

Our business model

How we create value for stakeholders



Communities

Short-term

- › We look after beautiful landscapes and beaches and open our land to the public, which supports the regional tourism industry and offers communities health and wellbeing benefits through access to relaxation and recreation.
- › We encourage employees to volunteer on projects that address local issues, helping to create better places and stronger communities.
- › Working in partnership with others means we can accomplish more together to tackle mutual issues, such as partnering to develop employability skills for those who need it most.

Long-term

- › The health and wellbeing benefits through our provision of access to nature for recreation and relaxation helps reduce the burden on health services.
- › Managing land responsibly means we leave the north west environment in a better condition for future generations.
- › We work with teachers and children to raise awareness about water and the natural environment, giving the next generation an understanding of the true value water brings and how we can all play our part in protecting the services nature provides.

Link to strategic themes

-  Promoting our support services and campaign messages places us at the heart of communities and builds trust with hard to reach groups.
-  By working with community partners we can share resources, access new funding opportunities and achieve more together.
-  Providing access to our land enables communities to enjoy the physical and mental wellbeing benefits that green spaces can bring.



Customers

Short-term

- › We focus on delivering a reliable service so customers can simply get on with their lives and not have to worry about their water and wastewater services.
- › When they do need to contact us, we provide a helpful service, talking and listening to customers so we can understand and meet their expectations.
- › We maintain bills that are good value for money through innovation and efficiency.
- › Where customers are struggling with affordability and vulnerability, we provide tailored support through Priority Services and payment assistance schemes.

Long-term

- › Our water and wastewater services make a major contribution to the long-term health and wellbeing of customers in the North West.
- › Through long-term financing and the regulatory framework, we are delivering multi-million pound infrastructure projects to improve services and resilience for the long term. We ensure the cost of this is shared fairly and affordably between those that benefit now and in the future.
- › We focus on earning the trust of customers, for example by keeping personal details safe and through transparent reporting, to ensure they can have complete peace of mind.

Link to strategic themes

-  We will continue to invest in our assets and people over the next five years to meet stretching targets customers support.
-  By achieving sustainable cost reductions we can provide an efficient service, keeping bills low and maintaining good value for money.
-  We provide assistance schemes to those who need it most and provide practical advice on how to manage water in the home.



Employees

Short-term

- › We have a strong focus on health, safety and wellbeing. We firmly believe that nothing we do is worth getting hurt for, and we aim to ensure all employees go home safe and well at the end of the day.
- › We invest in training and development to enable our employees to grow their skills and to help keep them motivated.
- › Listening to our employees helps create an engaged workforce, increasing job satisfaction, and through employee communications and conferences we update our people on business developments so they feel part of a team.

Long-term

- › Investing in the development of current, and future employees, means we will have a workforce with the right skills for the future.
- › Health, safety and wellbeing extends to mental as well as physical health. We promote awareness of stress and other mental health issues, promoting an all-round healthy lifestyle in the long term which, in turn, reduces the burden on health care services.
- › We provide pension offerings that support employees in later life.

 Read more about how we're [maintaining a secure pension position for employees](#) on page 89

Link to strategic themes

-  Improving our performance creates employee pride in a job well done, enhancing employee satisfaction and a desire to do more.
-  Encouraging innovative ideas from employees can lead to cost reductions, and improving employee satisfaction reduces turnover which ensures training and development costs are efficient.
-  We take a responsible approach to protecting the health, safety and wellbeing of our employees, ensuring we send everyone home each day safe and well.

Strategic themes



The best service to customers



At the lowest sustainable cost



In a responsible manner



Environment

Short-term

- › We meet increasingly stringent environmental consent levels, which help to improve the quality of rivers and bathing waters and so support tourism in the region.
- › Our investment in renewable energy generation is reducing our carbon footprint and contribution to climate change.
- › We have invested in new infrastructure, such as our West Cumbria project, to allow us to transfer water around the region more efficiently to avoid depletion of individual water sources.

Long-term

- › By promoting campaigns to educate the public and younger generations on water usage, it helps protect this valuable resource and reduce usage now and for years to come.
- › We innovate and invest in new technologies to solve environmental challenges for future generations.
- › We manage our land in a way that safeguards habitats for indigenous wildlife, as well as protecting wildlife that makes its home in rivers and other water bodies.
- › We plan far ahead to ensure our activities and investment enhance the long-term resilience of the environment.

Link to strategic themes

- Many customers care about the environment so providing the best service to customers involves protecting the places they live in and love.
- Many ways we protect the environment reduce cost; for example, renewable energy generation reduces our energy costs as well as our carbon footprint.
- We manage water and wastewater in a responsible way that protects the environment and enhances its resilience.



Investors

Short-term

- › Since many of our shareholders are pension funds, charities and employees, the income we provide through dividends benefits millions of people every year.
- › We are committed to high ethical standards of business conduct, strong corporate governance and acting with integrity so shareholders can have confidence in the way we do business.
- › We maintain a high level of quality and transparency, enabling shareholders to have trust and confidence in what we report. To illustrate this, we were delighted to secure the Fair Tax Mark in July 2019.

Long-term

- › Our shareholders have placed their money into our business as a long-term investment and we provide an appropriate return through a combination of short-term dividend income and long-term growth.
- › We plan far into the future and invest in our infrastructure to ensure the sustainability of the business and the services we provide.
- › We manage risk prudently so shareholders can have confidence in our stability and resilience in the round.
- › Our innovation culture drives continuous improvements, enabling us to be at the frontier of our industry and ahead of peers.

Link to strategic themes

- Our regulatory incentives are greater with better performance for customers, so aligning shareholder return with improving customer service.
- By reducing costs in a sustainable way through innovation and efficiency, we can target outperformance of our allowed expenditure without compromising operational performance.
- Our strong corporate governance, prudent risk management, and clear and transparent reporting create a lower risk investment and build trust.



Suppliers

Short-term

- › We spend significant amounts of money with our suppliers each year to help deliver maintenance and enhancement projects across our asset base, and this helps support thousands of jobs in our region.
- › By investing in our infrastructure we are helping to keep the economy flowing. We generate thousands of jobs through our capital programme and provide income for workers in the region.
- › While our operations and suppliers are mainly UK and European, they work closely with us to address human rights; in particular, modern slavery.

Long-term

- › Supporting jobs through our supply chain in the short term catalyses the development of skills and jobs in the North West, providing a stimulus to benefit the regional economy in the long term.
- › Working together to develop innovations and new technologies means we can identify solutions that will make our services better in the future.
- › We act with integrity, giving suppliers confidence in the way we do business, which translates to transparency and fairness for our suppliers.

Link to strategic themes

- Working on our behalf, suppliers are a face for our business. Ensuring they are motivated to deliver good quality work helps us deliver the best service to customers.
- Developing innovations with suppliers, and ensuring they deliver goods and services efficiently, contributes to a sustainably low cost for customers.
- Working with responsible suppliers who share our sustainability objectives helps us achieve more in tackling environmental and social issues.

How we measure our performance

Our other performance indicators

We have a wide range of stakeholders who take an interest in the way we do business. The following table provides a broad set of performance measures covering Environmental, Social and Governance issues that are of interest to our stakeholders. Further information on how we manage our business in a responsible manner can be found in the responsibility pages of our corporate website.



Communities

Area	Measure	Status	Performance	Further information
Employee volunteering	Number of hours employee volunteering	●	2,373 2,620	Responsibility pages on our website
Charity	Match funding to charity through employee efforts	—	£101,004 £157,046	Responsibility pages on our website
Community Investment (LBG data)	Total community investment	●	£2,261,374 £2,931,479	Responsibility pages on our website
How investment was made				
Cash £1,959,502 Time £47,454 In-kind £2,632 Management costs £251,786				
Cash £2,717,856 Time £52,409 In-kind £0 Management costs £161,214				
Type of support				
Charitable gift £38,823 Community investment £1,818,035 Commercial initiative £152,730				
Charitable gift £159,545 Community investment £2,610,719 Commercial initiative £0				



Customers

Area	Measure	Status	Performance	Further information
Complaints	Total number of domestic customer complaints	●	5,942 7,007	Our performance (best service to customers) on page 78
	Average speed of complaint resolution	●	3 days 3 days	Our performance (best service to customers) on page 78
Fines	Drinking Water Inspectorate (DWI) fines	●	0 2 (£150,000 and £50,000)	Our performance (best service to customers) on page 78
Digital	Number of customers using online services – My Account	●	984,780 860,648	Our performance (best service to customers) on page 78
Customer assistance	Number of customers assisted by Priority Services	●	99,992⁽¹⁾ 74,505	Our performance (best service to customers) on page 78
Customer water efficiency	Total customer water savings from measures promoted by United Utilities	●	4.25 MI/d 4.43 MI/d	Our business model (key resources) on page 32



Employees

Area	Measure	Status	Performance	Further information
Employee engagement	Overall employee engagement	●	84% 81%	Our performance (in a responsible manner) on page 82
	Percentage of employees with trade union membership ⁽²⁾	—	45% 45%	Our business model (key resources) on page 32
Gender pay reporting	Mean gender pay gap	●	11.3% 13.2% ⁽³⁾	Corporate governance report on pages 132 to 135
	Median gender pay gap	●	13.8% 15.3%	Corporate governance report on pages 132 to 135
Employee development	Average number of days of training per FTE per year	●	4.44 days 3.57 days	Our performance (in a responsible manner) on page 82
Health and safety	Employee Accident Frequency Rate (per 100,000 hours)	●	0.110 0.152	Our performance (in a responsible manner) on page 82
	Contractor Accident Frequency Rate (per 100,000 hours)	●	0.083 0.092	Our performance (in a responsible manner) on page 82
Workforce profile	2020 84% White 2% BAME 14% non-disclosed 66% Male 34% Female 1.91% Disability (including long-term health conditions)			
	2019 83% White 2% BAME 15% non-disclosed 65% Male 35% Female <1% Disability (including long-term health conditions)			

(1) This figure increased to over 100,000 shortly after the year end.

(2) Based on employees who pay their union subscriptions via their payroll.

(3) The mean gender pay gap figure for 2019 has been amended from 13.1 per cent to 13.2 per cent since the production of last year's Annual Report.