Sustainable Finance Framework

Allocation and Impact Report 2026

United Utilities

Water for the North West

Contents

2025/26 performance

Key highlights as we make a great start to the 2025–30 regulatory period (AMP8)

£3.3bn
of cumulative funding to 31 March 2026 for sustainable projects

Zero
category 1 pollution incidents, the most serious form of pollution

42% reduction
in internal sewer flooding since last year, with external sewer flooding down by 25%

Upper quartile
across a range of trusted investor indices

100% performance
of our internal capital delivery incentive

£3.84m
investment into North West communities, as measured by the Business for Societal Impact (B4SI) method

13% reduction
in scope 1 and 2 greenhouse gas emissions since 2019/20

422,041 customers
supported with affordability, and on track to support one in six customers by 2030

Delivered a
47% reduction
in spills per storm overflow since 2020, and on track for a 60% reduction by 2030

Excellent
customer service rating of 4.5 on Trustpilot as at 31 March 2026

90%
level of colleague engagement from our annual colleague opinion survey

Fair Tax Mark accreditation retained for the
seventh
successive year

Green Economy Mark
recognition by the London Stock Exchange since 2019

Foreword from Phil Aspin | Chief Financial Officer

Our 'BIG North West upgrade' is now well underway having delivered the first year of our ambitious AMP8[1] investment programme.

We are delivering the step change that customers want to see, bringing the largest investment that our region has seen for decades, to build a stronger, greener and healthier North West.

Sustainable finance remains central to enabling this step change in investment. Through our framework, we ensure that capital is directed towards projects that deliver clear environmental and social benefits, while maintaining a disciplined and transparent approach to financing. This report provides an update on the allocation of proceeds and the impacts achieved, demonstrating how our financing strategy directly supports delivery of our purpose.

During the year, we have delivered strong operational performance alongside a significant increase in investment. We deployed £1.5 billion of capital investment , supported by a well-established delivery model, with over 1,000 projects live and more than 100 supply chain partners mobilised. This scale of delivery provides a strong foundation as we ramp up activity across AMP8.

We have also made tangible progress on the environmental outcomes that matter most to our stakeholders. In FY26, we achieved a year-on-year reduction of 23% in the number of storm overflow spills and a 27% reduction in their duration, alongside a significant reduction in sewer flooding and zero category 1 pollution incidents. These improvements reflect the early benefits of our targeted investment and reinforce our confidence in delivering further enhancements to water quality and environmental performance over the coming years.

Our investment programme is delivering wider benefits for customers and communities. We continue to provide strong customer service, while expanding affordability support to over 422,000 customers. At the same time, our activities are supporting economic growth across the region, with 30,000 jobs across our supply chain linked to our existing plans and the potential to enable a further 4,000 through additional investment.

Financial discipline underpins this progress. We have maintained a robust balance sheet while increasing investment and delivering strong financial performance. Looking ahead, we have announced a further £2.5 billion of additional capital investment in AMP8, which has been supported by an £800 million equity placing, increasing our AMP8 capital investment programme to approximately £11.5 billion. This investment programme enables us to further enhance resilience, support regional growth and deliver environmental outcomes.

[1] AMP8 is the eighth asset management period, which is a five-year regulatory cycle running from 2025 to 2030.

Foreword from Phil Aspin | Chief Financial Officer

Sustainable finance will continue to play a critical role as we deliver this programme. By linking our financing directly to ESG outcomes, we are able to demonstrate clearly how capital is contributing to measurable improvements in environmental performance, social value and long-term resilience.

During the year, we raised a further c. £600 million of sustainable finance, bringing the total issued to £3.3 billion. In March, we updated our sustainable finance framework to bring it in line with updated market principles, enable future 'blue' issuance and re-map underlying business activities to eligible categories – reflecting our AMP8 business plan activities and developing market practice.

As the framework was updated at the very end of the financial year, all financing included in this report was issued, and is therefore reported, under the previous framework. Having fully allocated all sustainable finance this year, next year's report will follow the updated framework.

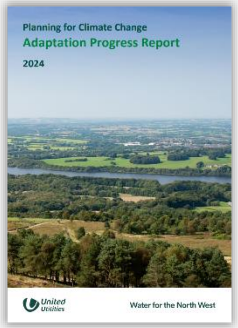
This report complements our comprehensive corporate reporting of financial and non-financial information that aims to provide stakeholders with the necessary information to demonstrate that we are purpose led and that we focus on what matters to them. Our integrated annual report follows the four-pillar structure used by the Task Force on Climate-related Financial Disclosures (TCFD), the Task Force on Nature-related Financial Disclosures (TNFD), and the International Sustainability Standards Board (ISSB) reporting guidelines. For stakeholders who are primarily focused on the sustainability aspects of our performance, the relevant information from our integrated annual report can be found in our separate sustainability report.

Complementary reports

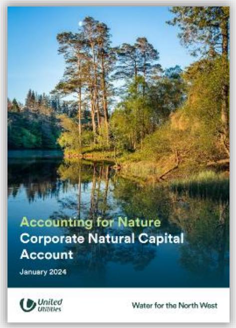
Integrated Annual Report

Including TCFD and TNFD

Sustainability Report



Climate Change Adaptation Report



Corporate Natural Capital Account

Aligned to the Fair Tax Mark accreditation

Tax Report

A purpose-led business operated in a responsible manner

Our purpose is underpinned by our core values and our six strategic priorities.

Our core values define how we act and support us in delivering our purpose to provide great water for a stronger, greener and healthier North West.

Our strategic priorities direct our activities, from strategic planning to our day-to-day activities, supporting the realisation of our purpose.

1 Our purpose: why we are here

To provide great water for a stronger, greener and healthier North West.

Greener – Environmental

We protect and enhance urban and rural environments, and adapt to the challenges of climate change, allowing people, wildlife and nature to thrive, making the North West a better place to live now and for the future.

Healthier – Social

We provide great-quality drinking water and safely remove and recycle used water for around eight million people in the North West, while providing excellent customer service and a great place to work.

Stronger – Governance

We deliver an essential service, help customers in vulnerable situations, invest in local communities across the region, and support thousands of jobs and the economy, giving the North West resilience in a changing world.

2 Our core values: how we work

Our culture is built on three core values that guide behaviour across the organisation, from the board to every colleague. These values focus on responsible actions, delivering for customers and stakeholders, continuous improvement, and sustainable practices. They reflect what matters most in achieving our purpose and fostering a high-performing, innovative culture.

Do the right thing

We are committed to responsible business practices and expect our people to always do the right thing. This means prioritising safety, acting with integrity and courage, championing fairness, and speaking up when something feels wrong.

Doing the right thing builds trust and helps deliver our purpose. Protecting the environment creates a greener North West, while acting responsibly for customers, communities, colleagues and suppliers strengthens the region.

Make it happen

We work as a team to make things happen, taking accountability and valuing progress over perfection. We celebrate success, learn from setbacks and embrace new ways of working through initiatives like our graduate innovation competition – the Chadders Cup.

Our ability to act quickly and seize opportunities enables us to accelerate investment and deliver improvements for customers and the environment faster.

Be better

Everything we do aims to create a better tomorrow. We encourage curiosity, ambition, and solution-focused thinking, seeking innovative ways to improve efficiency and effectiveness.

We learn from the best by embracing diversity, collaboration, nature-based solutions, and best practice from across our sector and other industries.

A purpose-led business operated in a responsible manner

3 Our strategic priorities: how we deliver our purpose

Each of our six strategic priorities is linked to the delivery of one of the key elements of our purpose, helping us to make the North West stronger, greener and healthier. These priorities reflect the key long-term drivers of our business and how we create value.

Improve our rivers

SDGs: 6, 14, 15

Reducing storm overflows, protecting bathing waters, and eliminating pollution. We are rethinking how we manage rainwater through our reduce, recycle, rethink approach to ease pressure on sewers, while pursuing the best environmental performance and enhancing wastewater treatment quality. Together, these actions will create cleaner, healthier rivers and support a more sustainable future.

Create a greener future

SDGs: 13, 14, 15

Delivering our net zero transition plan and using our land and resources to generate clean energy. We aim to create value from bioresources, reduce the use of diesel in vehicles, and reduce water consumption in homes and businesses. At the same time, we are committed to protecting and enhancing nature and biodiversity, ensuring our operations contribute to a more sustainable and resilient environment.

Deliver great service for all our customers

SDGs: 3, 6, 11

Reducing leakage, driving down sewer flooding, and improving water quality. We aim to minimise interruptions to supply while providing strong support for customers facing affordability challenges or living in vulnerable circumstances. These actions ensure reliable, high-quality services and a customer experience that meets the needs of every household and business.

Provide a safe and great place to work

SDGs: 3, 5, 8, 10

Continually improving health, safety and wellbeing, while attracting, developing, and engaging talented people. We are committed to our 12 life-saving rules to get our colleagues home safe and well. We are building a diverse and inclusive workforce, and empowering everyone to contribute through open feedback channels, from ‘Tell Us’ to ‘Call it Out’. These actions create a workplace where colleagues feel valued, supported, and able to thrive.

Spend customers’ money wisely

SDGs: 6, 9, 11, 14

Improving asset management and maintenance, removing duplication and waste, and applying value engineering to capital delivery. We aim to work with the right partners to secure value for money across our supply chain, while driving digital and automation opportunities to enhance efficiency and deliver long-term benefits.

Contribute to our communities

SDGs: 8, 11, 17

Being actively involved in our communities through regional stakeholder managers and speaker panels, creating partnerships that deliver real value. By building trust and being recognised as a reliable partner, we aim to strengthen relationships and make a meaningful difference in the communities we serve.

UN SDGs related to our strategic priorities

The Sustainable Development Goals (SDGs) were developed in 2015 by the United Nations. They are a set of interconnected objectives which aim to end poverty, protect the planet and ensure prosperity for all by 2030.

Additional investment for the 2025–30 regulatory period

In last year's sustainable finance report we set out the details of our £13 billion AMP8 investment programme (of which c. £9 billion was capital expenditure), which would be the largest investment in water and wastewater infrastructure in our region in more than a century, helping us to build a stronger, greener and healthier North West. This investment is delivering a step change on the things that matter most to customers, communities and the environment – improving water quality, delivering significant environmental improvements, supporting jobs and the local economy, while doubling affordability support for those struggling to pay, details of which can be found in the prior year's report.

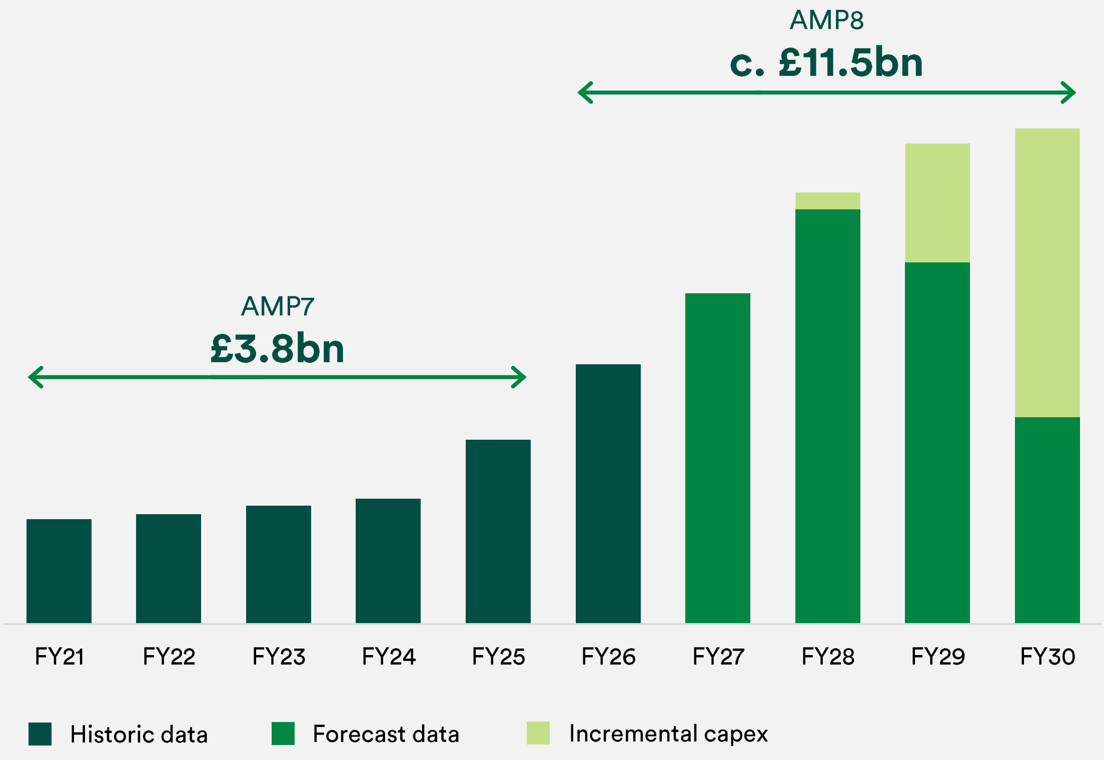
This year we have increased our AMP8 capex guidance by a further c. £2.5 billion, resulting in a total AMP8 capital investment of c. £11.5 billion.

This additional investment has been facilitated by Ofwat's AMP8 Re-opener process,[1] which allows for in-period adjustments and improved phasing. This new process allows us to address new and emerging requirements, in a way that is more agile. This also helps us to support our supply chain and organisational capacity as we transition from AMP8 to AMP9.

Of the expected additional £2.5 billion[2,3] capital investment, plans for an initial £1.4 billion[2] were submitted to our economic regulator Ofwat in April 2026, with a decision expected in December 2026. These plans focused on supporting housing growth in the region, increasing capacity to enable green energy and data centres and building resilience into our services. The residual £1.2 billion of additional investment is expected through Re-openers in 2027 and 2028 plus AMP9 transitional investment. The additional investment was supported by a highly successful equity placing of £800 million from new and existing shareholders.

AMP8 capex guidance increased by c. £2.5bn[2]

Nominal capital investment (£bn)



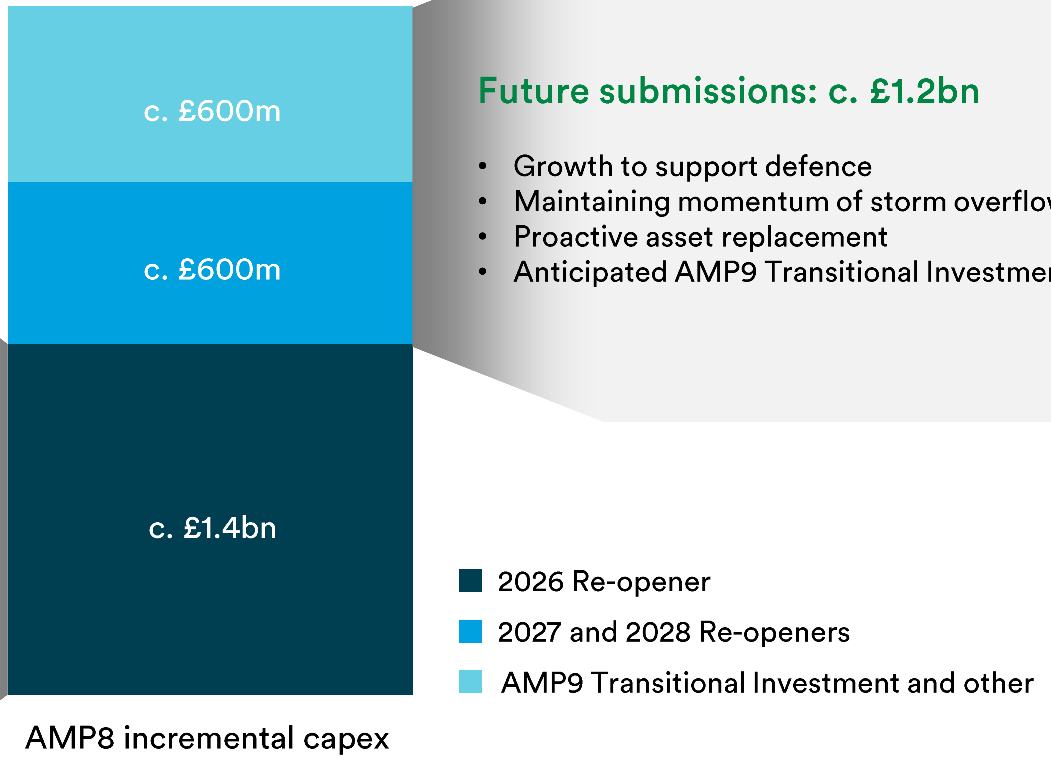
[1] See ofwat.gov.uk/regulated-companies/price-review/cost-change-process for more details.

[2] Expectation of additional capital investment, to be determined through Ofwat re-openers, comprising Ofwat's 2026 Cost Change Process, Ofwat's 2027 Cost Change process, Ofwat's 2028 Cost Change Process and Transitional Investment.

[3] Represented in outturn prices.

Additional investment for the 2025–30 regulatory period

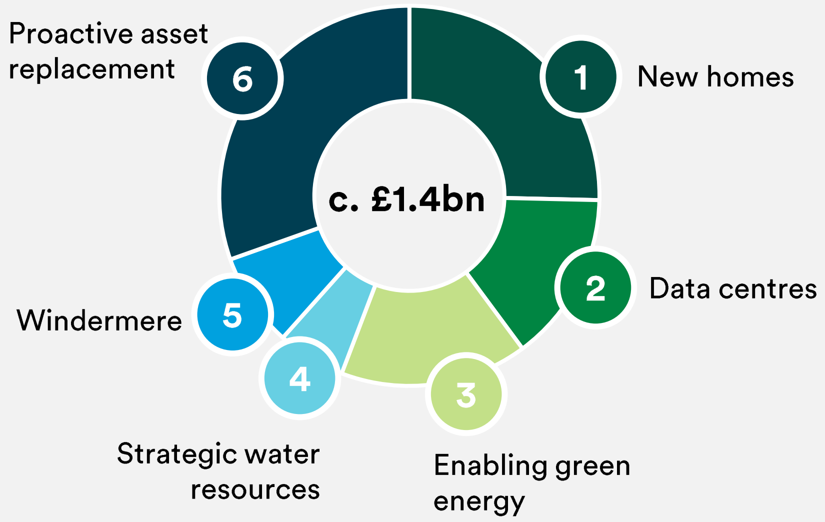
c. £2.5bn incremental capex
(nominal, £bn)



Future submissions: c. £1.2bn

- Growth to support defence
- Maintaining momentum of storm overflow programme
- Proactive asset replacement
- Anticipated AMP9 Transitional Investment

2026 Re-opener breakdown



Our sustainable finance and how we have used the funds

Our sustainable finance frameworks

Our first Sustainable Finance Framework was published in November 2020 (the "2020 Framework") and was aligned with the relevant ICMA and LMA principles[1] at that point. In March 2026 we published an updated Sustainable Finance Framework (the "2026 Framework"), amongst other more minor changes, the 2026 Framework is now aligned with current ICMA and LMA principles.[2] This has introduced the ability to issue 'blue' financing instruments, along with re-mapping underlying business activities to eligible categories to reflect our AMP8 business plan activities and developing market practice.

This report considers all sustainable finance instruments issued on or before 31 March 2026, all of which were issued prior to the publication of the 2026 Framework. Therefore, this report has been prepared solely in accordance with our 2020 Framework.

Both our 2020 and 2026 Frameworks include our intention to follow market best practice and to communicate in a transparent manner on:

- Use of proceeds
- Process for project evaluation and selection
- Management of proceeds
- Reporting

[1] Green Bond Principles (2018 edition), the Social Bond Principles (2020 edition) and the Sustainability Bond Guidelines (2018 edition) as published by ICMA, as well as the Green Loan Principles (2020 edition) as published by the LMA.

[2] 2025 Green Bond Principles, 2025 Social Bond Principles and 2021 Sustainability Bond Guidelines as published by ICMA, as well as the 2025 Green Loan Principles and 2025 Social Loan Principles published by the APLMA, LMA, and LSTA.

Our sustainable finance and how we have used the funds

Our sustainable finance portfolio

This section of our report focuses only on the sustainable financing instruments that have been allocated during the year to 31 March 2026. A full list of our sustainable financing instruments, including those fully allocated in prior years, is available in the appendix.

During the year to 31 March 2026, three new sustainable financing instruments were issued under the Framework with net proceeds totalling £606.6 million. Including sustainable financing instruments that were partially allocated last year, the below table lists our sustainable financing instruments that have been allocated in the year to 31 March 2026.

Name (ISIN)	Issuer	On lent to	Form	Label	Issue date	Maturity date	Net proceeds	Prior year allocations	Current year allocations	31 March 2026 status
SF6: £350m 5.75% Notes due 2051 (XS2828827449)	UUWF	UUW	Bond	Green	28 May 2024	29 May 2051	£347.4m	£224.7m	£122.7m	Fully allocated
SF5b: €175m 3.75% Notes due 2034 (XS2771661357)	UUWF	UUW	Bond	Green	5 Aug 2024	23 May 2034	£147.4m	£84.4m	£63.0m	Fully allocated
SF7: €650m 3.5% Notes due 2033 (XS3011736108)	UUWF	UUW	Bond	Green	27 Feb 2025	28 Feb 2033	£538.6m	£294.6m	£244.0m	Fully allocated
SF8a: €500m 3.75% Notes due 2035 (XS3144971127)	UUWF	UUW	Bond	Green	7 Aug 2025	7 Aug 2035	£432.5m	£nil	£432.5m	Fully allocated
SF5c: €100m 3.75% Notes due 2034 (XS2771661357)	UUWF	UUW	Bond	Green	25 Sep 2025	23 May 2034	£86.8m	£nil	£86.8m	Fully allocated
SF8b: €100m 3.75% Notes due 2035 (XS3144971127)	UUWF	UUW	Bond	Green	2 Mar 2026	7 Aug 2035	£87.4m	£nil	£87.4m	Fully allocated
Total							£1,640.0m	£603.7m	£1,036.3m	

On 10 April 2026, United Utilities Water Finance PLC (UUWF) issued €150m of green bonds, which were on lent to United Utilities Water Limited (UUW). As this bond was issued after 31 March 2026 (the data cut off point of this report), the allocations associated with this sustainable financing instrument will be reported in accordance with our 2026 Framework in next year's allocation and impact report due to be published in summer 2027.

Our sustainable finance and how we have used the funds

Use of proceeds

An amount at least equal to the net proceeds from the issuance of the Sustainable Financing Instruments will be used to finance or refinance, in whole or in part, new or existing projects that meet the Project Eligibility Criteria as set out in the 2020 and/or 2026 Framework. Eligible Projects are those projects where expenditures have occurred within the three-year period prior to the issuance year of the Sustainable Financing Instruments, and/or where expenditure has occurred within a two-year period following the issuance.

Eligible project portfolio

	Year ended 31 Mar 2023	Year ended 31 Mar 2024	Year ended 31 Mar 2025	Year ended 31 Mar 2026
Eligible project portfolio[1]	£723.5m	£796.1m	£1,021.3m	£1,497.3m
Amounts allocated as at 31 Mar 2026	£(515.8)m	£(586.7)m	£(738.7)m	£(941.4)m
Unallocated eligible projects	Time ineligible	£209.4m	£282.6m	£555.9m

[1] The amount of eligible project portfolios can differ from those reported in previous years as previously uncategorised projects are reviewed and appropriately categorised or previously eligible projects no longer meet the eligibility criteria (e.g. following divestment, technology switch, etc.).

Our sustainable finance and how we have used the funds

Allocations – debt issued in prior years

Sustainable Financing Instruments SF1, SF2, SF3, SF4 and SF5a were fully allocated in prior years, and no changes were made in the year to 31 March 2026. Sustainable Financing Instruments SF6, SF5b and SF7 issued in prior years have been further allocated during the year and are now fully allocated as at 31 March 2026.

Eligible category	SF6 allocations as at:		SF5b allocations as at:		SF7 allocations as at:	
	31 Mar 2025	31 Mar 2026	31 Mar 2025	31 Mar 2026	31 Mar 2025	31 Mar 2026
Sustainable Water and Wastewater Management	£86.8m ∆	£117.6m ◊	£36.1m ∆	£69.2m ◊	£178.6m ∆	£342.0m ◊
Terrestrial and Aquatic Biodiversity Conservation	£128.4m ∆	£168.9m ◊	£48.3m ∆	£78.2m ◊	£116.1m ∆	£196.5m ◊
Pollution Prevention and Control	£0.5m ∆	£51.6m ◊	£nil	£nil	£nil	£nil
Environmentally Sustainable Management of Living Natural Resources and Land Use	£9.1m ∆	£9.3m ◊	£nil	£nil	£nil	£nil
Total	**£224.7m ∆**	**£347.4m ◊**	**£84.4m ∆**	**£147.4m ◊**	**£294.6m ∆**	**£538.6m ◊**
Unallocated amounts	£122.7m	£nil	£63.0m	£nil	£244.0m	£nil
% allocated	65%	100%	57%	100%	55%	100%

Allocations – debt issued in the current year

Our new sustainable debt issued during the year to 31 March 2026 was allocated on average just over 40% to refinancing at issuance, leaving just under 60% to be allocated to future spending to have greater additionality of impact compared to 100% refinancing. In the period between issuance and the 31 March 2026, additional proceeds have been allocated to eligible projects so that all are now fully allocated. The below table show the allocations both at issuance and as at 31 March 2026 for Sustainable Financing Instruments issued in the current year.

Eligible category	SF8a allocations as at:		SF5c allocations as at:		SF8b allocations as at:	
	Issuance 7 Aug 2025	31 Mar 2026	Issuance 25 Sep 2025	31 Mar 2026	Issuance 2 Mar 2026	31 Mar 2026
Sustainable Water and Wastewater Management	£108.6m	£185.8m ◊	£nil	£nil	£nil	£26.0m ◊
Terrestrial and Aquatic Biodiversity Conservation	£52.6m	£240.3m ◊	£39.2m	£86.8m ◊	£44.0m	£60.9m ◊
Environmentally Sustainable Management of Living Natural Resources and Land Use	£nil	£nil	£nil	£nil	£nil	£0.5m ◊
Clean Transportation	£5.6m	£6.4m ◊	£nil	£nil	£nil	£nil
Total	**£166.8m**	**£432.5m ◊**	**£39.2m**	**£86.8m ◊**	**£44.0m**	**£87.4m ◊**
Unallocated amounts	£265.6m	£nil	£47.6m	£nil	£43.3m	£nil
% allocated	39%	100%	45%	100%	50%	100%

∆ limited assurance performed by KPMG in previous years.
◊ limited assurance by KPMG in respect of the year ended 31 March 2026 (see page 14).

Our sustainable finance and how we have used the funds

Allocations – total sustainable debt outstanding
Table of total allocations as at 31 March 2026 across the sustainable financing instruments that were allocated in the year to 31 March 2026:

Eligible category	SF6	SF5b	SF7	SF8a	SF5c	SF8b
Sustainable Water and Wastewater Management	£117.6m ◊	£69.2m ◊	£342.0m ◊	£185.8m ◊	£nil	£26.0m ◊
Terrestrial and Aquatic Biodiversity Conservation	£168.9m ◊	£78.2m ◊	£196.5m ◊	£240.3m ◊	£86.8m ◊	£60.9m ◊
Pollution Prevention and Control	£51.6m ◊	£nil	£nil	£nil	£nil	£nil
Environmentally Sustainable Management of Living Natural Resources and Land Use	£9.3m ◊	£nil	£nil	£nil	£nil	£0.5m ◊
Clean Transportation	£nil	£nil	£nil	£6.4m ◊	£nil	£nil
Total	**£347.4m ◊**	**£147.4m ◊**	**£538.6m ◊**	**£432.5m ◊**	**£86.8m ◊**	**£87.4m ◊**
Unallocated £m	£nil	£nil	£nil	£nil	£nil	£nil

∆ limited assurance performed by KPMG in previous years.
◊ limited assurance by KPMG in respect of the year ended 31 March 2026 (see below).

Assurance statement

KPMG LLP ("KPMG"), our independent auditor, has provided limited assurance over the selected information in the above tables denoted by the symbol ◊ using the assurance standard ISAE (UK) 3000.

KPMG's limited assurance report, dated 16 July 2026

KPMG also provided limited assurance in 2025 over the selected information in the above tables denoted by the ∆ symbol, using the assurance standard ISAE (UK) 3000.

KPMG's limited assurance report, dated 16 July 2025

Our sustainable finance and how we have used the funds

Process for project evaluation and selection

To ensure that allocations are made to Eligible Green or Social Projects (as specified in the framework) we have established a Sustainable Finance Committee comprising representatives from Treasury, Sustainability, Finance and the Regulated Business. The committee is supported by a cross-department Sustainable Finance Working Group.

Capital investments funded under the Framework are subject to rigorous governance and assurance activity throughout the project lifecycle. Project approval committees at three key stages in the project lifecycle approve the release of allocated funding. These stages typically include initial project approval, full construction contract approval, and final project completion.

Throughout the project lifecycle, multi-layer assurance activity ensures that the necessary project steps and activities have been completed and reviewed by the appropriate roles. These assurance activities include regular reviews, progress reports, and compliance checks to maintain project integrity and alignment with the project requirements.

Projects are initially evaluated and allocated to the eligible categories under the framework based on the relevant internal strategic programme categories. This initial allocation is then verified by a cross-department Sustainable Finance Working Group to ensure accuracy and alignment with sustainability goals. Finally, the allocation is signed off by the Sustainable Finance Committee, which provides an additional layer of oversight and ensures adherence to the framework's principles.

The Sustainable Finance Committee has:

- Ensured that allocated Eligible Projects have followed the relevant UU project development policies;
- Ensured that allocated Eligible Projects are aligned with the ICMA and LMA principles[1] categories;
- Approved changes to the register of Eligible Projects where eligibility criteria is no longer met; and
- Reviewed and approved this Allocation and Impact Report.

[1] Green Bond Principles (2018 edition), the Social Bond Principles (2020 edition) and the Sustainability Bond Guidelines (2018 edition) as published by ICMA, as well as the Green Loan Principles (2020 edition) as published by the LMA.

Management of proceeds

The net proceeds arising from the issuance under our Framework is managed by our Treasury function. Unallocated amounts have been invested on a temporary basis, in accordance with the relevant internal policies, in cash, cash equivalents or similar short-term, liquid financial instruments. Our Treasury function has tracked the unallocated amounts prior to their utilisation.

Our Treasury team has ensured that the portfolio of Eligible Projects has exceeded, or been at least equal to, the amount of Sustainable Financing Instruments raised under this Framework.

Contributing to environmental and social performance

Allocations made this year total £1,036.3 million. The below table gives details of the types of projects funded and the associated metrics that those projects are expected to impact.

Green Bonds Principles Category	Projects allocated	Associated impact metrics
Sustainable Water and Wastewater Management	• £143.0m on projects to renew mains and improve/refurbish the water supply network to reduce water losses, improve resilience and improve water quality (includes case study 3) • £63.9m on metering projects to reduce water consumption and to reduce water losses from the system • £58.6m on projects to improve/enhance water treatment works to increase capacity and improve water quality (includes case study 2) • £41.5m on reservoir projects to improve resilience, maximise inflow, improve safety and deal with high rainfall • £37.7m on projects to improve/enhance wastewater treatment works to meet growth and increasing environmental standards • £28.4m on lead replacement projects to upgrade water infrastructure • £25.3m on leakage projects to reduce system water losses • £19.7m on improvement/refurbishment of the wastewater supply network to improve resilience and reduce the risk of blockages/collapses • £12.7m on projects to improve water supply/demand balance, resilience and enable inter-regional water trading • £3.9m on projects to reduce the risk of internal sewer flooding in customer properties • £2.2m on projects to install sensors and technology to proactively manage our wastewater network and apply machine learning • £1.7m on projects to improve water taste and odour • £0.7m on 48 other diverse sustainable water and wastewater projects	See metrics tables below

		2023/24	2024/25	2025/26
Leakage[1]	**Year**	**2023/24**	**2024/25**	**2025/26**
	Annual Ml/d	408.6	411.2	394.9
	3-year average Ml/d	416.2	414.3	404.9

Water quality compliance (CRI)[1,2]	**Year**	**2023/24**	**2024/25**	**2025/26**
	Number	5.92	10.28	2.11[3]

Water supply interruptions per property[1]	**Year**	**2023/24**	**2024/25**	**2025/26**
	HH:MM:SS	00:09:39	00:14:17	00:13:02

[1] Lower metrics represent better performance.

[2] The compliance risk index (CRI) is an industry common measure of drinking water quality that has been defined by the water quality regulator, the Drinking Water Inspectorate. A score is calculated for every water quality compliance failure at a water treatment works, supply point, service reservoir and in a water supply zone.

[3] Since publication of our integrated annual report this score has been updated in line with the provisional figure provided by the DWI, the DWI will confirm the final score in July 2026.

Contributing to environmental and social performance

<table>
<tr><th>Green Bonds Principles Category</th><th>Projects allocated</th><th colspan="5">Associated impact metrics</th></tr>
<tr><td rowspan="6">Terrestrial and Aquatic Biodiversity Conservation</td><td rowspan="6">• £263.8m on projects improving river and sea quality by reducing activation of storm overflows from combined sewers
• £234.4m on projects improving river and sea quality through wastewater treatment works enhancement to improve final effluent quality returned to the environment or to maintain quality with growth
• £34.4m on our environmental improvement programme, a data-led programme transforming how we manage wastewater and storm overflows (see case study 1)
• £5.0m on projects to improve protection schemes for eels, fish and other aquatic life
• £0.7m on projects to improve condition of sites of special scientific interest
• £0.4m on 26 other diverse terrestrial and aquatic biodiversity conservation projects</td><td rowspan="2">Reduction in total number of activations at combined sewer overflows compared to 2019/20 baseline[1,2]</td><td>Year</td><td>2023/24</td><td>2024/25</td><td>2025/26</td></tr>
<tr><td>%</td><td>14%</td><td>32%</td><td>47%</td></tr>
<tr><td rowspan="2">Pollution incidents per 10,000km sewer network[3]</td><td>Year</td><td>2023/24</td><td>2024/25</td><td>2025/26</td></tr>
<tr><td>Number</td><td>27.93</td><td>45.00[4]</td><td>42.15</td></tr>
<tr><td rowspan="2">Bathing water quality[1]</td><td>Year</td><td>2023/24</td><td>2024/25</td><td>2025/26</td></tr>
<tr><td>Score[5]</td><td>n/a</td><td>n/a</td><td>45.8</td></tr>
<tr><td rowspan="2">Pollution Prevention and Control</td><td rowspan="2">• £51.1m on projects to upgrade sludge treatment facilities to improve sludge quality, capacity and efficiency and to reduce emissions in line with the industrial emissions directive
• £0.1m on three other diverse pollution prevention and control projects</td><td rowspan="2">Percentage of biosolids recycled in compliance with regulatory standard and Biosolids Assurance Scheme[1]</td><td>Year</td><td>2023/24</td><td>2024/25</td><td>2025/26</td></tr>
<tr><td>%</td><td>100.00</td><td>100.00</td><td>99.94</td></tr>
</table>

1 Higher metrics represent better performance.

2 In the prior year we reported the reduction in average number of spills per storm overflow monitored, this year the metric is slightly different being the reduction in total spills, both compared to a 2020 baseline.

3 Lower metrics represent better performance

4 During the year, the industry's methodology for recording and reporting pollution incidents evolved, resulting in the inclusion of several categories of incidents that, in previous years, would have been removed from performance reporting due to being classified as outside of management control. This shift has reinforced the importance of our long-term strategy, including enhancing the resilience of assets to power outages, engaging customers on responsible disposal behaviours, and strengthening partnerships aimed at tackling the wider causes of pollution.

5 Score is a weighted average of a score of 0, 33, 66 and 100 for each bathing water classified as 'poor', 'sufficient', 'good' and 'excellent' respectively.

Contributing to environmental and social performance

<table>
<tr><th>Green Bonds Principles Category</th><th>Projects allocated</th><th>Associated impact metrics</th></tr>
<tr><td>Environmentally Sustainable Management of Living Natural Resources and Land Use</td><td>£0.5m on projects for peatland restoration
£0.2m on sustainable drainage solutions</td><td><table><tr><td rowspan="2">Area of peatland restored[1]</td><td>Year</td><td>2023/24</td><td>2024/25</td><td>2025/26</td></tr><tr><td>Hectares</td><td>1,211</td><td>3,000</td><td>4,245</td></tr></table></td></tr>
<tr><td>Clean Transportation</td><td>£6.4m on projects to increase the number of electric vehicles in service and associated charging infrastructure</td><td><table><tr><td rowspan="2">Number of fully electric vehicles deployed in fleet[1]</td><td>Year</td><td>2023/24</td><td>2024/25</td><td>2025/26</td></tr><tr><td>Number</td><td>91</td><td>204</td><td>432</td></tr></table></td></tr>
</table>

[1] Higher metrics represent better performance.

All performance indicators throughout this report have received an appropriate level of assurance, such as independent third-party verification, regulatory reporting assurance processes, or through our own internal audit team.

Summary of the group's wider operational KPIs

How we're delivering our purpose: Greener

There are a broad range of performance indicators that help us to assess how we're delivering our purpose, working towards a greener future. The three 'greener' KPIs here have been selected due to their importance with stakeholders, with additional 'greener' performance metrics on the following page.

Category 1 pollution incidents[1]

Pollution incidents with a serious, extensive or persistent impact on the environment, people or property.

Target

0

Annual performance

0

We have had zero category 1 pollution incidents this year, meeting our target of 0.

2024/25: 1
2023/24: 1

Status

G Met expectation/target

Assurance

Regulatory reporting assurance

Spills reduction[1]

Reducing the total number of activations at combined sewer overflows.

Target

60% reduction by 2030

Annual performance

47% reduction in spills against 2020 baseline

The level of spills since our 2020 baseline has reduced by 47%, well on track to meet our target of 60% reduction by 2030.

2024/25: 32% reduction
2023/24: 14% reduction

Status

G Met expectation/target

Assurance

Regulatory reporting assurance

Scope 1 and 2 location-based GHG emissions target

One of two near-term science-based targets (SBTs) to reduce emissions by 2030 from the level in the base year of 2019/20.

Target

42% reduction by 2030

Annual performance

13% reduction since 2019/20

in emissions, reporting on a like-for-like basis. However, this year we have updated how we calculate process emissions to align with recently adopted UK Government and IPCC guidance. The impact of this will trigger a recalculation and revalidation of the SBT baseline and this will be reflected next year's annual report.

2024/25: 9.1% reduction
2023/24: 7.3% reduction

Status

A Close to meeting expectation/target

Assurance

Independent third-party verification

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

Summary of the group's wider operational KPIs

How we're delivering our purpose: Greener

A discussion of our performance is available in our integrated annual report on pages 66 to 69.

Status key

Performance against target — G Met expectation/target — A Close to meeting expectation/target — R Behind expectation/target

Measure	2030 target	Performance 2025/26	2024/25	2023/24	Assurance[4]	Status: Performance against target
Pollution incidents per 10,000km sewer network[1]	18.63	**42.15**	45.00	27.93	RRA	R
Spills per storm overflow monitored[1]	17.71	**26.80**	34.68	45.43	RRA	G
Treatment works compliance[1]	99%	**98.20%**	98.20%	98.97%	RRA	A
Leakage reduction[1]	23.9%[2]	**9.4%**	7.3%	7.1%	RRA	A
Reduction in per capita consumption[1]	9.6%[2]	**6.2%**	5.1%	2.5%	RRA	A
Reduction in business demand[1]	5.7%[2]	**1.0% increase**	New	New	RRA	A
Internal flooding incidents per 10,000 sewer connections[1]	1.59	**2.01**	3.48	4.35	RRA	G
External flooding incidents per 10,000 sewer connections[1]	15.37	**15.86**	21.07	20.36	RRA	G
Biodiversity performance commitment[1]	230.21 units by 2030	**0 – on track**	New	New	RRA	G
Wonderful Windermere (kg phosphorus removed)[1]	77.4	**12.57**	New	New	RRA	G
Nature pledges	100% achievement	**On track**	New	New	IAT	G
Scope 3 near-term SBTi GHG emissions target	25% reduction by 2030[3]	**36.8% increase**	10.5%	7.3%	ITV	R

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

[2] As measured against a 2019/20 baseline.

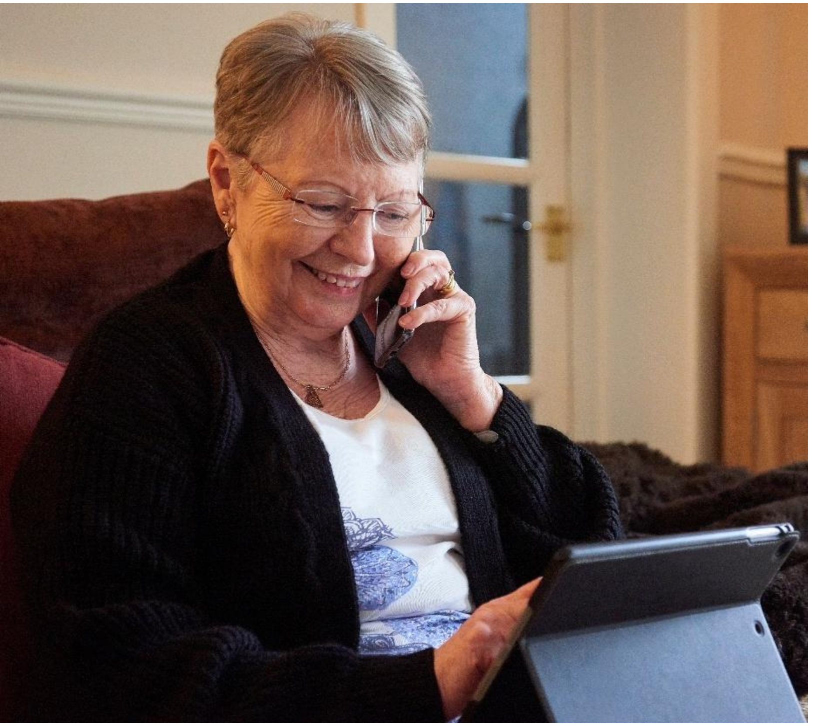
[3] As measured against a 2019/20 baseline. Methodology changes will trigger a recalculation and revalidation of SBT base year emissions. Figure here is an estimated like-for-like value calculated using current year activity data and previous method as noted on page 73 of our integrated annual report.

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

Summary of the group's wider operational KPIs

How we're delivering our purpose: Healthier

There are a broad range of performance indicators that help us to assess how we're delivering our purpose, working towards a healthier future. The three 'healthier' KPIs here have been selected due to their importance with stakeholders, with additional 'healthier' performance metrics on the following page.



Trustpilot	Customers supported with affordability[1]	Colleague engagement
An open, independent, online review platform for customer service.	Customers that have benefitted from our range of affordability support schemes.	Level of colleague engagement as measured by our annual colleague opinion survey.
Target Excellent	**Target** One in six customers	**Target** At least as high as the utilities norm benchmark
Annual performance **4.5 Excellent** Performance against this KPI fluctuates regularly, based on customer reviews, with the 4.5 score reflecting our performance as at the year end. 2024/25: New 2023/24: New	**Annual performance** **422,041** We have increased the number of customers on support tariffs by 180,000 through implementation of the new Low Income Discount; growing the number of customers supported this AMP to 422,041. 2024/25: New 2023/24: New	**Annual performance** **90%** 86% of employees took part in our engagement survey, and we are proud to report an outstanding 90% engagement score – well above global utilities and UK high-performance benchmarks. 2024/25: 87% 2023/24: 81%
Status G Met expectation/target	**Status** G Met expectation/target	**Status** G Met expectation/target
Assurance Independent third-party verification	**Assurance** Internal audit team	**Assurance** Independent third-party verification

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

Summary of the group's wider operational KPIs

How we're delivering our purpose: Healthier

A discussion of our performance is available in our integrated annual report on pages 76 to 79.

Status key

Performance against target — G Met expectation/target — A Close to meeting expectation/target — R Behind expectation/target

Measure	2030 target	Performance: 2025/26	2024/25	2023/24	Assurance[4]	Status: Performance against target
Customer ODIs[1]	Net reward	**c. -£35m**	£4.29m	£34m	RRA	G
Water quality customer contacts per 1,000 population[1]	0.80	**1.33**	1.28	1.32	RRA	A
Supply interruptions per property per year (hours:minutes:seconds)[1]	00:05:00	**00:13:02**	00:14:17	00:09:39	RRA	R
Unplanned outages of peak week production capacity[1]	2.14%	**1.34%**	1.85%	2.05%	RRA	G
Household written complaints compared to WaSCs[1]	Upper quartile	**Third quartile[2]**	Third quartile	Third quartile	RRA	R
Customer satisfaction score (C-MeX)[1]	Above industry median	**Above industry median**	Above industry median	Above industry median	RRA	G
Developer satisfaction score (D-MeX)[1]	Above industry median	**Above industry median**	Above industry median	Above industry median	RRA	G
Business and Retailer satisfaction score (BR-MeX)[1]	Above industry median	**Above industry median**	Above industry median	Above industry median	RRA	G
Households registered for Priority Services[1]	25%	**18.26% (597,401)**	16.51% (540,380)	12.35% (401,987)	RRA	G
Compliance Risk Index[1]	0.00	**2.11[3]**	10.28	5.92	RRA	G
Accident frequency rate for colleagues (per 100,000 hours)	10% year-on-year improvement	**0.054**	0.078	0.092	IAT	G
Accident frequency rate for contractors (per 100,000 hours)	Year-on-year improvement	**0.122**	0.078	0.043	IAT	A
Smart meters installed	920,891	**209,980**	New	New	IAT	G

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

[2] Latest comparative data available 2024/25.

[3] Since publication of our integrated annual report this score has been updated in line with the provisional figure provided by the DWI, the DWI will confirm the final score in July 2026.

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

Summary of the group's wider operational KPIs

How we're delivering our purpose: Stronger

There are a broad range of performance indicators that help us to assess how we're delivering our purpose, working towards a stronger future. The three 'stronger' KPIs here have been selected due to their importance with stakeholders, with additional 'stronger' performance metrics on the following page.

Capital programme delivery incentive (CPDi)

Measures the extent to which we have delivered our capital projects efficiently, on time, and to the required quality standard.

Target
At least 85%

Annual performance
100%

The scaling-up of our activity has not impacted its quality, with the CPDi, our measure of effective, efficient and quality delivery of the capital programme, hitting 100%.

2024/25: 99.6%
2023/24: 98.0%

Status
G Met expectation/target

Assurance
Internal audit team

Community investment

Total community investment as measured by the Business for Societal Impact (B4SI) method.

Target
Average community investment in 2026 to be at least 10% higher than the average between 2015 and 2025 of £3.57m per annum: £3.92m

Annual performance
£3.84m

Our performance this year is very close to the target of £3.92m, and we expect to see this increase over the remainder of AMP8 with the delivery of our community SuDS programme.

2024/25: £9.80m
2023/24: £3.99m

Status
A Close to meeting expectation/target

Assurance
Independent third-party verification

Performance across a range of trusted investor indices

Company performance relative to water and utilities sector participants in a selection of trusted investor ESG ratings and indices.

Target
Upper quartile

Annual performance
Upper quartile

As at the year end, we maintained upper quartile performance across our selection of ESG ratings and indices.

2024/25: Upper quartile
2023/24: Upper quartile

Status
G Met expectation/target

Assurance
Independent third-party verification

Summary of the group's wider operational KPIs

How we're delivering our purpose: Stronger

A discussion of our performance is available in our integrated annual report on pages 82 to 85.

Status key

Performance against target — G Met expectation/target; A Close to meeting expectation/target; R Behind expectation/target

Measure	2030 target	Performance 2025/26	Performance 2024/25	Performance 2023/24	Assurance[2]	Status: Performance against target
Credit rating – UUW senior unsecured debt (Moody's, S&P, Fitch)[1]	Baa1, BBB+, A-	**Baa1, BBB+, A-**	Baa1, BBB+, A-	A3, BBB+, A-	ITV	G
Anti-bribery: percentage of identified colleagues completing required training	100%	**100%**	100%	100%	IAT	G
Percentage of suppliers delivering 'strong' performance	95%	**76%**	n/a	n/a	IAT	G
Percentage of suppliers signed up to responsible sourcing principles	95%	**76%**	n/a	n/a	IAT	G
Percentage of suppliers subject to enhanced audit within contract lifecycle	10%	**2%**	n/a	n/a	IAT	G
CIPS ethics mark	Retained	**Retained**	Retained	Retained	ITV	G
Invoices paid within 60 days	At least 95%	**97.7%**	98.7%	99.6%	ITV	G
Price control deliverables (PCDs) – timing incentive	£39.5m	**On track**	New	New	RRA	G
Taxonomy aligned revenue	n/a	**93%**	87%	New	IAT	G
Taxonomy aligned and eligible revenue	n/a	**87%**	93%	New	IAT	G

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

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

Sustainable bond proceeds in action

To demonstrate how our sustainable finance proceeds have been used in more detail we have included four project case studies, covering a cross-section of our activities:

Reducing spills: seeing the results of our environmental improvement programme

CASE STUDY 1

£34.4m
of the environmental improvement programme funded by SF7 in the year to 31 March 2026

Over £260m
of overall storm overflow programme allocated this year to SF6, SF5b, SF7 and SF8a

Across the North West, we are delivering a data-led programme that is transforming how we manage wastewater and storm overflows.

Our region includes major urban centres, rural communities, coastal environments and nationally significant landscapes, each placing different demands on the wastewater network. By analysing performance data at a regional level, we are identifying the key drivers of storm overflow activity, including infiltration, power resilience, tidal influence and network condition, allowing us to prioritise interventions that deliver the greatest environmental benefit in each location.

What began as a focused, short-term taskforce to reduce storm overflow spills, has now evolved into an environmental improvement programme. Weekly performance reporting provides clear visibility of trends, enabling rapid response and decision-making grounded in evidence. By measuring interventions in the right places, we are ensuring that investment delivers meaningful outcomes for both communities and the environment.

Ways of working

The programme is built around early intervention and practical delivery, underpinned by strong performance management. Weekly performance and delivery reviews draw on the latest rainfall and operational data to identify emerging issues and act quickly. Interventions are assessed against expected benefit, and success is measured through tangible improvements delivered within the calendar year. This evidence-based approach ensures timely action that delivers environmental improvement.

Interventions

During 2025, we delivered 332 interventions across 321 storm overflows in all five counties. Activities included drainage health checks, inspection and cleaning of over 20 kilometres of sewers, addressing infiltration and ingress, upgrading automated storm tank returns, and optimising pumping assets.

Where additional capacity was required at short notice, temporary steel storage tanks and mobile compact treatment units were installed, providing 310m³ of temporary storage capacity across four sites. Submerged aerated filter units were also installed at 18 sites to enhance wastewater treatment performance.

Innovation

Innovation is central to our approach. By working with our supply chain, we have installed intelligent non-return valves in storm overflow chambers to prevent river or tidal water entering the network, protecting assets and improving monitoring reliability. Smart free-floating sewer inspection technologies have been used to identify hidden blockages and restrictions in large or inaccessible sewers, enabling faster and more precise repairs. We are also applying machine learning and AI to better understand infiltration by combining rainfall, catchment and performance data, as well as trialling advanced analytics to optimise pump performance.

Digital and data

We have significantly improved storm overflow monitoring by replacing more than 780 event duration monitors with modern radar-based equipment, which provides more accurate and reliable data with lower power consumption. In addition, 99 monitors have been fully reviewed and over 430 reconfigured to better reflect site-specific conditions. These upgrades strengthen data quality, support transparent public reporting and enable more advanced analytics to inform delivery.

Outcomes and impact

Environment Agency figures based on our 2025 EDM return show a substantial year-on-year reduction in storm overflow activity. Compared with 2024, spill numbers fell by around 23% per overflow while total spill duration reduced by around 27%. This continues a longer-term downward trend, representing a 47% reduction against our 2020 baseline. These improvements were delivered despite above-average rainfall in the latter half of the year, demonstrating that we are starting to break the link between rainfall and spills.

Sustainable bond proceeds in action

Oswestry Water Treatment Works: delivering social value

CASE STUDY 2

£208.1m
funded by SF4a and SF7 over the four years to 31 March 2026

Oswestry Water Treatment Works in Shropshire, fed from Lake Vyrnwy in North Wales, is a strategically important large works that supplies drinking water for much of Merseyside and parts of Cheshire.

The Oswestry Water Treatment Works project's primary objective is to both increase treatment capacity and enhance water quality. However, the scheme also demonstrates how infrastructure investment can deliver meaningful and measurable social value alongside operational improvements, with its broader impact being defined by the value[1] created for people, communities and the regional economy.

Social value

Social value has been embedded throughout the project lifecycle, guided by a structured approach that looks beyond engineering outcomes to generate long-term economic, social and environmental benefits. Currently around just over £6.9 million of social value has been realised throughout the project.

A key priority has been supporting the local economy. By directing £7.5 million of spend to small and medium-sized enterprises within a 30-mile radius, the project has strengthened local supply chains, supported jobs and contributed to regional economic resilience – generating significant social value in the process.

Reduction of waste

Site-derived materials have been reused under a material management plan. Concrete reclaimed from nearby decommissioned structures has been reused as sub-base for haul roads, crane pads and lay-down areas, leading to less waste, reduced use of virgin materials and fewer vehicle movements. The social value created by this reduction of waste equates to c. £1.9 million.

Investment in people

The project has created opportunities for skills development, training and career progression, including support for professional qualifications and inclusive learning programmes. This has been complemented by a strong focus on fairness and workforce wellbeing, with proactive efforts to raise awareness of modern slavery risks. Independent engagement through the Slave Free Alliance has further reinforced transparency and trust across the workforce.

Contributing to the community

The project has actively contributed to its local communities through education, volunteering and charitable initiatives. School visits have provided students with insight into careers in construction and utilities, helping to inspire the next generation. Teams have also supported local organisations through volunteering and fundraising, including work with charities and community groups, delivering tangible benefits beyond the site boundary.

Community engagement has been a consistent focus, with efforts made to minimise disruption and maintain positive relationships with local residents. This has been reflected in strong community feedback and recognition, highlighting the project's commitment to acting as a responsible neighbour.

Environmental actions have also delivered social value. Initiatives such as material reuse, biodiversity enhancements and pollution prevention not only reduce environmental impact but contribute to healthier, more resilient communities.

Together, these outcomes demonstrate how the Oswestry Water Treatment Works project is delivering both infrastructure and social value.

As we progress through AMP8, we will increasingly measure and report the social value created across our wider supply chain, working closely with partners to strengthen and mature the supporting data.

[1] The values provided in the case study have been calculated using the National TOMs (Themes, Outcomes and Measures) 2022 framework open-source spreadsheet.

Sustainable bond proceeds in action

Mains replacement programme

CASE STUDY 3

£62.6m
funded by SF6, SF5b, SF7 and SF8b in the year to 31 March 2026

Our mains replacement programme is a central component of our long-term strategy to improve network resilience, reduce leakage and deliver better outcomes for customers across the North West. Our £380 million AMP8 investment will see at least 925km of water mains replaced by 2030, equivalent to around 2% of our network.

During 2025/26, we made strong progress against this target, replacing over 150 kilometres of mains, reflecting both the scale and pace of delivery required to remain on track for our 2030 commitment. The programme is progressing in line with expectations, and we remain confident in meeting our regulatory delivery timeline.

Strategic approach to delivery

The mains replacement programme is underpinned by a robust and data-driven targeting methodology. Investment decisions are informed through a combination of bottom-up insights from local operational teams and top-down risk modelling using asset investment management and planning software. This approach ensures that replacement activity is focused on assets that present the greatest risk to service, such as those with a history of bursts, high leakage rates or significant customer impact.

Our modelling considers multiple factors including asset condition, likelihood of failure, potential service impacts (e.g. supply interruptions, discolouration and leakage), and the cost-benefit of intervention over the long term. This ensures that investment delivers maximum value, both in addressing immediate risks and preventing future deterioration.

Delivering benefits for customers and the environment

The primary objective of the programme is to enhance service reliability and reduce leakage. The new mains, constructed from more durable and flexible materials, are designed to last over 100 years and to withstand pressure fluctuations and temperature changes. This significantly reduces the likelihood of bursts and leaks, helping to safeguard water supplies for millions of customers.

Performance modelling shows that the programme is expected to deliver increasing benefits over time. In 2025/26 alone, mains renewal activity is projected to reduce leakage by approximately 7.5–7.9 megalitres per day, with further cumulative improvements in subsequent years. In addition, the programme contributes to reduced water supply interruptions and improved water quality, as evidenced by lower levels of customer contacts and fewer service disruptions.

Mains replacement also plays a key role in reducing operational interventions. For example, the programme is expected to reduce the number of burst mains repairs, lowering reactive maintenance requirements and associated costs while improving overall network stability.

Supporting future growth and resilience

The programme is also critical in preparing the network for future challenges. With the population of the North West expected to grow significantly, the demand on water infrastructure will continue to increase. Mains replacement ensures that the network remains resilient and capable of meeting this demand, while also supporting sustainable water management.

To minimise disruption to customers and communities, we are focussed on using innovative construction techniques such as slip-lining and other trenchless methods to reduce the need for extensive excavation, helping to limit the impact on roads, traffic and local residents while maintaining efficient delivery.

Sustainable bond proceeds in action

Improving nature resilience

CASE STUDY 4

£9.8m

of investment in nature resilience (sustainable drainage solutions, catchment management/strategy, SSSI restoration and peatland restoration) funded by SF6, SF5b, SF8a and SF8b over the four years to 31 March 2026

Investing in nature delivers wide ranging benefits for the environment, local communities and the long-term resilience of water services.

Healthy ecosystems are essential for maintaining high quality water supplies, stabilising catchments and enabling the region to adapt to a changing climate. By restoring natural processes across the United Utilities estate, the resilience of the North West's landscapes is strengthened while creating richer, more biodiverse environments.

Habitat restoration

A central component of improving nature resilience is the restoration of habitats, such as peatland and woodland, so they can function as healthy, interconnected ecosystems. Our catchment restoration work is already generating positive ecological outcomes, including the return of protected native species such as the pine marten.

Pine martens are fully protected under UK law, making sensitive and well-informed land management essential. Retaining features such as deadwood, veteran trees and structurally diverse woodland provides vital resting and breeding sites for pine martens and many other woodland species.

Monitoring has confirmed pine marten activity across parts of our estate, particularly within and around extensive areas of semi-natural woodland and restored catchment landscapes. The Thirlmere estate is increasingly recognised as a developing migration corridor that supports the gradual spread of the species across the wider region.

Managing rain where it falls

The benefits of investing in nature extend far beyond ecological improvements. Restored habitats help to improve water quality, reducing the need for energy intensive treatment processes. Healthy catchments are also better able to absorb and slow the flow of water, lowering flood risk and increasing resilience to extreme weather events. Enhanced green spaces also provide opportunities for recreation, education and wellbeing.

Instead of relying solely on traditional hard infrastructure, we implement sustainable drainage solutions that absorb, filter and slow rainfall at the surface. By reducing the amount of rainwater entering the wastewater network, this approach supports cleaner waterways and improves the quality of local places.

Each scheme delivers benefits that go well beyond water management. Greener interventions bring nature back into everyday settings, support biodiversity, reduce carbon and help cool urban areas. They create more welcoming spaces for recreation and learning and contribute to local regeneration and placemaking.

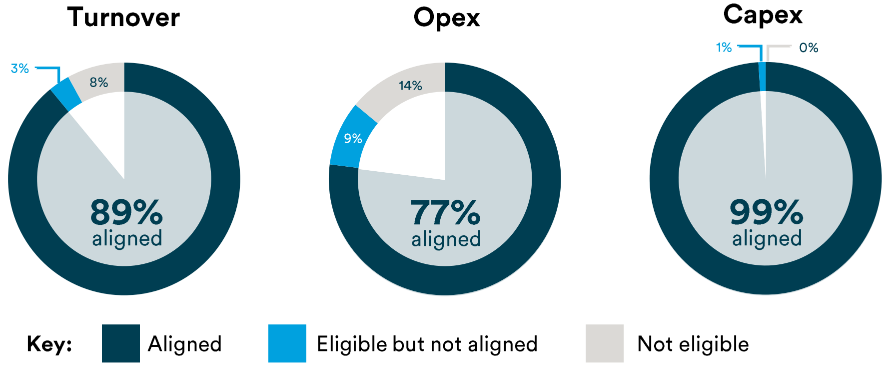
Across the first fifteen schools, Project FLOW has created vibrant new green spaces and almost 136,000 litres of rainwater storage. This reduces the volume of rainfall entering the wastewater network and enriches local habitats. The approach is now being expanded across the region and into additional education settings, supported by outdoor learning partnerships.

With the twin pressures of climate change and nature loss, it's clear that meeting rising performance expectations will only be possible if we work with nature, strengthening the resilience of our catchments and urban areas rather than eroding it. This shift demands a more ambitious, integrated approach, and we're committed to doing far more in the years ahead to embed nature-positive, climate-resilient thinking into everything we deliver.

Our EU Taxonomy disclosure

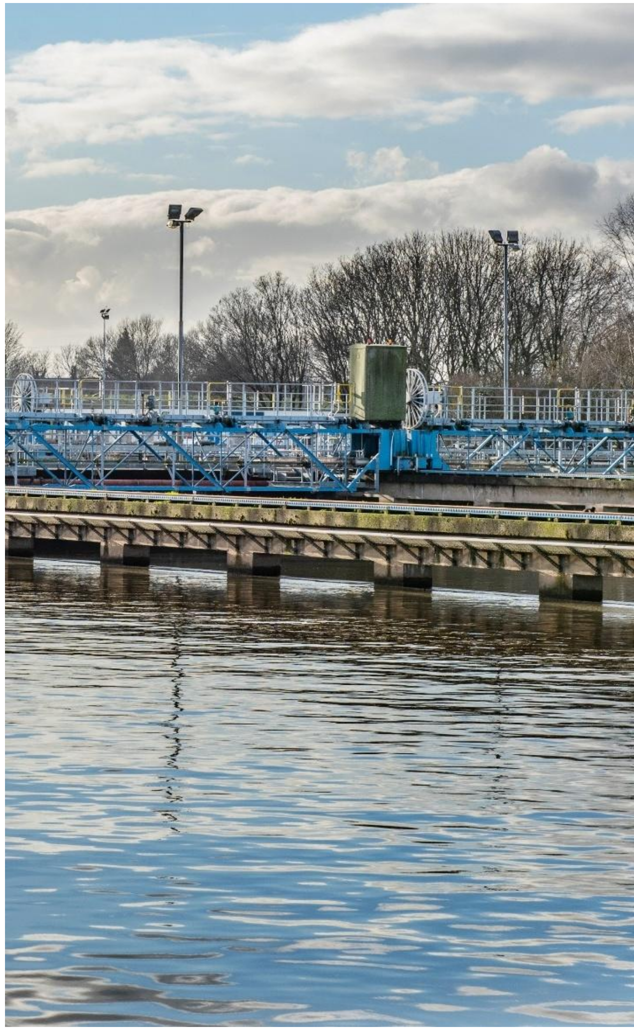
Whilst Eligible Projects under our Sustainable Finance Framework are determined by reference to ICMA principles as opposed to EU Taxonomy alignment, we recognise that both are of interest to our sustainable finance investors. Therefore, we have included details of our FY26 voluntary assessment of our EU taxonomy alignment in this report.

More details of our EU Taxonomy assessment can be found on pages 98 to 99 of our integrated annual report.



	Turnover		Opex		Capex	
Activities	**£m**	**%**	**£m**	**%**	**£m**	**%**
Construction, extension and operation of water collection, treatment and supply systems	1,053	40%	264	41%	596	35%
Urban wastewater treatment	1,197	46%	188	29%	1,013	59%
Anaerobic digestion of sewage sludge	82	3%	45	7%	92	5%
Total eligible and aligned under EU Taxonomy	**2,332**	**89%**	**498**	**77%**	**1,701**	**99%**
Other eligible activities	83	3%	60	9%	24	1%
Total eligible under EU Taxonomy	**2,415**	**92%**	**558**	**86%**	**1,725**	**100%**
Not eligible under EU Taxonomy	201	8%	93	14%	2	0%
Total[1]	**2,616**	**100%**	**651**	**100%**	**1,727**	**100%**

[1] The total opex differs significantly to the equivalent figure calculated under IFRS as a result of the differences in the EU Taxonomy definition.



Our nature pledges

We are strengthening our environmental ambition by evolving our earlier carbon pledges and better rivers pledges to adopt a broader, more integrated set of nature pledges.

This evolution reflects a growing understanding that climate, water quality, biodiversity, and community wellbeing are interconnected. By taking a whole-ecosystem approach, we can deliver greater environmental resilience, support national policy goals, and contribute meaningfully to nature recovery.

Peatland restoration

7,000 hectares of peatland will be under restoration by 2030.

We will continue to extend our activities restoring peatland habitats across the North West, building on the 3,000 hectares delivered since 2020 to deliver an additional 4,000 hectares by 2030.

Woodland creation

We will plant one million trees by 2030 to create 550 hectares of woodland.

Continuing work towards our 2020 carbon pledge, we will deliver a programme of both woodland creation and improvement projects valuing actions that have broad sustainability merit enhancing biodiversity as well as climate resilience and mitigation.

Protecting rivers

We will protect and enhance 1,800 kilometres of river by 2030.

Having delivered more than 1,400 kilometres of river enhancement work since 2020, we pledge to protect and enhance a further 400 kilometres by 2030 as we deliver investments to improve our infrastructure and reduce spills.

Nature recovery

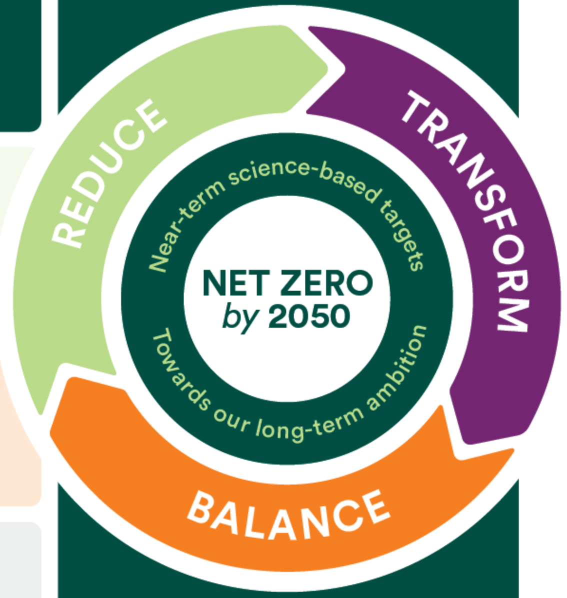
By 2030, we will exceed the UK Government target and manage at least 30% of our land for nature.

Our pledge supports the UK goal to protect at least 30% of land and sea for biodiversity by 2030. We will deliver biodiversity net gain across our capital projects and landscape-recovery schemes, creating wildlife-rich places that restore, enhance, and connect habitats across the North West.

As one of the country's largest landowners, it is vital that we understand the role we play in driving nature recovery and demonstrate leadership in protecting and enhancing the natural environment. Our pledges align closely with national and global frameworks, including the Global Biodiversity Framework (GBF), the UN Sustainable Development Goals (SDGs), and UK Environment Improvement Plan (EIP). By restoring ecosystems, reducing pollution and supporting Local Nature Recovery Strategies, we are contributing directly to the UK's long-term environmental targets.

Net-zero targets

Validated GHG emissions targets	Near-term targets 2030		Long-term targets 2050	
Scopes 1 and 2 Location-based	42%	Reduction in absolute GHG emissions from base year of 2020	90%	Reduction in absolute GHG emissions from base year of 2020
Scope 3	25%	Reduction in absolute GHG emissions (excluding category 2) from base year of 2020	90%	Reduction in absolute GHG emissions from base year of 2020



Neutralise any residual emissions to achieve
NET ZERO
across the value chain

Appendix | Sustainable financing instruments as at 31 March 2026

Full list of sustainable financing instruments

Name (ISIN)	Issuer	On lent to	Form	Label	Issue date	Maturity date	Net proceeds	31 March 2026 status	Relevant Framework
SF1 : £300m 0.875% Notes due 2029 (XS2291328735)	UUWF	UUW	Bond	Sustainability	28 Jan 2021	28 Oct 2029	£297.0m	Fully allocated	2020
SF2: £150m Loan due 2032 (N/A)	UUW	N/A	Loan	Sustainability	29 Jul 2022	30 Jun 2032	£149.6m	Fully allocated	2020
SF3: £300m 5.125% Notes due 2038 (XS2608701574)	UUWF	UUW	Bond	Sustainability	6 Apr 2023	6 Oct 2038	£297.5m	Fully allocated	2020
SF4a: £350m 5.75% Notes due 2036 (XS2641168997)	UUWF	UUW	Bond	Sustainability	26 Jun 2023	26 Jun 2036	£347.3m	Fully allocated	2020
SF4b: £50m 5.75% Notes due 2036 (XS2641168997)	UUWF	UUW	Bond	Sustainability	7 Feb 2024	26 Jun 2036	£52.1m	Fully allocated	2020
SF5a: €650m 3.75% Notes due 2034 (XS2771661357)	UUWF	UUW	Bond	Green	23 Feb 2024	23 May 2034	£556.3m	Fully allocated	2020
SF6: £350m 5.75% Notes due 2051 (XS2828827449)	UUWF	UUW	Bond	Green	28 May 2024	29 May 2051	£347.4m	Fully allocated	2020
SF5b: €175m 3.75% Notes due 2034 (XS2771661357)	UUWF	UUW	Bond	Green	5 Aug 2024	23 May 2034	£147.4m	Fully allocated	2020
SF7: €650m 3.5% Notes due 2033 (XS3011736108)	UUWF	UUW	Bond	Green	27 Feb 2025	28 Feb 2033	£538.6m	Fully allocated	2020
SF8a: €500m 3.75% Notes due 2035 (XS3144971127)	UUWF	UUW	Bond	Green	7 Aug 2025	7 Aug 2035	£432.5m	Fully allocated	2020
SF5c: €100m 3.75% Notes due 2034 (XS2771661357)	UUWF	UUW	Bond	Green	25 Sep 2025	23 May 2034	£86.8m	Fully allocated	2020
SF8b: €100m 3.75% Notes due 2035 (XS3144971127)	UUWF	UUW	Bond	Green	2 Mar 2026	7 Aug 2035	£87.4m	Fully allocated	2020
Total							£3,339.8m		

Summary allocation under our 2020 Framework

Eligible Category	SF1	SF2	SF3	SF4a & 4b	SF5a	SF6	SF5b	SF7	SF8a	SF5c	SF8b	Total
SW&WM	£197.7m	£73.8m	£165.7m	£311.7m	£198.6m	£117.6m	£69.2m	£342.0m	£185.8m	£nil	£26.0m	**£1,688.1m**
T&ABC	£89.6m	£55.7m	£121.0m	£76.7m	£357.7m	£168.9m	£78.2m	£196.5m	£240.3m	£86.8m	£60.9m	**£1,532.3m**
PPC	£5.0m	£6.1m	£10.6m	£10.5m	£nil	£51.6m	£nil	£nil	£nil	£nil	£nil	**£83.8m**
RE	£nil	£3.0m	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil	**£3.0m**
ESMoLNR&LU	£nil	£5.8m	£nil	£nil	£nil	£9.3m	£nil	£nil	£nil	£nil	£0.5m	**£15.6m**
CT	£nil	£4.8m	£nil	£nil	£nil	£nil	£nil	£nil	£6.4m	£nil	£nil	**£11.2m**
AtES	£4.7m	£0.4m	£0.2m	£0.3m	£nil	£nil	£nil	£nil	£nil	£nil	£nil	**£5.6m**
Total	**£297.0m**	**£149.6m**	**£297.5m**	**£399.3m**	**£556.3m**	**£347.4m**	**£147.4m**	**£538.6m**	**£432.5m**	**£86.8m**	**£87.4m**	**£3,339.8m**
Unallocated £m	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil	£nil

SW&WM = Sustainable Water and Wastewater Management, T&ABC = Terrestrial and Aquatic Biodiversity Conservation, PPC = Pollution Prevention and control, ESMoLNR&LU = Environmentally Sustainable Management of Living Natural Resources and Land Use, CT = Clean Transportation, AtES = Access to Essential Services.

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