

Key performance indicators

Our key performance indicators for building a healthier North West are colleague engagement, customer satisfaction as measured through our ranking within Ofwat's C-MeX survey, and the number of customers lifted out of water poverty. We report on a selection of other metrics relating to customers, colleagues and other social matters on page 82.

Colleague engagement

Level of colleague engagement as measured by our annual colleague opinion survey.

Target

At least as high as utilities norm benchmark

Annual performance

81%

We have achieved a strong set of results this year, scoring well against external benchmarks. Our overall engagement score is in line with the UK high performance norm benchmark.

2022/23: 82 per cent

2021/22: 87 per cent

Status

Met expectation/target

Key stakeholder

Colleagues

Relevant material themes⁽²⁾

- Colleague engagement
- Diverse and skilled workforce
- Health, safety and wellbeing

Relevant principal risks⁽³⁾

- Inherent risk areas: Resources and Health, safety and wellbeing

Link to remuneration⁽⁴⁾

n/a

Assurance⁽⁵⁾

Independent third-party verification

C-MeX ranking⁽¹⁾

Ofwat's customer measure of experience (C-MeX), comprising two surveys – the customer service survey, and the customer experience survey.

Target

Upper quartile against water and sewerage companies (WaSCs)

Annual performance

2nd quartile

We continue to be the highest performing listed company, ranked fourth out of the WaSCs, and sixth out of all 17 companies.

2022/23: top listed company, fourth WaSC, and fifth overall

2021/22: top listed company, fourth WaSC, and seventh overall

Status

Close to meeting expectation/target

Key stakeholder

Customers

Relevant material themes⁽²⁾

- Customer service and operational performance
- Trust, transparency and legitimacy
- Political and regulatory environment

Relevant principal risks⁽³⁾

- Failure of the Haweswater Aqueduct
- Wastewater network failure
- Water availability

Link to remuneration⁽⁴⁾

Bonus and LTP

Assurance⁽⁵⁾

Regulatory reporting assurance

Customers lifted out of water poverty⁽¹⁾

Where our support acts to lift a customer out of water poverty, which is defined as spending more than 3 per cent of income on their water bill.

Target

At least 66,500 customers lifted out of water poverty by 2024/25

Annual performance

100,758

We have helped more than 100,000 customers out of water poverty so far this AMP (including more than 84,000 against our regulatory target and related ODI, which applies a maximum cap on the number of company-funded customers that can be included).

2022/23: 106,936 customers

2021/22: 98,293 customers

Status

Met expectation/target

Key stakeholder

Customers

Relevant material themes⁽²⁾

- Affordability and vulnerability
- Customer service and operational performance
- North West regional economy

Relevant principal risks⁽³⁾

- Inherent risk areas: Retail and commercial

Link to remuneration⁽⁴⁾

LTP

Assurance⁽⁵⁾

Regulatory reporting assurance

⁽¹⁾ Measure relates to the water and wastewater activities of our regulated entity, United Utilities Water Limited.

⁽²⁾ Read more about our materiality assessment on pages 28 to 30.

⁽³⁾ Read more about our principal risks on pages 52 to 56.

⁽⁴⁾ Read our remuneration report, with details about the bonus and Long Term Plan (LTP), on pages 140 to 163.

⁽⁵⁾ Read more about the assurance over our performance metrics on page 63.

Creating value for



Customers



Communities



Colleagues



Suppliers



Investors

Affordability

Affordability support remains a key focus area and over the last year we have seen a significant increase in the number of customers asking for help with their bills.

We have supported around 375,000 households so far in AMP7 through our comprehensive range of affordability schemes. We've increased our efforts to support customers, many of whom will be disproportionately impacted by the cost-of-living increases, with management of their bills and highlighting the support we have available. Utilising data, we're monitoring customer payment behaviour to proactively identify customers showing signs of struggling to pay, and sending early intervention emails with tailored messaging designed to increase customer awareness of the support we, and third-party organisations, can offer.

With bills expected to go up in AMP8 to support the investment needed, our business plan proposals include our biggest ever support package, doubling the financial support available to more than £500 million and helping one in six customers during 2025–30.

Customers that struggle to pay their water bills will inevitably also struggle with other bills, so we believe the key to providing real tangible support is cross-industry collaboration. In January, we held our fifth affordability summit, bringing together partner agencies and key stakeholders to highlight the importance of collaborative cross-sector working. Attendees from councils, charities, energy companies, housing associations and others shared experiences and discussed ways to be more joined up when it comes to helping people across the region.

We remain supportive of the drive to introduce a national social tariff, which would help to provide a more equitable sharing of support for customers across the country.

Vulnerability

We are a leader in vulnerability assistance in the water industry, with a wide range of support schemes for customers, many of which are firsts for the industry.

We support over 400,000 vulnerable customers on the Priority Services Register, and we are one of the first in the industry to hold accreditation to the new ISO Consumer Vulnerability standard, ISO 22458:2022 for our Priority Services offering.

We held our second customer vulnerability summit in June 2023, bringing together more than 50 representatives from charities and organisations specialising in vulnerabilities to discuss ways we can all support people with additional needs. We are also publishing our new vulnerability strategy in June this year.

Providing great customer service

We continue to focus on delivering great service, and have reorganised our water and wastewater services to align with our county-based approach to drive further improvements for customers, building on the strong overall level of service we have delivered this year.

We have met or beaten 80 per cent of our performance commitments this year, achieving our highest ever reward against customer outcome delivery incentives (ODIs) with a net reward of £34 million this year.

Our investment in water quality, principally avoiding discolouration, has supported a reduction in discoloured water events and a subsequent reduction in customer contacts for discoloured water. This has been supported by our Water Quality First programme, launched in 2021 with the aim of providing customers with industry-leading water quality. Alongside improvements to our assets, such as cleaning over 15,000 kilometres of mains to reduce the risk of discolouration, over 5,000 colleagues and many of our key supply chain partners have completed an e-learning module on water quality. Last summer we completed a rigorous eight-year programme of inspecting and cleaning every storage reservoir as part of our Water Quality First programme.

Our efforts to improve water quality have been recognised by the Drinking Water Inspectorate (DWI). We also won the Drinking Water Initiative of the Year award in the 2023 Water Industry Awards.

While we have seen a significant improvement in discolouration, we know there is still work to do to improve our overall performance.

The improvements we have made to water quality and the reduction in water quality contacts we have seen are contributing towards our ODI reward this year, alongside other measures such as the work we have done to reduce voids, improving hydraulic flood risk resilience, enhanced water service resilience, reducing sewer blockages, and reducing lead risk.

Weather during the year has brought challenges, with dry weather in the early summer triggering actions under our drought plan, and then shifting suddenly to a prolonged period of heavy rainfall over autumn and winter, followed by a sharp freeze-thaw event in January. Annual rainfall in 2023 was exceptionally high across the North West – it was the wettest for the last 69 years, with parts of our region experiencing rainfall up to 50 per cent higher than 2022 and up to a third higher than the long-run average.

This unfortunately had an adverse impact on service for customers, with increased instances of flooding and supply interruptions, as well as the impact on overflow spills and pollution performance mentioned on page 69. We are disappointed to see that our performance on internal sewer flooding is above the maximum collar for ODI penalty this year. Supply interruptions, external flooding and pollution incidents are also in ODI penalty this year as a result of this extreme weather.

We have made great progress in reducing flooding incidents since the start of AMP7, supported by our investment in Dynamic Network Management (DNM), our pollution performance across recent years has been the strongest in the industry as discussed on page 69, and we continue to target these important areas.

As mentioned on page 12, we experienced a fractured outlet pipe at our Fleetwood Wastewater Treatment Works in June and the Environment Agency issued precautionary advice in relation to the bathing water along the Fylde Coast while we were working to resolve this. We recognise the disruption caused by this loss of amenity and have worked hard with the local community, hosting drop-in sessions while the incident was ongoing and putting back into the community afterwards with financial contributions, water butts in Cleveleys town centre, and a newsletter for Fylde Coast residents.

The bypass and the repair has resulted in £38 million of additional operating and infrastructure renewals expenditure in the period, which has been excluded from underlying results as shown on page 97.

Customer satisfaction

In the latest Customer Service Index (an independent survey from the Institute of Customer Service that benchmarks over

280 organisations across many sectors), we were ranked as the top water and sewerage company and retained our top five position among the 31 utility companies.

Our performance against Ofwat's measure of customer satisfaction, C-MeX, remains strong despite feeling an impact due to general sentiment towards the company in relation to areas of public scrutiny such as spills from overflows. We continue to be the highest performing listed company, ranked fourth out of the water and wastewater companies and sixth overall out of all 17 companies.

Customer service is hugely important to us, and we have been re-accredited with the Institute of Customer Service – Service Mark with Distinction award, one of only 22 brands to achieve distinction. Every month we receive fantastic feedback from customers telling us how our colleagues have gone the extra mile. We were particularly proud of 11 of our colleagues that have each received more than 500 nominations from customers in the WOW! Awards scheme, where customers provide independent, proactive feedback on the service we provide.

Cash collection

Cash collection performance has been good this year and our household bad debt charge is low at 1.6 per cent of household revenue, down from 1.8 per cent last year. We have a high level of direct debit penetration, at 71 per cent, and overall more than 80 per cent of customers are on payment plans.

This helps to provide a high degree of collection certainty and enables us to spot potential affordability issues early, at the first missed payment, so that we can make contact swiftly.

For customers that need affordability support, we can quickly get them onto the right scheme to help them get back on

track. For those customers that can afford to pay but choose not to do so, we have a comprehensive data-led approach to collections that helps us accurately pursue payment in an efficient and timely manner. This includes a range of techniques, such as 'nudging' customers through email or text if a payment is late, enhanced credit reference sharing, and credit reporting.

A safe and great place to work

Service is underpinned by the people who deliver it and it's encouraging to see we have achieved UK high performance levels of colleague engagement, with 87 per cent of our colleagues contributing to our annual survey with an engagement level of 81 per cent. Wellbeing and safety were the two highest scoring categories, and this year's wellbeing score of 93 per cent was a 12-point improvement from last year, reflecting our ongoing focus on providing a safe and great place to work.

Following submission of our business plan this year, we hosted a colleague event in Blackpool, open to everyone across the organisation, to hear about our plans and ask questions. We launched some excellent new benefits for all colleagues, including a virtual GP service and menopause support app. We are focused on mental, as well as physical health, and have actively promoted Andy's Man Club and other mental health services. We also launched a new 'Call it Out' initiative this year to encourage colleagues to raise ideas for improving efficiency and performance, which is already delivering improvements.

The most important thing is that every colleague goes home safe and well, and we continue to have a strong focus on health, safety and wellbeing. Following concerns over RAAC concrete, we have undertaken a review supported by an expert third-party structural surveyor for any use of RAAC concrete in our buildings and structures. The survey did not identify any use in process assets, and in only one instance has the material been found to be present in structures assessed.

Our colleague accident frequency rate for 2023/24 was 0.092 accidents per 100,000 hours worked, slightly higher than last year and amounting to 12 accidents reported. This year we have seen an increase in manual handling injuries and slips, trips and falls. Although none of our employees were seriously injured during these incidents, they did result in lost time from work. To address the increase in these types of incident, we have strategic objectives focused on driving improvements in these areas. We have focused risk-based plans in place to maintain progress toward our 2025 target of a 10 per cent year-on-year improvement in performance.



Our contractor accident frequency rate decreased to 0.043 accidents per 100,000 hours worked. We continue to work closely with our contract partners to develop standard approaches to key risk areas to help reduce health and safety risks.

In recognition of our commitment to health and safety, we were awarded the Royal Society for the Prevention of Accidents (RoSPA) gold standard medal for the twelfth consecutive year.

We have been recognised for our focus on wellbeing and awarded the National Workplace Wellbeing Charter, demonstrating our commitment to proactively championing a healthy workplace. We continue to perform well in ShareAction's Workforce Disclosure Initiative, with our score of 89 per cent exceeding the UK and utilities averages.

Focusing on equity, diversity and inclusion (ED&I)

We want fantastic people to enable us to deliver a great service now and into the future. We are supporting colleagues to achieve their full potential and to feel valued and included, regardless of their gender, age, race, disability, sexual orientation or social background, and we make sure we are reaching and recruiting from every part of our community.

Our workforce profile remains at 65 per cent male and 35 per cent female. We have set bold, long-term targets to improve diversity. We have exceeded our 2025 target to have 40 per cent women on board, achieving an overall ranking of 31 out of 100 FTSE companies in the FTSE Women Leaders index. In the utilities sector, we are now ranked sixth in the combined FTSE 350 + Private 50 companies index.

This year, 46 per cent of our new graduates are female. We have achieved gender balance in our apprenticeship population with 50 per cent female in a traditionally male-dominated sector where women only make up 26 per cent of the science, technology, engineering and maths (STEM) workforce.

Through our partnership with WB Directors, colleagues have access to services such as CV writing and workshops to develop their career in senior leadership and non-executive board roles.

This year, we celebrated ten years of our GENEq (gender equality) network. The network aims to support, mentor, develop, inspire and promote everyone – through fostering a culture of gender equality. We have lots of different networks including LGBT+, multicultural, and armed forces. It is important to us to create an inclusive and supportive working environment, where everyone feels valued. The GENEq network has over 400 members and is continuously growing.

In our latest survey, 89 per cent of colleagues said that United Utilities supports diversity and inclusion in the workplace – scoring higher than both the UK norm and utilities norm benchmarks, and recognising our drive to be an inclusive workplace of choice.

Attracting and developing future talent

We are focused on training and development opportunities, and won Water Industry Skills Employer of the Year 2023 award in recognition of our commitment and dedication to training and development for our colleagues, with the judge recognising United Utilities as a company that visibly attracts, develops and retains talent, and an employer of choice.

We have refreshed our training and development to focus on the skills and competencies we've identified as key for us to deliver our ambitious plans, and we are adopting different routes to market to attract diverse talent and secure different skills for the future.

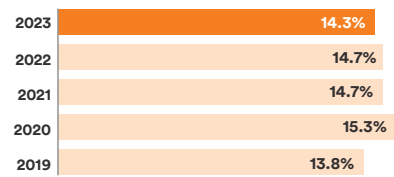
We continue to recruit and train new talent through our graduate and apprentice programmes. We welcomed more than 80 new graduates and apprentices in our September 2023 intake with a breadth of diversity, our first digital cohort and graduate opportunities in our newly formed rainwater management team supporting our commitments to river health, and we have launched our largest ever apprenticeship recruitment process with more than 90 new opportunities available in 2024. We remain on track to deliver our commitment of 125 green apprentice roles by the end of the AMP.

We also welcomed 15 interns as part of a national programme to give students and graduates better access to career development opportunities. This is our second year taking part in the '10,000 Black Interns' scheme, and with a successful track record of converting internships into graduate or permanent positions.

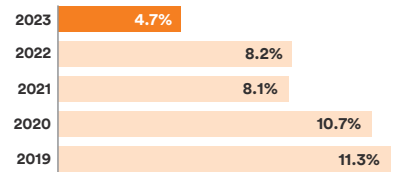
We continue to inspire and encourage students to consider a career in STEM in the future through our initiative with The Challenge Academy Trust.

We have an active succession and resilience plan that includes developing rising stars, creating development opportunities encouraging mobility through assignments, secondments and projects. In the last 12 months, over 900 colleagues secured either a promotion or a change in role. Of colleagues who have completed their Chartered Manager Degree Apprenticeship, 95 per cent have secured a promotion or a new role.

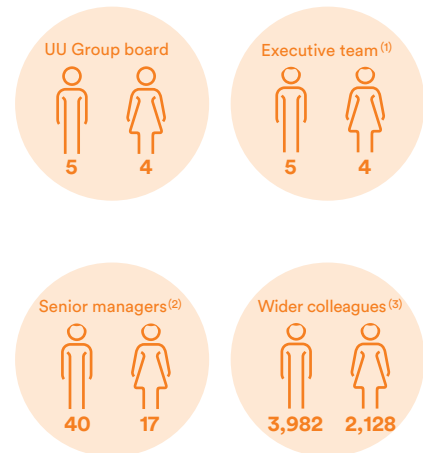
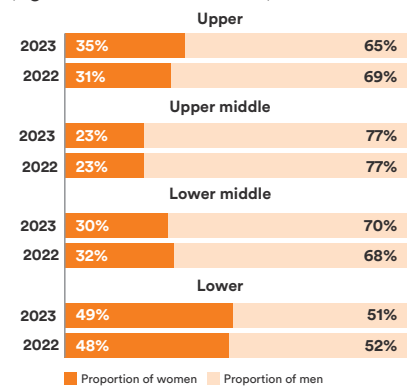
Our median gender pay gap over time



Our mean gender pay gap over time



Percentage of women and men overall and in each quartile of the pay range (figures for 2022 and 2023)



⁽¹⁾ Executive team excludes CEO and CFO who are included in group board figures.

⁽²⁾ As at 31 March 2024, there were five male and three female colleagues appointed as statutory directors of subsidiary group companies but who do not fulfil the Companies Act 2006 definition of 'senior managers'.

⁽³⁾ Wider colleagues as at 31 March 2024.

Status key

Annual performance	Met expectation/target	Close to meeting expectation/target	Behind expectation/target
Against 2025 target	Confident of meeting target	Some work to do	Target unobtainable

Stakeholder key

Customers	Environment	Communities	Colleagues	Suppliers	Investors
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Measure	2025 target	Performance			Assurance ⁽⁵⁾	Link to remuneration ⁽²⁾	Key stakeholder	Status	
		2023/24	2022/23	2021/22				Annual performance	Against 2025 target
Customer ODIs ⁽¹⁾	Year on year improvement	£34 million	£25 million	£25 million	RRA	Bonus			
Water quality customer contacts per 10,000 population ⁽¹⁾	12.2	13.2	14.1	17.9	RRA	Bonus			
Supply interruptions per property per year (hours:minutes:seconds) ⁽¹⁾	00:05:00	00:09:39	00:38:44	00:07:58	RRA	PC			
Unplanned outages of peak week production capacity ⁽¹⁾	2.34%	2.05%	1.73%	2.07%	RRA	PC			
Number of household written complaints compared to WaSCs ⁽¹⁾	Upper quartile	Third quartile⁽³⁾	Second quartile	Second quartile	RRA				
Speed of resolution ⁽¹⁾	5 days	3.95 days	3.9 days	3.5 days	RRA				
Developer satisfaction score (D-MeX) ⁽¹⁾	Above industry median	Above industry median	Above industry median	Above industry median	RRA	PC			
Number of households registered for Priority Services ⁽¹⁾	In excess of 220,000 (7%)	401,987 (12.35%)	294,490 (9.1%)	186,224 (5.9%)	RRA	LTP			
Certification for Priority Services ^{(1) (4)}	Maintain certification	ISO22458: 2022 Verification achieved	ISO22458: 2022 Verification achieved	Maintained BS18477	ITV				
Helping customers look after water in their home ⁽¹⁾	10% increase	34.30%	31.60%	23.85%	RRA	PC			
Compliance Risk Index ⁽¹⁾	0.00	6.00	3.67	3.02	RRA	LTP			
Wellbeing Charter accreditation	Retain accreditation	Retained	Retained	Retained	ITV				
Accident frequency rate for colleagues (per 100,000 hours)	10% year-on-year improvement	0.092	0.072	0.073	IAT				
Accident frequency rate for contractors (per 100,000 hours)	Year-on-year improvement	0.043	0.078	0.043	IAT				
Your Opinion Survey score for diversity and inclusion questions	Upper quartile against utilities norm	Upper quartile	Upper quartile	Upper quartile	ITV				

⁽¹⁾ Measure relates to the water and wastewater activities of our regulated entity, United Utilities Water Limited.

⁽²⁾ Read our remuneration report, with details about the bonus and Long Term Plan (LTP), on pages 140 to 163.

PC = Performance commitment subject to reward and/or penalty as part of customer outcome delivery incentives (ODIs). These feed into both bonus and LTP through inclusion of customer ODIs and return on regulated equity (RoRE) respectively.

⁽³⁾ Latest comparative data available 2022/23.

⁽⁴⁾ The new Consumer Vulnerability standard, ISO 22458:2022 replaces the previous BS18477:2010 Inclusive Service Provision standard.

⁽⁵⁾ Read more about the assurance over our performance metrics on page 63.

ITV = Independent third-party verification. RRA = Regulatory reporting assurance. IAT = Internal audit team.



Case study:

Delivering what matters for the North West's five counties

Engaging with customers and stakeholders in each of our five diverse counties directly informed our business plan for AMP8 and our long-term delivery strategy until 2050.

As we developed our plans for 2025–30 and beyond, it was important for customers and stakeholders to have their say on the services we provide, and for us to make sure our business plan reflected their needs and priorities.

As well as engaging through customer focus groups, workshops and surveys, and carrying out bespoke research, we held ‘Your water, your say’ online panels for each of the North West’s five counties. A further panel was open to attendees from across the entire region and hosted by an independent chair, appointed by Ofwat and the Consumer Council for Water. The sessions allowed attendees to put questions to our CEO and executive team on topics ranging from our impact on the environment to keeping bills affordable. The panels held in June sought feedback on the proposed business plan, seeking views from customers and stakeholders about our proposals; at those held in November we shared details on the actual

plan submitted to Ofwat and how insight had shaped this.

All of this engagement activity helped us achieve strong acceptability for our proposed business plan, with 74 per cent of customers supporting the plan.

Understanding the challenges and meeting the needs of our five very different counties requires a unique approach, and we’ve mobilised our teams into county squads to deliver what matters to communities in Cumbria, Cheshire, Greater Manchester, Lancashire and Merseyside.

The county business model brings together colleagues from across the company to drive performance and delivery within each regional location; we’re integrating our network and treatment activities, delivering our plans and investing in new capabilities on a regional basis. An area engagement lead for each county ensures we’re communicating effectively and transparently with our stakeholders about our services.

We’re communicating with MPs and local authorities to talk through the benefits our plan will deliver in each county and explore opportunities for greater collaboration on improving how water is managed across the region.

We used our all-colleague event, held in Blackpool in December, to bring our plan to life with our teams, to share more on how the county squads will operate and to get everyone’s commitment to support us in delivering what matters for the North West.

“Understanding the challenges and meeting the needs of our five very different counties requires a unique regional approach.”

Delivering value for



This is creating value for customers, communities, and colleagues.

➔ Read more about [our five counties](#) on pages 26 to 27