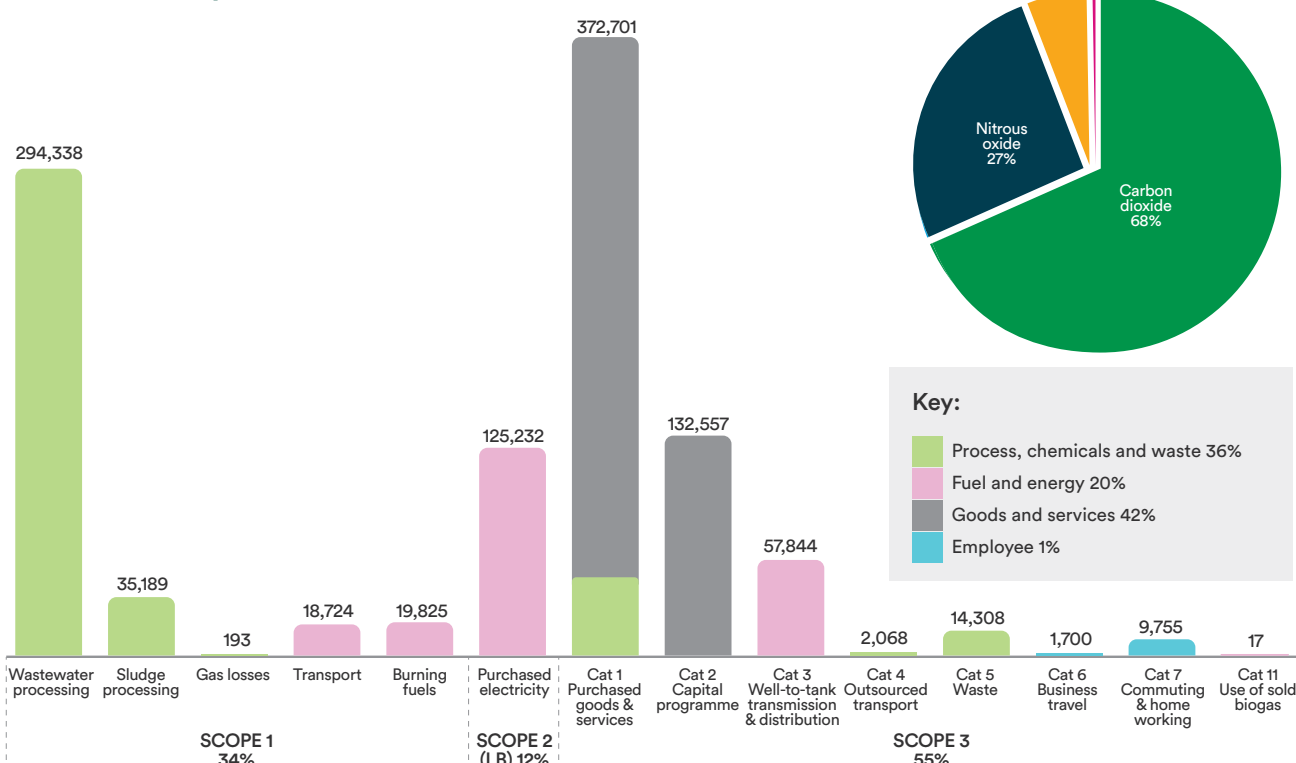
We are addressing this limitation by developing standardised sustainable solutions for which we can obtain or estimate the specific GHG emissions and also developing methods to track actual embedded emissions for capital projects as part of our AMP8 bespoke embedded emissions performance commitment.

While our extensive water and wastewater infrastructure investment programme will incur substantial GHG emissions, applying PAS 2080 carbon-management principles and more robust emissions calculations will allow us to better quantify and reduce the emissions intensity of this investment.

### Employee

Employee-related emissions from business travel, commuting and homeworking total only 1% of the GHG inventory. Category 7 emissions have increased in 2025/26 because the number of employees has increased but, in the main, due to using a new company-specific model rather than a country-wide generic model. Our employees, on average, commute twice the England average and, in the North West, commutes are more likely to be by car rather than active or public transport and this is now reflected in our estimated commuting emissions.

## GHG inventory chart



# How we're delivering our purpose: greener

## Intensity ratios

Intensity metric	Method notes	Units	2025/26	2024/25	2023/24	2022/23
Gross scope 1 and 2 GHG emissions per £m revenue	Location based	tCO <sub>2</sub> e	188.6	123.6	138.7	142.8
Net scope 1 and 2 GHG emissions per £m revenue	Location based	tCO <sub>2</sub> e	184.3	56.8	62.9	67.2
Net water operational emissions per megalitre water treated <sup>(1)</sup>	Location based	kgCO <sub>2</sub> e	167.0	172.1	177.6	101.4
Net wastewater operational emissions per megalitre sewage treated <sup>(1)</sup>	Location based	kgCO <sub>2</sub> e	421.5	198.5	209.0	158.8
Energy used per megalitre of water supplied	Distribution input	MWh	1,548	1,449	1,462	1,467

<sup>(1)</sup> UK water industry intensity metrics. The method for calculating these was redefined by Ofwat in 2024.

## Energy strategy

Our energy management strategy has four objectives:

- Energy efficiency first – prioritising the lowest-cost, highest-impact interventions
- Maximising self-generation, storage and direct supply – reducing grid dependency and improving energy resilience
- Minimising costs
- Building supply resilience to ensure we can deliver our services

Energy remains one of our largest operational inputs, with total consumption of 1058 GWh in 2025/26. A growing population and increasingly stringent environmental performance expectations are driving up our energy use, reinforcing the need to improve efficiency and reduce our operational impact. Power and fuel use were high in 2025/26 as we acted to maintain supply and water quality to customers during the dry weather.

Through our Energy Management Programme, we have embedded energy awareness, data-driven decision-making and operational optimisation across the business. The expansion of our net zero engineering capability has accelerated the pace and impact of our energy efficiency programme, delivering measurable improvements in performance, resilience and cost efficiency, strengthening the foundation for our Energy Saving Opportunity Scheme (ESOS) Phase 3 compliance and future action plan.

## Switch to clean, green energy

Renewable energy generated and low-carbon alternatives met 24.1% of our energy need in 2025/26. Most of our generation was from on-site combined heat and power (CHP) engines that convert biogas from our sludge treatment processes into low-carbon power. We also use biogas in boilers instead of natural gas and export the biogas through biomethane-to-grid facility.

We are developing a regional plan and have identified opportunities to enhance digestion performance improving biogas yield, to increase CHP efficiency and to scale up our engineered carbon capture and storage innovation that produces hydrogen and graphene from biogas. These developments, together with more switches to low-carbon alternatives, support both decarbonisation and long-term operational resilience.

During the year, we replaced 21% of the mineral diesel used in generators and mobile plant with sustainably sourced hydrotreated vegetable oil (HVO), avoiding over 3,100 tCO<sub>2</sub>e. HVO will remain a transitional fuel as we electrify eligible assets through to 2040.

## Energy efficiency actions

Energy efficiency remains central to our strategy with 24 GWh annual verified savings delivered through ESOS Phase 2 and a further 48 GWh each year of potential reductions identified in Phase 3 across operational optimisation, improved process control, pump and aeration efficiency, dewatering improvements, and enhanced driver behaviour in our vehicle fleet.

Key projects delivered improved energy efficiency across our sites. At Martholme Water Treatment Works, the installation of a non-return valve and proximity sensor

enabled the safe re-instatement of the gravity feed to Burnley, saving an estimated 113 MWh and 29 tCO<sub>2</sub>e per year. At St Helens Wastewater Treatment Works, an acid-clean of the ASP lanes restored aeration performance, improving oxygen transfer and reducing the energy needed for treatment. The technique is now proven in operation, with recurring annual benefits of around £25,000.

We continue to improve the efficiency of our transport operations through the use of telematics to monitor fuel performance and by using innovative smartphone-based driver-safety tools to improve and reward good driver behaviour. These projects demonstrate how targeted optimisation, smarter operations and focused investment can deliver substantial reductions in energy use, cost and carbon, while strengthening the resilience and performance of our services.

## Energy data

	2025/26 GWh	2024/25 GWh	2023/24 GWh	2022/23 GWh
<b>Energy use</b>				
Electricity	854.8	822.4	819.6	818.8
Natural gas	19.8	14.2	34.1	33.6
Biogas in boilers	32.6	16.4	n/a	n/a
Stationary fossil fuels (gas oil, kerosene, diesel) <sup>(1)</sup>	59.7	49.1	51.4	55.8
Energy for transport <sup>(1)</sup>	79.4	76.0	75.8	74.8
Low-carbon alternatives (HVO, LPG, EVs) <sup>(1)</sup>	11.9	0.27	0.25	0.05
<b>Total energy used<sup>(1)</sup></b>	<b>1058.3</b>	<b>978.3</b>	<b>981.1</b>	<b>983.0</b>
<b>Electricity purchased</b>				
Grid renewable <sup>(2)</sup>	0.003	680.1	657.6	655.6
Grid standard tariff <sup>(3)</sup>	707.0	0.13	0.09	0.13
<b>Total purchased</b>	<b>707.0</b>	<b>680.2</b>	<b>657.7</b>	<b>655.7</b>
<b>Renewable energy generated</b>				
CHP	104.3	105.2	120.4	123.0
Biogas in boilers	32.6	16.4		
Solar	48.0	42.0	47.3	46.4
Wind	5.0	4.7	5.2	5.1
Hydro	6.4	6.3	7.6	6.9
Biomethane	47.2	45.6	40.2	44.7
<b>Total generated</b>	<b>243.5</b>	<b>220.2</b>	<b>220.7</b>	<b>226.1</b>
<b>Renewable energy exported</b>				
Electricity	15.8	16.1	18.6	18.3
Biomethane	47.2	45.6	40.2	44.7
<b>Total exported</b>	<b>63.0</b>	<b>61.7</b>	<b>58.8</b>	<b>63.0</b>

<sup>(1)</sup> Energy calculated from volume of fuel used using net calorific values or from the distance travelled.

<sup>(2)</sup> Zero emissions electricity bundled with, or backed by separately purchased, REGO certificates.

<sup>(3)</sup> Supplier standard tariff grid electricity.

<sup>(4)</sup> All energy was consumed in the UK.



## Reducing spills

# Seeing the results of our environmental improvement programme



Across the North West, we are delivering a data-led programme that is transforming how we manage wastewater and storm overflows.

Our region includes major urban centres, rural communities, coastal environments and nationally significant landscapes, each placing different demands on the wastewater network. By analysing performance data at a regional level, we are identifying the key drivers of storm overflow activity, including infiltration, power resilience, tidal influence and network condition, allowing us to prioritise interventions that deliver the greatest environmental benefit in each location.

What began as a focused, short-term taskforce to reduce storm overflow spills, has now evolved into an environmental improvement programme. Weekly performance reporting provides clear visibility of trends, enabling rapid response and decision-making grounded in evidence. By measuring interventions in the right places, we are ensuring that investment delivers meaningful outcomes for both communities and the environment.

## Ways of working

The programme is built around early intervention and practical delivery, underpinned by strong performance management. Weekly performance and delivery reviews draw on the latest rainfall and operational data to identify emerging issues and act quickly. Interventions are assessed against expected benefit, and success is measured through tangible improvements delivered within the calendar year. This evidence-based approach ensures timely action that delivers environmental improvement.

## Interventions

During 2025, we delivered 332 interventions across 321 storm overflows in all five counties. Activities included drainage health checks, inspection and cleaning of over 20 kilometres of sewers, addressing infiltration and ingress, upgrading automated storm tank returns, and optimising pumping assets.

Where additional capacity was required at short notice, temporary steel storage tanks and mobile compact treatment units were installed, providing 310m<sup>3</sup> of temporary storage capacity across four sites. Submerged aerated filter units were also installed at 18 sites to enhance wastewater treatment performance.

## Innovation

Innovation is central to our approach. By working with our supply chain, we have installed intelligent non-return valves in storm overflow chambers to prevent river or tidal water entering the network, protecting assets and improving monitoring reliability. Smart free-floating sewer inspection technologies have been used to identify hidden blockages and restrictions in large or inaccessible sewers, enabling faster and more precise repairs. We are also applying machine learning and AI to better understand infiltration by combining rainfall, catchment and performance data, as well as trialling advanced analytics to optimise pump performance.

## Digital and data

We have significantly improved storm overflow monitoring by replacing more than 780 event duration monitors with modern radar-based equipment, which provides more accurate and reliable data with lower power consumption. In addition, 99 monitors have been fully reviewed and over 430 reconfigured to better reflect site-specific conditions. These upgrades strengthen data quality, support transparent public reporting and enable more advanced analytics to inform delivery.

## Outcomes and impact

Environment Agency figures based on our 2025 EDM return show a substantial year-on-year reduction in storm overflow activity. Compared with 2024, spill numbers fell by around 23% per overflow while total spill duration reduced by around 27%. This continues a longer-term downward trend, representing a 47% reduction against our 2020 baseline. These improvements were delivered despite above-average rainfall in the latter half of the year, demonstrating that we are starting to break the link between rainfall and spills.






Above: Temporary steel storage tanks installed at Blennerhasset Wastewater Pumping Station in Cumbria to provide additional storage capacity

## How we're delivering our purpose: healthier

### Key performance indicators

There are a broad range of performance indicators that help us to assess how we're delivering our purpose, working towards a healthier future. The three 'healthier' KPIs below have been selected due to their importance with stakeholders, with additional 'healthier' performance metrics on page 77.

<b>Trustpilot</b> An open, independent, online review platform for customer service.	<b>Customers supported with affordability<sup>(1)</sup></b> Customers that have benefitted from our range of affordability support schemes.	<b>Colleague engagement</b> Level of colleague engagement as measured by our annual colleague opinion survey.
<b>Target</b> <b>Excellent</b>	<b>Target</b> <b>One in six customers</b>	<b>Target</b> <b>At least as high as the utilities norm benchmark</b>
<b>Annual performance</b> <b>4.5 Excellent</b> Performance against this KPI fluctuates regularly, based on customer reviews, with the 4.5 score reflecting our performance as at the year end. 2024/25: New 2023/24: New	<b>Annual performance</b> <b>422,041</b> We have increased the number of customers on support tariffs by 180,000 through implementation of the new Low Income Discount; growing the number of customers supported this AMP to 422,041. 2024/25: New 2023/24: New	<b>Annual performance</b> <b>90%</b> 86% of employees took part in our engagement survey, and we are proud to report an outstanding 90% engagement score – well above global utilities and UK high-performance benchmarks. 2024/25: 87% 2023/24: 81%
<b>Status</b>  Met expectation/target	<b>Status</b>  Met expectation/target	<b>Status</b>  Met expectation/target
<b>Key stakeholder</b> Customers	<b>Key stakeholder</b> Customers	<b>Key stakeholder</b> Colleagues
<b>Relevant material themes<sup>(2)</sup></b> <ul style="list-style-type: none"> <li>Customer service and operational performance</li> <li>Trust, transparency and legitimacy</li> </ul>	<b>Relevant material themes<sup>(2)</sup></b> <ul style="list-style-type: none"> <li>Affordability and vulnerability</li> <li>Customer service and operational performance</li> <li>North West regional economy</li> </ul>	<b>Relevant material issues<sup>(2)</sup></b> <ul style="list-style-type: none"> <li>Colleague engagement</li> <li>Diverse and skilled workforce</li> <li>Health, safety and wellbeing</li> </ul>
<b>Link to remuneration<sup>(3)</sup></b> n/a	<b>Link to remuneration<sup>(3)</sup></b> n/a	<b>Link to remuneration<sup>(3)</sup></b> n/a
<b>Assurance</b> Independent third-party verification	<b>Assurance</b> Internal audit team	<b>Assurance</b> Independent third-party verification

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



























<sup>(2)</sup> Read more about our materiality assessment on pages 24 to 25.

<sup>(3)</sup> Read our remuneration report, with details about the bonus and Long Term Plan (LTP), on pages 140 to 170.

## 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	2030 target	Performance			Assurance <sup>(5)</sup>	Link to remuneration <sup>(2)</sup>	Key stakeholder	Status
		2025/26	2024/25	2023/24				
Customer ODIs <sup>(1)</sup>	Net reward	c. -£35 million	£4.29 million	£34 million	RRA	PC		
Water quality customer contacts per 1,000 population <sup>(1)</sup>	0.80	1.33	1.28	1.32	RRA	Bonus		
Supply interruptions per property per year (hours:minutes:seconds) <sup>(1)</sup>	00:05:00	00:13:02	00:14:17	00:09:39	RRA	Bonus		
Unplanned outages of peak week production capacity <sup>(1)</sup>	2.14%	1.34%	1.85%	2.05%	RRA	PC		
Household written complaints compared to WaSCs <sup>(1)</sup>	Upper quartile	Third quartile <sup>(3)</sup>	Third quartile	Third quartile	RRA	n/a		
Customer satisfaction score (C-MeX) <sup>(1)</sup>	Above industry median	Above industry median	Above industry median	Above industry median	RRA	Bonus		
Developer satisfaction score (D-MeX) <sup>(1)</sup>	Above industry median	Above industry median	Above industry median	Above industry median	RRA	PC		
Business and Retailer satisfaction score (BR-MeX) <sup>(1)</sup>	Above industry median	Above industry median	Above industry median	Above industry median	RRA	Bonus		
Households registered for Priority Services <sup>(1)</sup>	25%	18.26% (597,401)	16.51% (540,380)	12.35% (401,987)	RRA	LTP		
Compliance Risk Index <sup>(1)</sup>	0.00	2.20 <sup>(4)</sup>	10.28	5.92	RRA	PC		
Accident frequency rate for colleagues (per 100,000 hours)	10% year-on-year improvement	0.054	0.078	0.092	IAT	n/a		
Accident frequency rate for contractors (per 100,000 hours)	Year-on-year improvement	0.122	0.078	0.043	IAT	n/a		
Smart meters installed	920,891	209,980	New	New	IAT	n/a		

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

<sup>(2)</sup> Read our remuneration report, with details about the bonus and Long Term Plan (LTP), on pages 140 to 170. PC = Performance commitment subject to reward and/or penalty as part of customer outcome delivery incentives (ODIs). These feed LTP through return on regulated equity (RoRE). The measurement approach for the purpose of remuneration outcomes may differ from the exact approach shown here.

<sup>(3)</sup> Latest comparative data available 2024/25.

<sup>(4)</sup> The DWI will confirm the final Compliance Risk Index score in July.

<sup>(5)</sup> ITV = Independent third-party verification. RRA = Regulatory reporting assurance. IAT = Internal audit team.

## Spotlight on customer experience

Our KPI for customer experience has historically been the water industry's measure, C-MeX, which offers great comparability across Ofwat-regulated companies, alongside D-MeX and BR-MeX. While these three measures remain important and are disclosed in our table of measures above, we have

chosen to include our Trustpilot rating as a key measure of customer experience. Trustpilot is an international, third-party customer service rating platform, which brings an element of cross-sectoral comparability due to its widespread use. Using Trustpilot as a KPI will also bring additional timeliness to our reporting on

customer experience, reflecting current customer views. There have been a number of recent changes to the C-MeX measure this year, meaning the latest scores will not be published until July, after the publication of this integrated annual report and financial statements.

## How we're delivering our purpose: healthier



### Creating value for

-  Customers
-  Communities
-  Colleagues
-  Suppliers
-  Investors

### Delivering great service for our customers

We are proud to maintain a culture of continuous improvement across our operations, with 80% of key performance metrics showing year-on-year progress despite the challenging operating environment. This reflects the commitment of our people and the effectiveness of our strategic programmes.

One of the most significant improvements has been in our Compliance Risk Index (CRI), which has improved by 79% compared with last year. This has been driven by the continued delivery of our water quality first programme, which remains central to our ambition to provide consistently high-quality drinking water for all our customers.

A key area of focus for improvement remains customer water quality contacts. The extremely dry summer created operational complexity and, in some areas, we needed to draw on alternative water sources to maintain supply. As a result, some customers experienced temporary changes in taste, smell or appearance. To address this and improve resilience for the future, we have insourced our network-flushing operations. These specialist teams now work overnight to remove sediment from the network, helping to maintain consistently high-quality water. We have also delivered strong performance in reducing unplanned outages at our treatment works. This is the result of an increased emphasis on proactive maintenance and strengthened asset health management, ensuring greater reliability and stability across our treatment processes.

In wastewater services, we have seen similarly positive trends, with continuous improvement across the majority of our key performance measures. We are particularly

proud of achieving a 42% reduction in internal sewer flooding and a 25% reduction in external flooding. These improvements reflect a targeted focus on proactive maintenance and the effective use of dynamic network management to identify and mitigate potential issues before they impact customers.

Providing a high-quality service whenever customers contact us is also critical to building trust and confidence. Our Trustpilot rating, which is based on customer feedback across calls, emails and digital channels, stood at 4.5 (Excellent) at year end. While this represents strong performance, we remain focused on further improvement. Our ambition is to deliver a consistently leading customer experience, not only within our sector but compared with the best service providers across all industries.

### Affordability and vulnerability

Our BIG North West upgrade represents a transformational investment in the region's environment, economy and long-term service resilience. While this programme is delivering substantial benefits, we also recognise the impact on customer bills. We have, therefore, set ourselves a stretching efficiency challenge to keep bills as low as possible. Nevertheless, we recognise that affordability remains a significant concern for many households.

To support those most in need, we have embedded £525 million of affordability assistance across AMP8. This year alone, we have provided support to more customers than during the whole of AMP7, with a total of 422,041 customers benefiting from our financial assistance schemes. We have expanded our efforts to proactively identify customers who may be struggling, working

closely with a broader range of third-sector partners and introducing our new low-income discount to offer targeted help.

Our ambition is to continue scaling this support. By 2030, we expect to be assisting one in six of our customers with their bills. At the same time, we remain strong advocates for the introduction of a national social tariff, which we believe is essential to ensuring consistent and fair support for customers across the country.

We also recognise that many customers face circumstances that require enhanced or tailored services. Our Priority Services Register ensures those customers receive the support they need, whether due to health conditions, accessibility needs or other vulnerabilities. We now have almost 600,000 customers registered on the scheme, which is accredited to the international consumer vulnerability standard ISO 22458:2022 – making us one of the first water companies to achieve this recognition.

### Providing a safe place to work

With the scale and ambition of our AMP8 investment programme, maintaining our focus on health and safety has never been more important. We must work at scale and at pace to deliver our plan, but we will not compromise on keeping our colleagues and contractors safe.

Over the past year, we have significantly strengthened our Home Safe and Well programme, which forms the backbone of our approach to occupational health and safety. The programme is structured around monthly campaigns aligned to our life-saving rules, each supported by a dedicated executive sponsor. This leadership engagement is supported by mandatory

training and targeted, manager-led discussions across the organisation, ensuring that our safety culture is embedded at every level.

As for many organisations, driving for work represents one of the highest risk activities our colleagues undertake. Reducing occupational road risk has, therefore, been a major priority this year, with visible leadership from our CEO helping to reinforce its importance. Through a combination of clearer expectations, more consistent messaging, and improved reporting and training, we have seen a significant reduction in road-related incidents. To reinforce positive behaviours and recognise excellence, we also launched our Road Safety Awards, celebrating our safest and most responsible drivers.

The increased focus, awareness and capability brought about through these initiatives has delivered meaningful improvements in safety performance. Our lost time injury rate has reduced by 30% over the year, reflecting the collective commitment of our people to continuously improve. These initiatives will remain a core part of our approach throughout AMP8 as we work towards achieving lasting, sustainable improvements in keeping our colleagues safe.

Alongside our occupational safety priorities, we recognise the vital role that wellbeing plays in creating a supportive and high-performing workplace. We provide a tailored package of financial, physical and mental health support to help colleagues thrive, ensuring we are not only keeping people safe at work, but helping them feel well, supported and able to perform at their best.

## Opportunity for all

Throughout the year, we advanced our equity, diversity and inclusion (ED&I) strategy, 'Opportunity for All', with a clear focus on strong leadership, transparent reporting and a culture where every colleague can thrive. This commitment was reflected in exceptionally strong colleague feedback, with a 90% engagement score for inclusion and 92% of colleagues believing the organisation supports diversity and inclusion, both significantly above national and sector benchmarks.

We have maintained fourth place in the Inclusive Top 50 UK Employers Index and received multiple awards, including Outstanding Employer and Diversity & Inclusion Initiative Awards at the Water Industry Awards, and a high commendation at the Employer's Excellence Awards. We've also been recognised as an Accredited Member of the Fair Employment Charter and featured strongly in the Religious Equity, Diversity & Inclusion Index.

Since 2021, representation of ethnic minority colleagues has doubled, and

female representation remains on track to achieve 2030 ambitions. Across recruitment, we have run our largest intake of early career talent to date, hiring 83 apprentices and 43 graduates, with strong female representation and increased applications from under-represented groups, supported by expanded outreach, mentoring and school engagement programmes.

Retention and development remain core priorities. We have invested in accessible training, inclusive leadership development and supportive people policies. Enhancements included expanded maternity, adoption and paternity provisions, accessible e-learning aligned with AA accessibility standards, wider support for neurodiverse colleagues, and the continued rollout of British Sign Language training. One in five colleagues moved into a new role during the year, highlighting the breadth of career opportunity within the organisation.

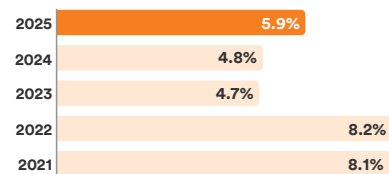
The company's 16 colleague networks continued to play a vital role in fostering connection and visibility. Activities ranged from cultural celebrations to peer support groups for menopause, neurodiversity, hearing loss and bereavement. Meanwhile, significant progress was made in wellbeing support, including improved menopause provision, expanded men's health initiatives and workplace changes to support colleagues undergoing prostate cancer treatment.

Collaboration remained a defining feature of the company's ED&I approach. We brought together partners across utilities, emergency services and regional employers to share best practice and strengthen inclusive employment practices. We have also continued to build social value through community events, charity support and STEM outreach.

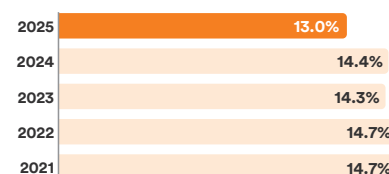
Gender pay reporting demonstrated further long-term progress, with the median pay gap at its lowest level since reporting began. We have seen an increase in senior operational and specialist technical roles to support the delivery of the capital programme. These roles typically attract more men, which has impacted the mean gender pay gap. The company remains committed to improving gender representation across all levels, supported by targeted talent pipelines and operational changes designed to broaden career appeal.

Looking ahead to 2026, we will continue to embed our 'Opportunity for All' strategy across our workplace and communities, with a focus on improved wellbeing provision, reduced recruitment bias, stronger leadership accountability and deeper collaboration with partners and supply chain organisations. These actions will support a more diverse workforce, a more inclusive culture and the delivery of essential services that reflect and meet the needs of the North West.

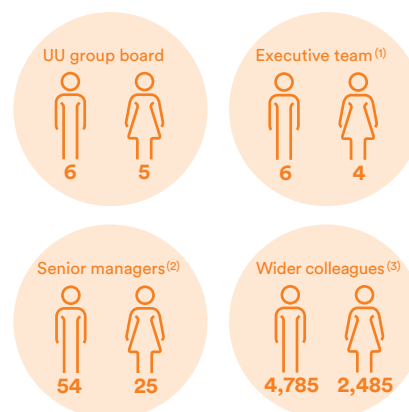
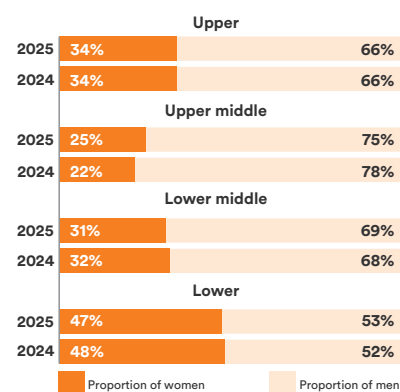
## Our mean gender pay gap over time



## Our median gender pay gap over time



## Percentage of women and men overall and in each quartile of the pay range (figures for 2025 and 2024)

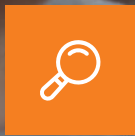


<sup>(1)</sup> Executive team excludes CEO and CFO who are included in group board figures.

<sup>(2)</sup> As at 31 March 2026, there were four male and four female colleagues appointed as statutory directors of subsidiary group companies but who do not fulfil the Companies Act 2006 definition of 'senior managers'.

<sup>(3)</sup> Wider colleagues as at 31 March 2026.

How we're delivering our purpose: healthier



# Providing **affordability** support for the North West.

## Case study:

### Providing affordability support for the North West

We've built an industry-leading package of support to ensure that no customer faces financial difficulty alone.

Our approach goes far beyond standard payment assistance: we combine tailored affordability schemes, proactive outreach, and compassionate, human-centred guidance to help households manage their water bills with confidence. By understanding each customer's circumstances and offering flexible, practical solutions, we're committed to making essential services genuinely accessible – especially for those who need our support the most.

We recognise that the record levels of investment we are delivering through to 2030 has an impact on customer bills, which makes it more important than ever to ensure that financial support is easy to access and available when customers need it.

One of the ways we are proactively getting support to those customers who need it the most is via our new low-income water discount scheme. Introduced in 2025, this has provided around 180,000 customers with £9 million in support through a £50 discount being directly applied to bills without the customer having to apply. For 2026/27, we will see the number of customers supported by this new scheme increase to around 270,000 – with £13.5 million in support being provided.

While we continue to work with the Government on positive reform to the WaterSure scheme, our proactive introduction of WaterSure Plus, ahead of reform changes, has already seen over 200 customers benefitting from a capped water bill who would not normally be eligible to access the current WaterSure scheme.

### A positive assessment of our approach to customers in debt

As part of their two-day assessment of our approach to customers in debt, the Consumer Council for Water (CCW) identified some real positives, highlighting our proactive application of affordability support as good practice. When we identify someone who may be struggling, we don't wait for them to

come to us – we reach out, offer guidance, and explore every possible route to help, even when engagement is limited.

### Raising affordability awareness in our communities

We have improved awareness of our industry-leading affordability schemes through our internal volunteering and community champions initiatives, providing colleagues with the opportunity to bring their enthusiasm into their local communities. Our outreach and engagement team were supported at 23 events by 15 community champions, enabling more than a thousand customer conversations around affordability. Champions are equipped to answer water efficiency, billing, Priority Services and metering queries, with clear escalation routes for more complex questions. This creates added value for customers and communities, while feeding real-life experiences back into teams to keep us empathetic and connected to the communities we serve.

### Partnering to be better together

We have seen strong engagement from partners in our trusted 'better together' scheme. This offers three levels of engagement, from initial outreach through to full data-sharing agreements to identify customers most in need. We provide customers with support without an additional application, benefitting those who are least likely to engage due to barriers or lack of awareness. Our first pilots with Kidney Care UK and Cheshire West and Chester Council will help us streamline the process to achieve the best outcomes for customers, partners, and our affordability teams.

### A county-based approach to support

Our county-based focus to get help to those communities who really need it is bringing huge benefits to the region. In the last 12 months, our team has engaged with 73 organisations across the North West and had meaningful conversations with MPs and local authority leaders, building awareness and strengthening partnerships.

### A seamless affordability assessment process

The enhancement of our affordability assessment solution with IE Hub has now successfully concluded. The solution allows us to create a more holistic affordability assessment journey, with capability for customers to self-serve where appropriate, as well as the integration of open banking to improve the accuracy and efficiency of our customer affordability assessments and make applying for support as easy as possible for our customers.

### Water without worry

Our commitment is simple: every customer deserves access to essential water services without worrying about their bills. By combining practical tools, personalised support, and a genuinely compassionate approach, we're proving that our affordability strategy is getting the right support to those customers who need it.

#### Delivering value for






This is creating value for customers and communities.

▶ Read more about affordability on page 78

## How we're delivering our purpose: stronger

### Key performance indicators

There are a broad range of performance indicators that help us to assess how we're delivering our purpose, working towards a stronger future. The three 'stronger' KPIs below have been selected due to their importance with stakeholders, with additional 'stronger' performance metrics on page 83.

<p><b>Capital programme delivery incentive (CPDi)</b></p> <p>Measures the extent to which we have delivered our capital projects efficiently, on time, and to the required quality standard.</p>	<p><b>Community investment</b></p> <p>Total community investment as measured by the Business for Societal Impact (B4SI) method.</p>	<p><b>Performance across a range of trusted investor indices</b></p> <p>Company performance relative to water and utilities sector participants in a selection of trusted investor ESG ratings and indices.</p>
<p><b>Target</b></p> <p><b>At least 85%</b></p>	<p><b>Target</b></p> <p><b>Average community investment in 2026 to be at least 10% higher than the average between 2015 and 2025 of £3.57 million per annum: £3.92m</b></p>	<p><b>Target</b></p> <p><b>Upper quartile</b></p>
<p><b>Annual performance</b></p> <p><b>100%</b></p> <p>The scaling-up of our activity has not impacted its quality, with the Capital Programme Delivery Incentive (CPDi), our measure of effective, efficient and quality delivery of the capital programme, hitting 100%.</p> <p>2024/25: 99.6%</p> <p>2023/24: 98.0%</p>	<p><b>Annual performance</b></p> <p><b>£3.84m</b></p> <p>Our performance this year is very close to the target of £3.92m, and we expect to see this increase over the remainder of AMP8 with the delivery of our community SuDS programme.</p> <p>2024/25: £9.80m</p> <p>2023/24: £3.99m</p>	<p><b>Annual performance</b></p> <p><b>Upper quartile</b></p> <p>As at the year end, we maintained upper quartile performance across our selection of ESG ratings and indices.</p> <p>2024/25: Upper quartile</p> <p>2023/24: Upper quartile</p>
<p><b>Status</b></p> <p> Met expectation/target</p>	<p><b>Status</b></p> <p> Close to meeting expectation/target</p>	<p><b>Status</b></p> <p> Met expectation/target</p>
<p><b>Key stakeholder</b></p> <p>Investors</p>	<p><b>Key stakeholder</b></p> <p>Community</p>	<p><b>Key stakeholder</b></p> <p>Investors</p>
<p><b>Relevant material themes<sup>(1)</sup></b></p> <ul style="list-style-type: none"> <li>Customer service and operational performance</li> <li>Financial risk management</li> <li>Corporate governance and business conduct</li> </ul>	<p><b>Relevant material themes<sup>(1)</sup></b></p> <ul style="list-style-type: none"> <li>Supporting communities</li> <li>Trust, transparency and legitimacy</li> <li>Recreational land and waters</li> </ul>	<p><b>Relevant material issues<sup>(1)</sup></b></p> <ul style="list-style-type: none"> <li>Trust, transparency and legitimacy</li> <li>Corporate governance and business conduct</li> <li>Political and regulatory environment</li> </ul>
<p><b>Link to remuneration<sup>(2)</sup></b></p> <p>Bonus</p>	<p><b>Link to remuneration<sup>(2)</sup></b></p> <p>n/a</p>	<p><b>Link to remuneration<sup>(2)</sup></b></p> <p>n/a</p>
<p><b>Assurance</b></p> <p>Internal audit team</p>	<p><b>Assurance</b></p> <p>Independent third-party verification</p>	<p><b>Assurance</b></p> <p>Independent third-party verification</p>

<sup>(1)</sup> Read more about our materiality assessment on pages 24 to 25.

<sup>(2)</sup> Read our remuneration report, with details about the bonus and Long Term Plan (LTP), on pages 140 to 170.

## Status key

Performance against target



Met expectation/target



Close to meeting expectation/target



Behind expectation/target

## Stakeholder key



Customers



Environment



Communities



Colleagues



Suppliers



Investors

## Status

Measure	2030 target	Performance			Assurance <sup>(3)</sup>	Link to remuneration <sup>(2)</sup>	Key stakeholder	Performance against target
		2025/26	2024/25	2023/24				
Credit rating – UUW senior unsecured debt (Moody's, S&P, Fitch) <sup>(1)</sup>	Baa1, BBB+, A-	Baa1, BBB+, A-	A3, BBB+, A-	A3, BBB+, A-	ITV	n/a		
Anti-bribery: percentage of identified colleagues completing required training	100%	100%	100%	100%	IAT	n/a		
% of suppliers delivering 'strong' performance	95%	76%	n/a	n/a	IAT	n/a		
% of suppliers signed up to responsible sourcing principles	95%	76%	n/a	n/a	IAT	n/a		
% of suppliers subject to enhanced audit within contract lifecycle	10%	2%	n/a	n/a	IAT	n/a		
CIPS ethics mark	Retained	Retained	Retained	Retained	ITV	n/a		
Invoices paid within 60 days	At least 95%	97.7%	98.7%	99.6%	ITV	n/a		
Price control deliverables (PCDs) – timing incentive	£39.5m	On track	New	New	RRA	LTP		
Taxonomy aligned revenue	n/a	93%	87%	New	IAT	n/a		
Taxonomy aligned and eligible revenue	n/a	87%	93%	New	IAT	n/a		

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

<sup>(2)</sup> Read our remuneration report, with details about the bonus and Long Term Plan (LTP), on pages 140 to 170. PC = Performance commitment subject to reward and/or penalty as part of customer outcome delivery incentives (ODIs). These feed LTP through return on regulated equity (RoRE). The measurement approach for the purpose of remuneration outcomes may differ from the exact approach shown here.

<sup>(3)</sup> ITV = Independent third-party verification. RRA = Regulatory reporting assurance. IAT = Internal audit team.

## Spotlight on community investment and social value

We are maturing our approach to measuring and reporting how we deliver our strategic priority to 'contribute to our communities'. This means, as we progress through AMP8, we will increasingly look to measure and report the social value we create, as well as the community investment figure that we have reported for many years.

We have developed a medium-term target to reflect this impact of our plan, first focusing on the social value delivered through our recruitment activities. The

target is to create £10 million of social value between FY26 and FY28, and is linked to executive remuneration. This is calculated through a robust external methodology, 'National TOMs' (themes, outcomes and measures), then verified by a third party.

Alongside this, we're looking to quantify the social value delivered through our supply chain, working with our partners to gather and mature the necessary data.

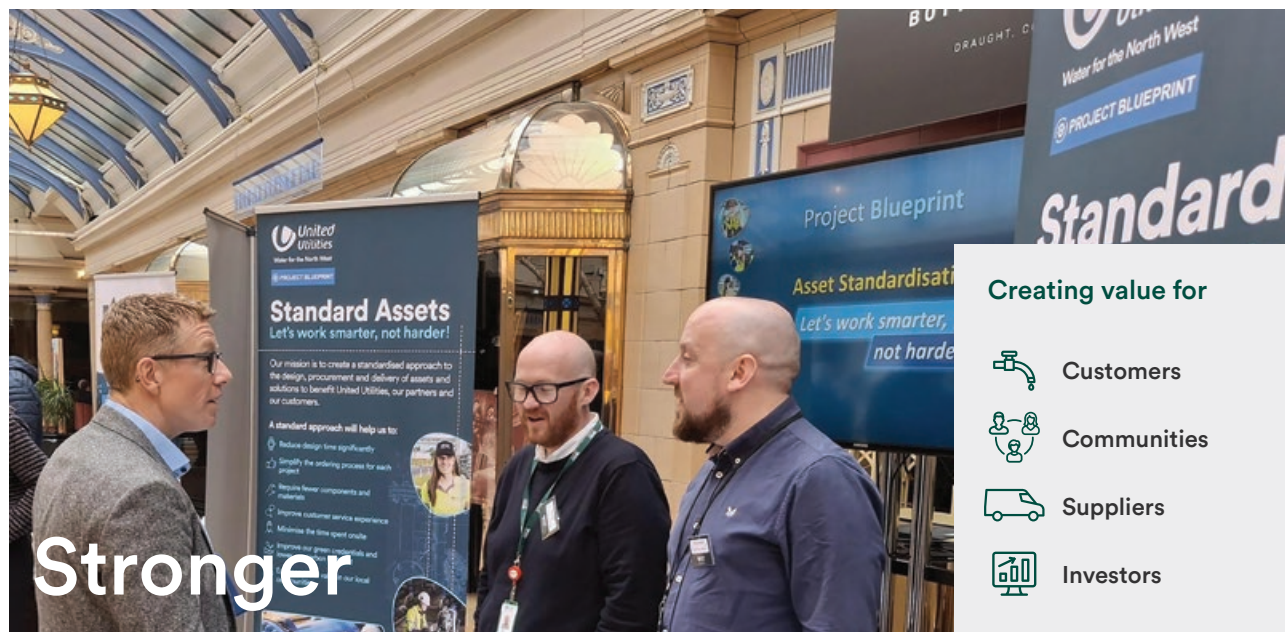
For 2025/26, our target for community investment has been rolled forward from

AMP7 while we develop our broader approach. As we have done so for many years, we will calculate the total value of our community investment, adopting the B4SI methodology, which includes assurance of our approach.

This year, our community investment figure is £3.84 million, and we expect this level of investment to continue to grow in line with the growth of our capital delivery.




► Read more about the activities we have invested in on page 85

## How we're delivering our purpose: stronger



# Stronger

### Creating value for

-  Customers
-  Communities
-  Suppliers
-  Investors

### Efficient and effective capital delivery

With AMP8 representing the largest investment in our water infrastructure in generations, it is critical that we continue to deliver projects efficiently, at a high quality and on time. With the ramp up in investment this year, we're pleased that performance against the Capital Programme Delivery Incentive (CPDi) has remained high, this year hitting 100%.

The scale of the programme means that we are thinking differently about delivery, matching the right project with the right partner. We have three main pathways to delivery: i) Our network of regional build-only partners across the five counties, quick to mobilise and complete smaller-sized projects; ii) Medium projects up to £20 million through our 18 design and build partners; and iii) Large-scale infrastructure projects over £20 million through the United Utilities Enterprise.

### The Enterprise: delivering differently for AMP8

United Utilities' Enterprise is our collaborative delivery model designed to transform how major infrastructure and environmental projects are delivered during AMP8 and beyond. Bringing together eight industry-leading partners into one integrated team, the Enterprise model enables smarter, faster and more efficient delivery across some of the North West's most complex programmes.

This joined-up approach replaces traditional, siloed working with a single-team mindset by co-designing solutions, sharing expertise, and standardising processes to reduce delays and duplication. The focus is on delivering long-term value: improving customer

outcomes, strengthening environmental protection, embedding sustainability, and reducing carbon across every project.

The Enterprise partnership includes United Utilities, Jacobs, Costain, Mott MacDonald Bentley, Murphy, C2V (a Jacobs/VolkerStevin joint venture), Kier, and MWH Treatment. Supported by a robust supply chain and aligned commercial model, the team is equipped to adopt and scale the latest innovations both within and beyond the water sector.

Over the next decade, Enterprise will deliver more than £2 billion of investment across wastewater, bioresources, and water services. Projects are underway in Partington, Lancaster, Southport, Askam-in-Furness, Dukinfield, Crewe, Brampton and Warrington, alongside major programmes across Cumbria, Greater Manchester, Merseyside, Lancashire and Wigan.

With AMP8 representing a huge investment in wastewater, the Enterprise plays a vital role in ensuring projects are delivered efficiently, safely, and sustainably. By working as one team, we are delivering differently for the North West: faster, smarter, and with lasting benefits for customers, communities, and the environment.

### Project Blueprint: standardising designs for multiple benefit

Project Blueprint is our award-winning asset standardisation programme, driving efficiency throughout our programme. The Blueprint methodology identifies and prioritises opportunities to implement standard designs, which can be used across multiple projects/solutions. This approach helps deliver efficiencies in the design phase of projects and ensures United Utilities

can secure critical goods and components through advanced ordering commitments. We are seeing lower costs and reduction in carbon associated with standard designs as well as efficiencies in maintenance and repair activities as our engineers can have a standardised approach.

### Transforming our operations: simpler, smarter, better

During the year, we made significant progress in delivering our 'Simpler, Smarter, Better' operational transformation programme – an initiative designed to strengthen our ability to provide a reliable, high-quality service for customers, communities and the environment.

AMP8 represents the most ambitious investment programme we have ever undertaken, and 'Simpler, Smarter, Better' provides the platform to deliver it successfully. The programme is focused on simplifying how work is carried out so that we get the job done quickly and first time to a consistently high standard, supported by the smart use of technology and readily accessible data to inform decision-making. Our commitment is to drive transformation that empowers our front-line teams to continually improve operational performance.

We are designing a simpler, flexible operation that can respond to changing demands as required. The foundation of this is a high-performance culture where expectations and accountabilities are clear. Across our wastewater teams we have reshaped our operating model to meet increasing regulatory expectations and deliver a more proactive, resilient service. This has included strengthening capacity through new recruitment, improving preventive maintenance practices, and

using data more effectively to anticipate issues before they occur. These changes are contributing to a more stable network, reducing incidents and helping ensure our colleagues return home safe and well.

We have significantly enhanced our capacity and demand planning capability, enabling us to respond more quickly to changing needs and improve the deployment of operational teams. This proactive approach is supporting better sourcing of skills and the development of stronger commercial partnerships. Within bioresources, energy and fleet, we have brought more fleet maintenance in house to improve reliability and increase control over asset availability. We continue to focus on power and chemical usage across our operational sites, applying best practice and exploring innovative approaches to procurement to strengthen resilience for the future.

Our data-driven operations strategy is enhancing our ability to monitor asset performance proactively, enabling us to address issues earlier, improve response times and deliver better service outcomes. This is supported by improvements to our work management processes and tools, ensuring efficient planning and scheduling that gets the right person to the right place at the right time, with the right equipment and information. This has already been trialled, ahead of regional roll-out, with our water services teams, where we are empowering colleagues to self-select activities based on local conditions.

Maintenance excellence remains a core pillar of the programme, focused on advancing asset care through improved management of spares and parts, strengthened preventive maintenance and greater use of asset health data to intervene before failures occur.

## Contributing to our communities

Having historically reported against community investment, we are maturing our capability in terms of measuring and reporting social value. This will allow us to capture, report and improve the additional social value created through our activity, not just the monetary value of the investment. In the near term, we have developed a social value long-term incentive for our executive directors to deliver against a narrow, targeted basket of measures under National TOMs (themes outcomes and measures), focused on recruitment activities. While the target itself is stretching, the £10 million target only represents a small proportion of the total social value delivered through our investments and activities. Going forwards, we are working with our supply chain to improve our capability, with the aim of reporting social value with a much broader scope.

Our community investment total for this year is £3.84 million, with a large proportion of this coming through the UU Trust Fund to support customers who are struggling with affordability. As well as this, our 'SuDS for Schools' programme continues, bringing better management of rainwater, and helping to teach local children about the water cycle, and improve their outdoor spaces. We also support local charities and partnerships, such as the Turning Tides partnership, focused on improving bathing waters along the Fylde coast.

## Strengthening our supply chain

Effective supply chain management continues to be fundamental to delivering high-quality services for customers and achieving our ambition for a stronger, greener, healthier North West. This year, we have continued to strengthen our United Supply Chain (USC) programme, which underpins our supplier collaboration strategy and brings our responsible sourcing principles to life across thousands of partners who help us deliver for the region.

USC is designed to create a high-quality, resilient and values-driven supply chain through strong collaborative relationships with our partners. It establishes a framework through which suppliers can enhance their performance, embed best practice and collaborate closely with us and each other. By moving towards a truly business to business collaborative environment, we are able to build on the strengths of our partners, reduce risk and improve value for customers at the lowest sustainable cost.

76% of our suppliers are signed up to our responsible sourcing principles against a target of 95%. Alongside this, 76% of our suppliers are delivering 'strong' performance, defined as suppliers who consistently achieve above the agreed service level across all key performance indicators.

A further focus this year has been strengthening resilience and reducing risk through increased visibility across supply chains. By working closely with suppliers to understand risk exposures, whether topic-specific, such as modern slavery or climate change, or sector-specific, such as within construction or chemicals, we can target assurance activity more effectively. This may involve additional checks, site visits or supply chain mapping, but delivers significant value through earlier risk mitigation and shared learning. This year, we have delivered enhanced audits across 2% of our suppliers to mitigate these risks.

The benefits of this collaborative approach are already clear. USC supports closer working relationships, stronger alignment

of strategies and improved operational standards. It enables us to deliver environmental and social value through initiatives that benefit communities, enhance biodiversity, and improve workforce health, safety and wellbeing. It also helps drive efficiency by reducing duplication, removing waste and unlocking new ideas.

Our supply chain includes a diverse mix of partners with USC ensuring we harness the full breadth of their skills, expertise and innovation. By treating the supply chain as an integral part of how we serve customers, USC is strengthening assurance, building resilience and helping secure sustainable, efficient outcomes in AMP8 and beyond.

## Performance across 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.


Index/assessment	2025/26 result	Commentary
FTSE4Good Index Series	Included	Constituent since June 2001; latest review completed December 2025
S&P's corporate sustainability assessment	65%	Reported through the assessment for more than 25 years
Sustainalytics ESG risk rating	14.0 – Low Risk	Rating received in February 2026
MSCI ESG rating	A	Rating held as of August 2025
CDP climate change	A-	Leadership level in 2025 assessment
CDP water security	A-	Leadership level in 2025 assessment
CDP supplier engagement	A	'A list' in 2025 assessment
ISS ESG Corporate ESG Rating	Prime	Prime status maintained
Corporate Knights Europe 50 Most Sustainable Corporations	Ranked	Included as of March 2026

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



# Striving for asset management excellence.

 Image: Colleagues lead a site tour of Haslingden Grane Impounding Reservoir as part of the asset management audit





## Case study:

### Striving for asset management excellence

Asset management provides a framework and approach to oversee the lifecycle of infrastructure such as pipes and treatment works – fundamental to delivering resilient services, safeguarding the environment and securing value for customers over time.

In October 2025, we became the first water company in the UK to achieve certification to the revised ISO 55001:2024 Asset Management Standard.

We were pleased to be the first in the industry to achieve this standard and, in November 2025, Ofwat set out an ambition that all water companies should demonstrate asset management maturity by attaining the same certification in future.

#### A whole organisation effort

Achieving the new certification required a whole organisation effort to strengthen strategic asset management capability, improve resilience, and enhance the way we use insight and risk-based decision-making to deliver long-term value for customers and the region.

Having initially secured certification to the original standard in 2022, we made the bold strategic decision to transition directly to the new version rather than recertify against an outgoing standard. This choice reflected both our ambition and our confidence in the maturity of our asset management approach.

The new standard introduced a swathe of new requirements, as well as clarification of some pre-existing ones. In preparation, our internal audit and assurance team led a gap analysis, identifying 169 improvement actions to meet the new standard, which we grouped into activity types to implement the changes required.

The gap-closing activities involved over 100 colleagues across multiple departments, resulting in improvements to processes, documents, communications, and training. Our strategic asset management plan was also updated to reflect the improvements made and the requirements of the new standard.

The audit itself was an intensive eight-day interview of 85 colleagues and partners across 13 sites, taking in each county and each discipline to demonstrate the depth of our asset management culture.

Feedback from the audit commended our improved capability, strong leadership, and engaged people.

#### Strengthening our capabilities

Certification is not the end of the journey; it is a platform. It strengthens our ability to make better long-term decisions, manage risk transparently, and deliver sustainable value for our customers and the environment.

By being the first to achieve ISO 55001:2024, we have, once again, demonstrated sector leadership, reinforcing our commitment to a stronger, more resilient water system for the North West.

#### Delivering value for



This is creating value for customers, the environment and investors.

## Our S172(1) Statement

### Our key decisions during the year to 31 March 2026







Throughout this integrated annual report, we provide examples of how the board has 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 2026, including those described on this page and the next.

#### Our strategic priorities

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



### Implementation of the refreshed 'Home Safe and Well' programme

#### Link to strategy



#### The decision

To explore ways to continually improve our health and safety performance and safety culture across the business.

#### Outcome

Since the first life-saving rule (Driving for Work) was launched in August 2025, there has been around 80% reduction in colleagues' involvement in road traffic accidents. During the year, three other life-saving rules have been launched: working at height, safe systems of work, and service with respect. In terms of process safety, we have developed a suite of process safety performance indicators, including statutory maintenance and management of change, ensuring that our major accident hazards are controlled. There has been a 50% increase in the number of leadership engagement visits, and a 20% increase in the number of safety observations raised by colleagues, resulting in a 30% reduction in our colleague lost time injury rate. The board is fully engaged in the health and safety improvement process as this would be most likely to promote the long-term success of the company for the benefit of its members as a whole.

#### How we engaged with stakeholders

Our Home Safe and Well programme was re-launched at the all-colleague event held in March 2025 in Blackpool, and at a supply chain event in April 2025, with progress updates provided at the all-colleague engagement event held in Liverpool in February 2026 and at the supply chain update held in March 2026 in Blackpool. The size of the capital programme and complex nature of our activities, including process safety risk, reinforces the need to achieve industry-leading health and safety performance. The refreshed programme has introduced three core safety values and 12 life-saving rules, which we are launching as mini safety campaigns over the next 12 months.

The executive team has been fully engaged with the process, with the CEO chairing the monthly executive health and safety meetings. Extensive consultation and communication took place with colleagues across the business, with trade union safety representatives invited to attend health and safety meetings twice a year, and with our contracting partners to ensure it was a collaborative process – leaders across the business were asked to champion Home Safe and Well compliance and share best practice. Simplifying and standardising processes and reporting were key enablers as well as fostering a culture that empowers colleagues to voice concerns. 12 life-saving rules are being rolled out, each one sponsored by a member of the executive team and supported by a series of working groups – comprising colleagues from across the business and trade union representatives to ensure processes are clear and workable. Resourcing in the health and safety and process safety teams has been strengthened, working to create a wider understanding of process safety risk across the business. Positive feedback has been received from the Health and Safety Executive and Environment Agency during routine visits to several sites during the year.



## Cyber security

### Link to strategy



### The decision

The board endorsed the industry-leading position of driving forward collaboration among its peers to support the protection of the group from cyber attacks.

### Outcome

Cyber is an intensely fast-moving environment with nation states increasingly deploying cyber attacks to boost their economic position and bolster military activity. The board is fully supportive of management's actions to protect the group from cyber attacks and the need to react quickly to new threats as they develop, implementing new security controls quickly. Protection of our customers', colleagues' and organisation's data and systems is a priority for the board and would be most likely to promote the long-term success of the company for the benefit of its members as a whole.

### How we engaged with stakeholders

The security team regularly engages with suppliers, appropriate agencies and other companies to keep up to date with developments in the field and knowledge sharing. Colleagues receive training and regular communication in the cyber security sphere of operations and regular cyber incident exercises are undertaken to ensure maximum preparedness to a major cyber attack. The board acknowledges the benefits of industry-wide engagement to protect against malicious cyber activity endorsing the leading position the group holds in driving forward industry collaboration, threat intelligence sharing and incident response.



## Supply chain mobility

### Link to strategy



### The decision

To devise new ways of working in conjunction with our supply chain partners to address the challenges of AMP8.

### Outcome

Clear principles underpin our AMP8 contracting strategy and operating model, influenced by the complexity, size and the type of delivery model to be used with projects grouped into discrete packages. In addition to very large projects that will be developed in accordance with Ofwat's direct procurement for customers (DPC) framework, there are complex design and build (both infrastructure and non-infrastructure), detailed design and build projects, build-only projects and rainwater management projects. The different project types are suited to different contractor types. For the high volume, lower-value build-only projects, we are working with smaller local contractors using repeatable designs and helping to develop new workforce skills in the North West. Tier 1 contractors are involved with the more complex higher-value projects.

Given the fundamental changes to the ways of working, the board requested that an expert assurance panel review and challenge the new approach, and the panel commended the adoption of a standard approach to the design, delivery and procurement of assets. The board endorsed the fundamental change to the ways of working with our supply chain as being most likely to promote the long-term success of the company for the benefit of its members as a whole.

### How we engaged with stakeholders

We have engaged with colleagues, contracting partners, regulators, non-governmental organisations, and customers, and have established closer community relations to support our AMP8 capital programme. We have implemented feedback from our engagement, including simplifying the procurement process and work allocation, simpler contractual documentation and longer-term agreements, greater flexibility in the use of company standards, and greater collaboration.