

Directors' report

The directors present their management report, including the strategic report, on pages 01 to 99 and the audited financial statements of United Utilities Group PLC (the company) and its subsidiaries (together referred to as the group) for the year ended 31 March 2026.

Business model	A description of the company's business model can be found within the strategic report on pages 12 to 63.															
Dividends	The directors are recommending a final dividend of 35.78 pence per ordinary share for the year ended 31 March 2026, which, together with the interim dividend of 17.88 pence, gives a total dividend for the year of 53.66 pence per ordinary share (the interim and final dividends paid in respect of the 2024/25 financial year were 17.28 pence and 34.57 pence per ordinary share respectively). Subject to approval by our shareholders at our AGM, the final dividend will be paid on 3 August 2026 to shareholders on the register at the close of business on 26 June 2026.															
Directors	The names of our directors who served during the financial year ended 31 March 2026 can be found on pages 102 to 105 and on page 110.															
Reappointment	Our articles of association provide that our directors must retire at every annual general meeting following their last election or reappointment by our shareholders, which is consistent with the recommendation contained within the 2024 UK Corporate Governance Code (the code) that all directors should be subject to annual election by shareholders. This has been the case at all the AGMs since 2011. Information regarding the appointment of our directors is included in our corporate governance report on pages 100 to 170.															
Interests	Details of the interests in the company's shares held by our directors and persons connected with them are set out in our directors' remuneration report on pages 140 to 170, which is hereby incorporated by reference into this directors' report.															
Corporate governance statement	The corporate governance report on pages 100 to 170 is hereby incorporated by reference into this directors' report and includes details of our application of the principles and reporting against the provisions of the code. Our statement includes a description of the main features of our internal control and risk management systems in relation to the financial reporting process and forms part of this directors' report. A copy of the 2024 version of the code, as applicable to the company for the year ended 31 March 2026, can be found at the Financial Reporting Council's website at frc.org.uk . Copies of the matters reserved for the board and the terms of reference for each of the main board committees can be found on our website.															
Share capital	<p>At 31 March 2026, the issued share capital of the company was £499,819,926 divided into 681,888,418 ordinary shares of 5 pence each and 273,956,180 deferred shares of 170 pence each. Details of our share capital and movements in our issued share capital are shown in note 21 to the financial statements on page 213. The ordinary shares represented 71.3% and the deferred shares represented 28.7% respectively of the shares in issue as at 31 March 2026.</p> <p>All our ordinary shares have the same rights, including the rights to one vote at any of our general meetings, to an equal proportion of any dividends we declare and pay, and to an equal amount of any surplus assets, which are distributed in the event of a winding-up.</p> <p>Our deferred shares convey no right to income, no right to vote and no appreciable right to participate in any surplus capital in the event of a winding-up. The rights attaching to our shares in the company are provided by our articles of association, which may be amended or replaced by means of a special resolution of the company in a general meeting. The company renews annually its power to issue and buy back shares at our AGM and such resolutions will be proposed at our 2026 AGM. Our directors' powers are conferred on them by UK legislation and by the company's articles. At the AGM of the company held on 18 July 2025, the directors were authorised to issue relevant securities up to an aggregate nominal amount of £11,364,806 and were empowered to allot equity securities for cash on a non-preemptive basis to an aggregate nominal amount of £3,409,442. The authority given at the 2025 AGM was used for a non-preemptive placing as announced on 30 April 2026 (see note 24, page 214).</p>															
Voting	Electronic and paper proxy appointment and voting instructions must be received by our registrar, Equiniti, no less than 48 hours before a general meeting and when calculating this period, the directors can decide not to take account of any part of a day that is not a working day.															
Transfers	<p>There are no restrictions on the transfer of our ordinary shares in the company, nor any limitations on the holding of our shares in the company, save: (i) where the company has exercised its right to suspend their voting rights or to prohibit their transfer following the omission of their holder or any person interested in them to provide the company with information requested by it in accordance with Part 22 of the Companies Act 2006; or (ii) where their holder is precluded from exercising voting rights by the Financial Conduct Authority's Listing Rules or the City Code on Takeovers and Mergers.</p> <p>There are no agreements known to us between holders of securities that may result in restrictions on the transfer of securities or on voting rights. All our issued shares are fully paid.</p>															
Major shareholdings	<p>At 15 May 2026, our directors had been notified of the following interests in the company's issued ordinary share capital in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority:</p> <table border="1"> <thead> <tr> <th></th> <th>% of issued share capital</th> <th>Direct or indirect nature of holding</th> </tr> </thead> <tbody> <tr> <td>Lazard Asset Management LLC</td> <td>9.93</td> <td>Indirect</td> </tr> <tr> <td>BlackRock, Inc.</td> <td>10.75</td> <td>Indirect</td> </tr> <tr> <td>Atlas Infrastructure Partners (UK) Ltd</td> <td>6.55</td> <td>Direct</td> </tr> <tr> <td>Future Fund Board of Guardians</td> <td>4.44</td> <td>Indirect</td> </tr> </tbody> </table>		% of issued share capital	Direct or indirect nature of holding	Lazard Asset Management LLC	9.93	Indirect	BlackRock, Inc.	10.75	Indirect	Atlas Infrastructure Partners (UK) Ltd	6.55	Direct	Future Fund Board of Guardians	4.44	Indirect
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Purchase of own shares	At our AGM held on 18 July 2025, our shareholders authorised the company to purchase, in the market, up to 68,188,841 of our ordinary shares of 5 pence each. We did not purchase any shares under this authority during the year. We normally seek such an authority from our shareholders annually. At our 2026 AGM, we will seek authority from our shareholders to purchase up to 74,286,402 of our ordinary shares of 5 pence each with such authority expiring at the end of our AGM held in 2027.															
Change of control	<p>As at 31 March 2026, Ocorian Administration (UK) Limited was the trustee that administered our executive share plans and had the ability to exercise voting rights at its discretion, which related to shares that it held under the trust deed constituting the trust. In the event of a takeover offer, which could lead to a change of control of the company, the trustee must consult with the company before accepting the offer or voting in favour of the offer. Subject to that requirement, the trustee may take into account a prescribed list of interests and considerations prior to making a decision in relation to the offer, including the interests of the beneficiaries under the trust.</p> <p>In the event of a change of control, the participants in our all-employee share incentive plan (ShareBuy) would be able to direct the trustee of ShareBuy, Equiniti Share Plan Trustees Limited, how to act on their behalf.</p>															

Information required by UK Listing Rule 6.6.1	<p>Details of the amount of interest capitalised by the group during the financial year can be found in note 6 to the financial statements on page 201. In line with current UK tax legislation, the amount is fully deductible against the group's corporation tax liability, resulting in tax relief of £18.8 million.</p> <p>There are no other disclosures to be made under UK Listing Rule 6.6.1.</p>
Directors' indemnities and insurance	<p>We have in place contractual entitlements for the directors of the company and of its subsidiaries to claim indemnification by the company in respect of certain liabilities that might be incurred by them in the course of their duties as directors. These arrangements, which constitute qualifying third-party indemnity provision and qualifying pension scheme indemnity provision, have been established in compliance with the relevant provisions of the Companies Act 2006 and have been in force throughout the financial year. They include provision for the company to fund the costs incurred by directors in defending certain claims against them in relation to their duties as directors of the company or its subsidiaries. The company maintains an appropriate level of directors' and officers' liability insurance.</p>
Political donations	<p>It is the company's policy position that we do not support any political party and do not make what are commonly regarded as donations to any political party or other political organisations. The wide definition of donations in the Political Parties, Elections and Referendums Act 2000, however, covers activities that form part of the necessary relationship between the group and our political stakeholders. This can include promoting United Utilities' activities at the main political parties' annual conferences, as well as occasional stakeholder engagement in Westminster. The group incurred expenditure of £43,272 (2024/25: £11,450, 2023/24:£8,091) as part of this process. At the 2025 AGM, an authority was taken to cover such expenditure. A similar resolution will be put to shareholders at the 2026 AGM to authorise the company and its subsidiaries to make such expenditure.</p> <p>Relationships with regional MPs are very important to United Utilities, and as the provider of an essential service to around eight million people across the North West, customers do raise issues with their constituency MP. In 2025/26, we received just over one thousand MP contacts covering a wide range of topics, particularly as we face challenging times from an economic, environmental and social perspective. Our approach is to always have an open door policy with our MPs and members of their offices, to meet with us and visit our sites or land at any time. We are readily available to discuss topics, whether that is about service, climate change, environmental performance, flooding or quality, and regularly meet our MPs face to face.</p> <p>We engage regularly with the two devolved administrations in the North West – the Greater Manchester Combined Authority (GMCA) and the Liverpool City Region (LCR) – as well as the region's local authorities, on a range of topics of shared interest, such as tackling flooding risk, better managing rainfall, enhancing the North West's natural capital and helping customers who struggle to pay their bills. Our sponsorship of the All Party Political Groups for Greater Manchester and LCR helps bring MPs and peers of all parties together with key leaders to help maximise future investment in these areas for the benefit of local communities.</p> <p>In addition, the company's activities to engage with political stakeholders on matters relevant to the water industry and its operating footprint of North West England extend to its membership of trade associations. This is described in the section below.</p>
Trade associations	<p>We are members of a small number of trade associations where we make a financial contribution. Some have a national focus, such as Water UK, the representative body of the UK water industry and others focus on specific professions such as the GC100, the voice of general counsel and company secretaries in FTSE 100 companies. The company is a member of regional bodies, such as the North West Business Leadership Team, which encourages engagement across the public and private sectors. Our total contribution to these associations in 2025/26 was £657,166 (2024/25: £521,706, 2023/24:£394,507).</p> <p>Through Water UK, the company has supported efforts to interact with parliamentary bodies, such as Select Committees and chairs of specific committees, to provide information on a range of topics. In the past year, we have worked with Water UK on topics such as storm overflows, river water quality and the Government's white paper in response to the Independent Water Commission's final report.</p> <p>Through our membership of the North West Business Leadership Team, we have engaged with regional MPs and political stakeholders, such as local authorities and metro mayors, to explore how the business community can work more effectively with the public sector to drive economic growth in the region and tackle some of the North West's pressing social issues.</p>
Colleagues	<p>Our policies on employee consultation and on equal opportunities for all colleagues can be found on pages 14, 20 and 47 to 48. Applicants with disabilities are given equal consideration in our application process, and disabled colleagues have equipment and working practices modified for them as far as possible and where it is safe and practical to do so. Importance is placed on strengthening colleagues' engagement (see page 10). The effect of our regard towards colleagues in relation to the decisions taken during the financial year is included in our S172(1) Statement on pages 88 to 89.</p> <p>Colleagues are encouraged to own shares in the company through the operation of an all-employee share incentive plan (ShareBuy). Information on our average number of employees during the year can be found in note 3 on page 200.</p>
Customers and suppliers and key stakeholders	<p>Our approach to engagement with customers, suppliers, regulators and other key stakeholders can be found on page 20. The effect of our regard towards customers, suppliers, regulators and other key stakeholders in relation to the decisions taken during the financial year is included in our S172(1) Statement on pages 88 to 89.</p> <p>Our United Supply Chain approach sets out how we work with our suppliers, which can be found on our website at unitedutilities.com/corporate/about-us/governance/suppliers/delivering-value/united-supply-chain</p> <p>We are a signatory to the Prompt Payment Code. We publish key statistics and other information on our payment practices in line with the Duty to Report on Payment Practices and Performance on the Department for Business, Energy & Industrial Strategy's website. Information is published on a six-monthly basis. For the six months to 31 March 2026, our average time taken to pay invoices was 14 days; in the previous six months it was 13 days.</p>
Energy and carbon report	<p>Our energy and carbon report can be found on pages 72 to 74 and is hereby incorporated by reference into this directors' report.</p>
Approach to technology development	<p>We are committed to using innovative, cost-effective and practical solutions for providing high-quality services. We recognise the importance of ensuring that we focus our investment on the development of technology, having the right skills to apply technology to achieve sustainable competitive advantage, and continuing to be alert to emerging technological opportunities.</p>
Financial instruments	<p>Our risk management objectives and policies in relation to the use of financial instruments can be found in note A3 on page 218.</p>
Slavery and human trafficking	<p>Our statement can be found on our website at unitedutilities.com/humanrights</p>
Events occurring after the reporting period	<p>Details of events after the reporting period are included in note 24 on page 214.</p>

Directors' report

Annual general meeting

The 2026 annual general meeting (AGM) will be held on 17 July 2026. Full details of the resolutions to be proposed to shareholders, and explanatory notes in respect of these resolutions, can be found in the notice of AGM. A copy can be found on our website.

At the 2026 AGM, resolutions will be proposed, among other matters: to receive the integrated annual report and financial statements; to approve the directors' remuneration report; to approve the directors' remuneration policy; to declare a final dividend; to approve the directors' general authority to allot shares; to grant the authority to issue shares without first applying statutory rights of pre-emption; to authorise the company to make market purchases of its own shares; to enable the company to continue to hold general meetings on not less than 14 clear days' notice

to approve the company's net zero transition plan and to authorise the making of limited political donations by the company and its subsidiaries.

Information given to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. This confirmation is given, and should be interpreted, in accordance with the provisions of s418 of the Companies Act 2006.

Reappointment of the auditor

The board is proposing that shareholders reappoint KPMG LLP as the company's auditor at the forthcoming AGM and authorises the audit committee of the board to set the auditor's remuneration.

Approved by the board on 15 May 2026 and signed on its behalf by:

Simon Gardiner
Company Secretary

Pre-emption group reporting

The equity issue announced on 30 April 2026 was a non-preemptive issue of equity securities for cash. The company makes the following post-transaction report in accordance with the most recently published Pre-Emption Group Statement of Principles (2022).

Name of issuer	United Utilities Group PLC
Transaction details	The equity issue of 60,975,610 new ordinary shares comprised the placing to institutional investors (including the cornerstone commitment from ATLAS Infrastructure with the Future Fund), the retail offer to eligible UK retail investors via RetailBook and the director subscription by certain directors, and represents, in aggregate, approximately 8.9% (being less than 10%) of the existing issued ordinary share capital of the company prior to the equity issue. Settlement for the placing shares, retail offer shares and director subscription shares and admission took place at 8.00 a.m. on 5 May 2026.
Use of proceeds	The net proceeds of the equity issue will be used to fund the equity element of the company's circa £2.5 billion incremental capital investment programme during the AMP8 regulatory cycle (FY2025–30), ensuring the company is fully funded for its upgraded circa £11.5 billion total AMP8 investment programme, while maintaining gearing within the company's 55–65% target range.
Quantum of proceeds	In aggregate, the placing, retail offer and director subscription raised gross proceeds of approximately £800 million and net proceeds of approximately £788 million.
Discount	The placing price of 1,312 pence represented the closing price on 29 April 2026. ⁽¹⁾
Allocations	The committed allocation to ATLAS Infrastructure with the Future Fund recognises the early support of ATLAS Infrastructure with the Future Fund to the company. Allocations were determined in consultation between the company and the Joint Global Coordinators, and allocations were carried out in compliance with the applicable MiFID II allocation requirements. Where possible, soft pre-emption was adhered to in the allocations process. Allocations made outside of soft pre-emption were preferentially directed towards existing shareholders in excess of their pro rata entitlements, and wall-crossed investors.
Consultation	Prior to launch of the placing, the Joint Global Coordinators undertook a market sounding process, including with major shareholders, to the extent reasonably practicable and permitted by law.
Retail investors	The equity issue included the retail offer, for a total of 381,000 retail offer shares, via the RetailBook platform. Retail investors who participated in the retail offer were able to do so at the same placing price as all other investors participating in the placing and the director subscription. The retail offer was made available to existing shareholders and new investors in the UK. Investors were able to participate through RetailBook's partner network of retail brokers, wealth managers and investment platforms. As such, to the extent practicable on the transaction timetable, eligible UK retail investors (including certificated retail shareholders) had the opportunity to participate in the retail offer alongside institutional investors. Allocations in the retail offer were preferentially directed towards existing shareholders in keeping with the principle of soft pre-emption.

⁽¹⁾ The placing price represents a discount of 9.9% to the middle market price of 1,457 pence at the time at which the company and the Joint Global Coordinators agreed the placing price.

Statement of directors' responsibilities in respect of the integrated annual report and the financial statements

The directors are responsible for preparing the integrated annual report and the group and parent company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and parent company financial statements for each financial year. Under that law they are required to prepare the group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent company financial statements in accordance with UK accounting standards and applicable law, including FRS 101 Reduced Disclosure Framework.

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent company and of the group's profit or loss for that period. In preparing each of the group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable and, in respect of the parent company financial statements only, prudent;
- for the group financial statements state whether they have been prepared in accordance with UK-adopted international accounting standards;
- for the parent company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the parent company financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that complies with that law and those regulations.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule (DTR) 4.1.16R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R. The auditor's report on these financial statements provides no assurance over whether the annual financial report has been prepared in accordance with those requirements

Responsibility statement of the directors in respect of the integrated financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report/directors' report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the integrated annual report and the financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's position and performance, business model and strategy.

Approved by the board on 15 May 2026 and signed on its behalf by:

Sir David Higgins
Chair

Phil Aspin
Chief Financial Officer