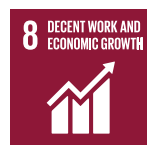


## How we manage our dependencies and impacts

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

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

### UN Sustainable Development Goals (SDGs) key:



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

