

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 positively impact these capitals.

1.8bn

litres of water supplied every day, abstracted from reservoirs and other water resources 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.

40%

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

5-year

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

What we do

Key differentiator:
Dynamic Network Management

Sustainably sourcing water



Supplying treated water 24/7



Providing great water

Renewable energy from bioresources



Cleaning and returning wastewater



for a

**Greener
Healthier
Stronger**

North West

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

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

Creating value for a range of stakeholders

Pages 06 to 09



Customers

- Continually improving service at an efficient cost
- Supporting vulnerable people through assistance schemes

Affordability

£280m⁽¹⁾

support for customers over 2020–25
⁽¹⁾ 50 per cent company funded.

Customer satisfaction

#1

water and sewerage company in Customer Service Index



Environment

- Reducing our impact
- Protecting and enhancing reservoirs, catchments, rivers and bathing waters

River health

24%

reduction in spills per monitored overflow since 2020

Carbon emissions

3.4%

reduction in scope 1 and 2 emissions since 2020



Communities

- Building partnerships
- Working with schools and young people to develop skills
- Opening our land to the public

Community investment

£11.8m

invested in the community so far during AMP7



Total taxes

£240m

paid in 2023/24, contributing towards public finances

Our approach to creating sustainable long-term value

Pages 31 to 67

 <p>Strategy 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.</p>	Value creation for multiple stakeholders	Long-term planning horizons
 <p>Governance 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.</p>	Responsible, diverse and inclusive culture	Holistic remuneration approach
 <p>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.</p>	Robust risk management framework	Culture of innovation
 <p>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.</p>	KPIs linked to ESG and delivery of our purpose	Short, medium and long-term targets

Delivering on our purpose

Pages 68 to 89

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.

Net zero
transition by 2050

60%
spill reduction targeted in the decade to 2030

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.

26%
targeted reduction in water quality contacts

1 in 6
customers to get financial support in our AMP8 plan

Responsible business and governance supporting jobs and communities

Our activities support thousands of jobs, directly and through our supply chain, helping to grow the North West economy. We spend customers' money wisely and deliver against our commitments, investing in communities for the long term.

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

Pension schemes	Training and development
£nil	Won
deficit, fully funded on a low dependency basis	Water Industry Skills Employer of the Year 2023

Suppliers

- Investing in local infrastructure and generating jobs and skills
- Acting fairly and adhering to the Prompt Payment Code

Supply chain payments	Jobs supported
>99%	30,000
of invoices paid within 60 days or less	across the value chain through our AMP8 business plan

Investors

- Investing in our assets for growth and resilience
- Managing risk prudently and providing an appropriate return

Dividend	Return on regulated equity (RoRE)
49.78p	8.5%
per share for 2023/24, increased in line with CPIH inflation	outperforming the base return of 4 per cent