




## 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><br/>Pollution incidents with a serious, extensive or persistent impact on the environment, people or property.</p>  | <p><b>Spills reduction<sup>(1)</sup></b><br/>Reducing the total number of activations at combined sewer overflows.</p>   | <p><b>Scope 1 and 2 location-based GHG emissions target</b><br/>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><br/><b>0</b></p>  | <p><b>Target</b><br/><b>60% reduction by 2030</b></p>  | <p><b>Target</b><br/><b>42% reduction by 2030</b></p>  |
| <p><b>Annual performance</b><br/><b>0</b><br/>We have had zero category 1 pollution incidents this year, meeting our target of 0.<br/>2024/25: 1<br/>2023/24: 1</p>  | <p><b>Annual performance</b><br/><b>47% reduction in spills against 2020 baseline</b><br/>The level of spills since our 2020 baseline has reduced by 47%, well on track to meet our target of 60% reduction by 2030.<br/>2024/25: 32% reduction<br/>2023/24: 14% reduction</p>                           | <p><b>Annual performance</b><br/><b>13% reduction since 2019/20</b><br/>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.<br/>2024/25: 9.1% reduction<br/>2023/24: 7.3% reduction</p> |
| <p><b>Status</b><br/> Met expectation/target</p>  | <p><b>Status</b><br/> Met expectation/target</p>  | <p><b>Status</b><br/> Close to meeting expectation/target</p>   |
| <p><b>Key stakeholder</b><br/>Environment</p>  | <p><b>Key stakeholder</b><br/>Environment</p>  | <p><b>Key stakeholder</b><br/>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><br/>LTP</p>   | <p><b>Link to remuneration<sup>(3)</sup></b><br/>Bonus</p>   | <p><b>Link to remuneration<sup>(3)</sup></b><br/>LTP</p>   |
| <p><b>Assurance</b><br/>Regulatory reporting assurance</p>   | <p><b>Assurance</b><br/>Regulatory reporting assurance</p>   | <p><b>Assurance</b><br/>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



# 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<br>Updated<br>method | 2025/26<br>Previous<br>method | 2024/25           | 2023/24           | 2022/23          | 2019/20<br>SBT<br>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<br>Updated<br>method | 2025/26<br>Previous<br>method | 2024/25 | 2023/24 | 2022/23 | 2019/20<br>SBT<br>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.

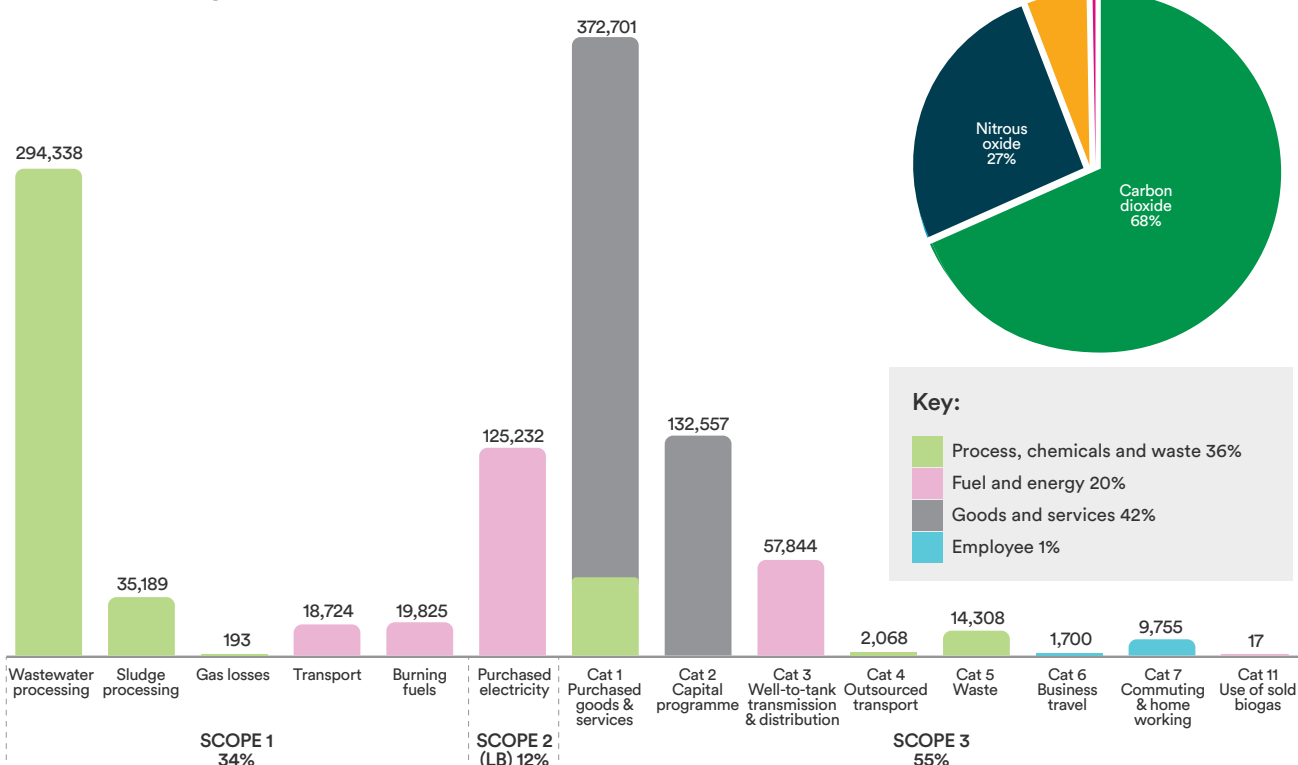
We are addressing this limitation by developing standardised sustainable solutions for which we can obtain or estimate the specific GHG emissions and also developing methods to track actual embedded emissions for capital projects as part of our AMP8 bespoke embedded emissions performance commitment.

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<br>GWh | 2024/25<br>GWh | 2023/24<br>GWh | 2022/23<br>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