

## Our approach as a responsible business

The way we act as a business has a profound influence on the social, economic and environmental wellbeing of the region.

### Responsible business is in our DNA

We have a strong track record leading on environmental, social and governance (ESG) matters. Over the past 20 years we have measured ourselves against national and international benchmarks of responsible business practice, often breaking new ground in the way the water sector approaches challenges such as catchment management schemes and support for vulnerable customers.

This long-standing commitment to responsible business has provided a solid foundation upon which to evolve existing programmes, develop new initiatives, and respond to the changing world in which we operate.

### What is our approach?

We will only deliver our purpose and create and maintain value for our stakeholders if we act in a responsible manner. This comes from understanding what matters most to them and balancing these different perspectives in our decision-making.

Our approach isn't just about what we do, but how we do it. A key strength is our commitment to open, honest and transparent reporting about the continuity of our approach, underpinned by a clear purpose and strategic objectives.

Increasingly, stakeholders assess how companies approach responsible business through the lens of ESG. We believe there is a close relationship between ESG performance and investor value.

### Demonstrating how we act responsibly and create value

Being a purpose-led business it is up to us to provide the evidence that we are providing great water and more for the North West. Our stakeholders are ultimately the ones who will judge whether we are delivering on our purpose.

Having tangible, externally recognised measures of our behaviour and performance helps retain the trust of those who take an interest in the way we do business. It enables us to demonstrate

that we are operating in our stakeholders' interests. We collate, monitor and report on a wide range of performance measures, linked to what stakeholders tell us matter most, and align ourselves to recognised management standards and accreditations to give confidence in the way we are operating. We report these publicly so stakeholders can assess our progress.

Alongside this we actively participate in a range of global ESG ratings, indices and frameworks to benchmark our approach against best practice and emerging sustainability challenges.

As responsible business practice evolves we look constantly at how we can improve. For instance, we are currently exploring whether embedding multi-capital thinking (manufactured, financial, natural, social, human and intellectual capital) into business processes will add value and better inform our decision-making processes. This includes how we might report publicly against these capitals.

