

Corporate Responsibility Policy



At United Utilities, we are proud of our strong commitment to having high ethical standards in the way that we work. We have outlined what those principles are in our Business Principles document, which summarises our approach to doing business. Everybody must read and be familiar with those principles.

You can find our Business Principles document on the intranet under the section entitled About Us and on our website.

Our approach to corporate responsibility links directly to those principles.

OUR APPROACH TO CORPORATE RESPONSIBILITY

In United Utilities, corporate responsibility is how we manage our economic, environmental and social impacts and embraces all aspects of our performance.

Taking this approach will help us realise business benefits in terms of efficiencies, reputation enhancement, risk management, securing resources and identifying new business opportunities. We are mindful that the things we do to deliver today must be balanced with making a positive contribution to tomorrow and we do this by conserving natural resources, protecting and enhancing the environment, supporting the communities we serve and maintaining economic growth. It is achieving this balance that delivers lasting benefits to communities in the UK and around the world. We will:

- Seek to comply with all applicable legal and regulatory requirements wherever we operate;
- Assess and manage the long-term environmental, social and economic risks and impacts of our business decisions;
- Consult with our stakeholders to understand and take account of their needs;
- Influence government policy and regulation to allow a fair balance between our interests and those of our stakeholders, now and in the future; and
- Develop our services and technology to better manage our economic, environmental and social impacts.

We manage our impacts in six areas, but our primary focus areas are climate change and developing talent as these have the greatest impact on our ability to operate now and in the future.

OUR COMMITMENTS

DEVELOPING TALENT

We recognise our responsibility to our employees, and to developing and retaining appropriate talent for the future success of our business. We will:

- Invest in our employees to meet business needs and help them achieve their potential;
- Provide equality of opportunity and recognise the benefits of having a diverse workforce. We select, promote and manage our people based on their ability and contribution;
- Develop partnerships and community activities that support our long-term resourcing needs;
- Encourage employees' development which makes a positive contribution to the communities and environments where we operate through personal action and involvement; and
- Invest in education programmes that support our business and long-term recruitment needs.

CUSTOMER SERVICE

We focus on improving services to our customers and meeting their needs. We will:

- Operate in a way that protects public health and recognise and manage the impact of our operations on local communities;
- Protect the safety of the public in connection with our operations;
- Ensure our services are accessible to customers, including addressing the issues of affordability; and
- Consider the needs of older customers and those with special needs.

Taking a balanced approach between medium and longer-term benefits in the pursuit of our Corporate Responsibility strategy means that in challenging economic circumstances, we will continue to have regard for ensuring our services are meeting the needs of our customers, including addressing the issues of affordability and contribute to the communities we serve.

COMMUNITY ENGAGEMENT

We work in partnership for mutual benefit and to enrich the lives of the communities where we operate taking into account traditions and cultures. We will:

- Recognise and support corporate responsibility in the regions in which we operate by working with relevant organisations and local communities; and
- Invest in selected community partnerships and in a community education programme which support our corporate responsibility commitments and add value to our operations.

CLIMATE CHANGE AND ENERGY

Climate change affects every aspect of our operations. We actively seek to mitigate the potential adverse impacts of climate change on our operations and we recognise and seek to reduce the impact of our operations on the climate. We will:

- Monitor and report on our greenhouse gas emissions;
- Implement our carbon management plan to reverse the trend of increasing emissions;
- Improve energy efficiency across our activities;
- Increase renewable energy generation from our assets and our use of energy from sustainable sources;
- Consider the impacts of climate change on our operations and develop appropriate adaptation measures;
- Engage employees, suppliers and customers in the mitigation of climate change impacts;
- Invest in partnerships that support climate change mitigation and adaptation activities;
- Develop education programmes to raise awareness of the impacts of climate change and seek to positively influence behaviour change; and
- Support a programme of sustainable transport initiatives for employees.

SUSTAINABLE CONSUMPTION AND PRODUCTION

We aim to reduce the consumption of resources. We will:

- Apply our approach to corporate responsibility to our capital investment activities and deliver a sustainable capital investment programme;
- Apply our approach to corporate responsibility to our supply chain activities;
- Deliver a supply chain improvement programme that considers our approach to corporate responsibility in the selection of goods, services, suppliers and partners;
- Minimise waste and increase reuse and recycling to maximise the value obtained from wastes;

- Limit our requirements for non-renewable raw materials using alternatives where practicable;
- Manage water resources sustainably and promote water efficiency; and
- Raise customer awareness of the environmental and social aspects and impacts of our operations, products and services.

NATURAL RESOURCE PROTECTION AND ENVIRONMENTAL ENHANCEMENT

We aim to protect the natural environment in our activities and enhance it where possible. We will:

- Put in place externally certified environmental management systems to drive business improvements;
- Act to prevent pollution from our operations;
- Identify opportunities for environmental enhancement that are outside of regulatory requirements;
- Invest to improve environmental water quality in line with regulatory requirements; and
- Endeavour to protect and enhance natural habitats and biodiversity as part of the way we manage our operational sites and land holdings.

GOVERNANCE

Our internal governance procedures set out to embed corporate responsibility across our business. Commitment starts at the highest level, with reporting to the Board and Executive Leadership Team, while our Corporate Responsibility Panel monitors and drives environmental and social performance improvements, balanced with economic considerations.

We develop and maintain effective procedures and action plans to manage our economic, environmental and social impacts, setting and reviewing measurable objectives and improvement targets for the areas impacted by our operations. These are reviewed annually by our Corporate Responsibility Panel.

Each year we publicly report our corporate responsibility activities, performance and strategic direction in an online report which is independently assured. We also take part in external indices which provide a benchmark for our corporate responsibility performance. Our governance procedures support our focus on continuous improvement by developing opportunities, mitigating risks and adopting best practice.

LEADERSHIP RESPONSIBILITY

It is the responsibility of managing directors to apply this policy in their areas. Leaders must ensure that their people understand their obligation to manage our economic, environmental and social impacts responsibly. They must also make sure their people have access to and are familiar with this policy and other relevant policies.

WHO DOES THIS POLICY APPLY TO

This policy applies to everybody and across all of our business operations where we have direct management control. Where we are involved in joint ventures and where we are working for external clients, we will use our position to influence decisions in line with this policy. This policy is reviewed every two years.

Philip Green
Chief executive officer, United Utilities
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