

Business principles

...the way we do things



Business principles: introduction by Steve Mogford

Providing an essential water and wastewater service to the communities of the North West is a responsibility that we do not take lightly. We believe that responsible business should be embedded in everything we do. We aim to observe legal and regulatory requirements and carry out our activities with integrity and fairness at all times.

Our commitments to delivering our services in an environmentally sustainable, economically beneficial and socially responsible manner are outlined in our five business principles, developed by conversations with our customers and stakeholders.

These five business principles are the DNA of our business – ensuring we act in the best interests of our customers and the region, in everything we do. They cover five key themes – customers, environment, communities, employees and stakeholders.

This document gives a little more detail on what this means for us and the organisations we work with. It affirms our commitment to acting with integrity in our dealings with customers, suppliers, employees, regulators and investors.

We can't do this on our own. Only by talking and listening to our customers and stakeholders can we improve the way we do things.



Steve Mogford
Chief Executive

Our vision is to be the best UK water and wastewater company, providing great service to our customers.

It's a challenging vision but one we are capable of achieving by focusing on our three objectives to deliver: the best service to customers, at the lowest sustainable cost and in a responsible manner.

To achieve this we will need to operate under the following key core values: customer focus, integrity and innovation.

In this document, we make a number of commitments, but what really matters is how good we are at delivering them. Each year, we will report our progress on our website to tell you how we are doing.

Providing a great service to customers

We will:

- deliver customer service you can rely on and be easy to do business with;
- provide a safe, clean and reliable water supply now and in the future;
- dispose of your wastewater and reduce the risk of sewer flooding;
- deliver services that are essential to protect public health;
- communicate in a way that is appropriate and easy to understand;
- listen to and understand our individual customers' needs and deliver a service that meets them;
- make sure our customers and their details remain safe; and
- provide bills that represent good value for money whilst supporting households who struggle to pay.



Working to protect and enhance the environment

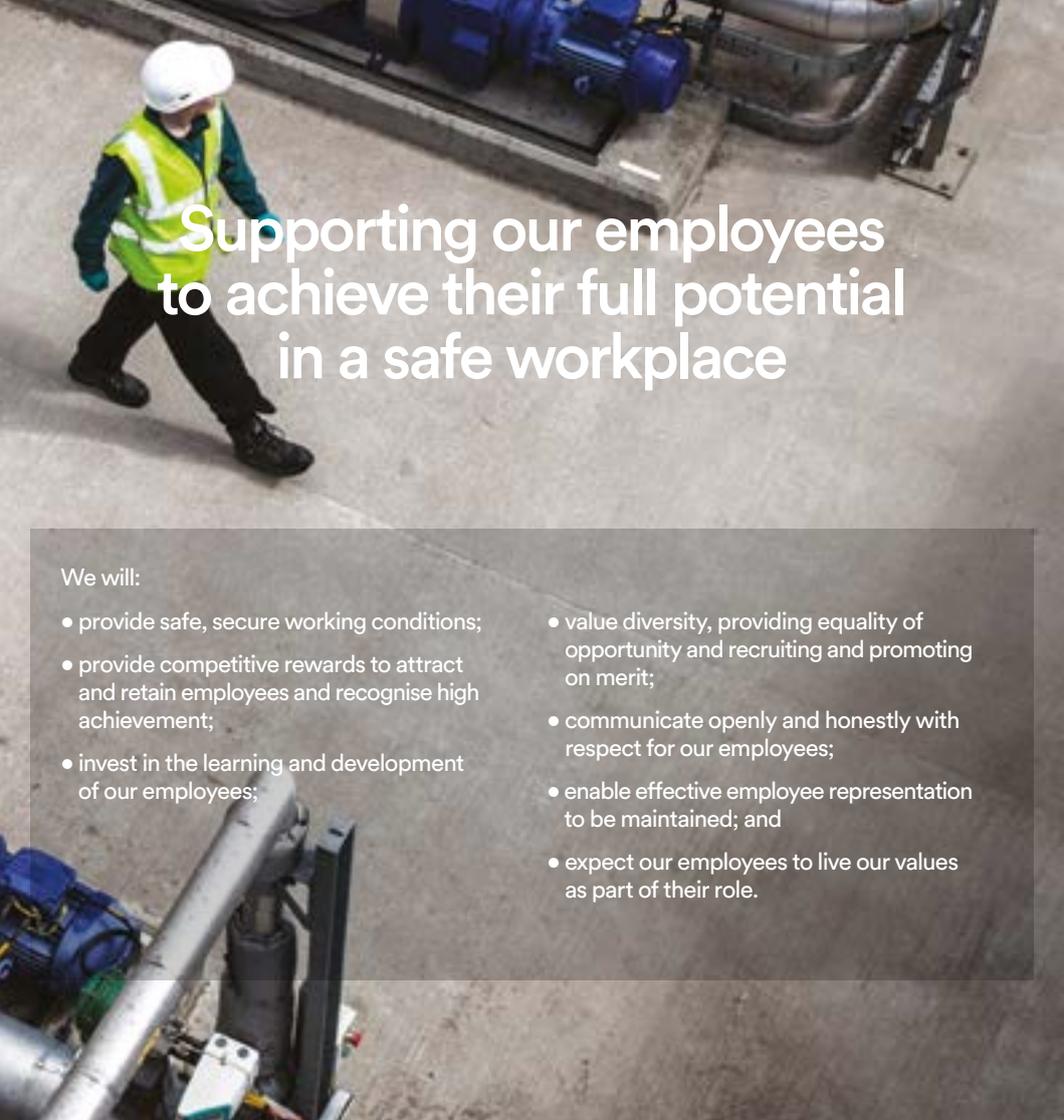
We will:

- manage water resources sustainably and promote water efficiency;
- improve the North West's bathing waters through our work and that of others;
- act to prevent pollution from our operations and inform our customers on the responsible disposal of waste to our sewers;
- protect and enhance the natural environment and the services it provides;
- manage our use of natural resources, reduce waste and put it to valuable uses;
- consider the impacts of climate change on the services we deliver and adapt our business accordingly; and
- reduce our greenhouse gas emissions and generate more renewable energy.

Actively supporting local communities

We will:

- invest in community partnerships for mutual benefit with particular focus on current social issues;
- encourage our employees to get involved and make a positive contribution to local communities;
- invest in education programmes both in schools and the wider community;
- recognise the effect that our operations have upon the community and invest in programmes that support those affected; and
- provide access and recreation at our sites where it is appropriate to do so.



Supporting our employees to achieve their full potential in a safe workplace

We will:

- provide safe, secure working conditions;
- provide competitive rewards to attract and retain employees and recognise high achievement;
- invest in the learning and development of our employees;
- value diversity, providing equality of opportunity and recruiting and promoting on merit;
- communicate openly and honestly with respect for our employees;
- enable effective employee representation to be maintained; and
- expect our employees to live our values as part of their role.

Delivering good value to stakeholders and managing our supply chain fairly

We will:

- ensure that we operate as efficiently as possible whilst protecting long term value – the lowest sustainable cost;
- retain a robust and sustainable financial profile to provide enduring shareholder value;
- maintain high ethical standards of business conduct and corporate governance, and expect the same high standards of our supply chain;
- treat all our stakeholders fairly ensuring a rolling programme of dialogue that is both timely and transparent;
- support the North West's economy through our activities and investment;
- ensure that our selection of safe goods, services, works and suppliers takes into account our approach to responsible business; and
- pay our suppliers on time and work with them to improve our, and their, performance.

Running our business with integrity

Why sometimes it is absolutely necessary to speak up.

Even within the best organisations, people are sometimes tempted to cross the line between appropriate and inappropriate behaviour.

Our whistleblowing policy encourages our employees and contractors to raise concerns about any possible wrongdoing, including potential breaches of our business principles, by reporting these either to their line manager, or in confidence to the Company Secretary or the Business Services Director.

Occasionally, employees may feel uncomfortable about raising concerns in this way, so we have also provided a confidential whistleblowing line, which can be used by anyone on an anonymous basis.

When dealing with our suppliers, we have policies and procedures in place (for employees) and a sustainable supply chain charter (for suppliers) which set out standards that must be observed.

How do we check the system is working?

This document is the first point of reference for setting out our compliance framework and links to the internal control manual and other policies.

Every year, all members of the executive team are required to sign a letter of compliance. They must verify, having made appropriate enquiry of their direct reports that, to the best of their knowledge, their people have applied our business principles and acted with integrity in all of their dealings.

We also report compliance in relation to the UK Corporate Governance Code in our annual report and accounts. We welcome and invite feedback that helps us continually improve our business principles, and our business.



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