Our business model

How we deliver our purpose and generate value

Our operating environment and dependencies

Pages 20 to 30

Key resources

We depend on each of the six capitals to deliver our purpose, including sustainable natural resources across the water cycle, our extensive network of assets and people. We also work hard to other water resources positively impact these capitals.

every day, abstracted from reservoirs and before treatment

669

treatment works to clean both raw and used water and more than 122.000 kilometres of water and wastewater pipes

Materiality assessment

Our operating environment and dependencies, including stakeholder views and priorities, help us to identify and prioritise material themes. Our disclosures across the four pillars that follow have been aligned to the top material themes to ensure we are providing information on what matters most to our stakeholders.

External environment

We are influenced by, and must adapt to, a number of external factors, including the regulatory environment we operate in, and our reliance and impact on the natural environment.

higher urban rainfall in the North West than average across **England and Wales**

regulatory cycles (AMPs), with long-term adaptive plans

Supplying

treated water

What we do

Key differentiator: nic Network Manag

Sustainably sourcing water 2

Providing great

water

Renewable C energy from bioresources

Cleaning and returning wastewater

Read more about how we manage the water cycle on pages 22 to 23

for a

Greener Healthier

Stronger

North West

Read more about the five counties in our region on pages 26 to 27

Creating value for a range of stakeholders

Customers



 Continually improving service at an efficient cost

Supporting vulnerable people through assistance schemes

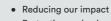
Affordability

Customer

£280m⁽¹⁾ support for customers

water and sewerage over 2020-25 company in Customer ⁽¹⁾ 50 per cent company funded. Service Index

Environment



· Protecting and enhancing reservoirs, catchments, rivers and bathing waters

Carbon

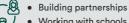
24%

since 2020

3.4% reduction in spills per monitored overflow

reduction in scope 1 and 2 emissions since 2020

Communities



 Working with schools and young people to develop skills

Total

taxes

• Opening our land to the public

Pages 06 to 09

Community investment

during AMP7

£11.8m invested in the community so far

£240m

paid in 2023/24. contributing towards public finances

Our approach to creating sustainable long-term value

Pages 31 to 67



Our six strategic priorities help us deliver our purpose and drive sustainable long-term improvements for customers, the environment and society, at an efficient cost. We use scenario analysis and adaptive planning across short, medium and long-term horizons to ensure flexibility and resilience.



We are committed to responsible business, factoring ESG matters and stakeholder priorities into decision-making at all levels of the business. Remuneration for our executive and senior leaders is linked to performance against customer, environmental and financial targets.

Risk management



We have a robust framework for identifying, assessing and managing risks and opportunities, with regular monitoring as well as longer-term plans to enhance our resilience to climate change. Our Dynamic Network Management and culture of innovation help us to maximise opportunities to work better, safer, and more efficiently. Metrics and targets

We monitor and measure our performance against a range of operational metrics, aligned to the stronger, greener and healthier elements of our purpose, which help us to assess value creation for a range of stakeholders. Financial performance metrics cover the income statement, balance sheet, and investor returns.

Value creation for multiple stakeholders

Long-term planning horizons

Responsible. diverse and inclusive culture

remuneration approach

Holistic

Robust risk management framework

Culture of innovation

KPIs linked to ESG and delivery of our purpose

Short, medium and long-term targets

Pages 68 to 89

Delivering on our purpose

Protecting and enhancing the natural environment in our region

We have delivered a number of environmental improvements over AMP6 and AMP7, including significant peatland restoration activities, tree planting, and improvements for rivers and bathing waters. The business plan we have submitted for AMP8 includes the largest environmental improvement plan we have ever delivered.

Supporting society across the North West with great quality services

We are focused on continually improving our water and wastewater services and supporting customers with affordability and vulnerability. Colleague health, safety and wellbeing is a top priority and we are committed to improving equity, diversity

and inclusion.

and deliver against our commitments, investing in communities for the long term.

Responsible business and governance supporting jobs Our activities support thousands of jobs, directly and through our supply chain, helping to grow the North West economy. We spend customers' money wisely

Net

zero

transition by 2050

targeted reduction in water quality contacts

spill reduction

targeted in the

decade to 2030

customers to get financial support in our AMP8 plan

7,000

new skilled jobs created by our AMP8 plan

74%

support for our submitted business plan

Pages 06 to 09

Colleagues



 Looking after health, safety and wellbeing

 Attracting, developing and retaining a diverse team

£nil deficit, fully funded on a low dependency basis Training and development

Won

Water Industry Skills Employer of the Year 2023

· Investing in local infrastructure and generating jobs and skills

Suppliers

Acting fairly and adhering to the Prompt Payment Code

Jobs

30.000

Supply chain payments

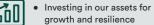
within 60 days

or less

>99% of invoices paid

across the value chain through our AMP8 business plan

Investors



Managing risk prudently and providing an appropriate return

Dividend

Return on regulated equity (RoRE)

49.78p per share for 2023/24, increased in line with

CPIH inflation

8.5% outperforming the

base return of 4 per cent

19

18 unitedutilities.com/corporate Stock code: UU