

2021/22 highlights

Operational highlights

In line with our purpose, we measure our operational performance by reference to the value we have created for each of our stakeholder groups, and we monitor one operational key performance indicator (KPI) for each of these groups.



Communities

Our work places us at the heart of communities and we strive to engage fully with them and work closely in partnership

Our target

10%

increase in community investment compared with the average of £2.56 million per annum between 2010–20

Our progress this year

- Our direct community investment totalled £2.82 million (calculated using the B4SI method), higher than last year as a result of increased activity with partners and returning to customer-facing events such as the RHS Tatton Flower Show.
- We contributed to our Trust Fund to help those struggling to pay their bills, with further support available through our social tariff. The additional £15 million per annum of social tariff support provided during COVID-19 has been extended to 2025 to help those customers struggling to pay their bills.

➔ Read more about [our performance for communities](#) on page 52 to 54

KPI performance



Met expectation/target

Link to remuneration

- n/a



Customers

We aim to deliver the best service and to give targeted support to any customers in vulnerable circumstances

Our target

Positive

reward territory on Ofwat's customer measure of experience (C-MeX)

Our progress this year

- For 2021/22, we expect to receive a reward of £2.3 million on C-MeX.
- We continue to be the highest-performing listed company, ranked fourth out of the water and wastewater companies and seventh overall out of all 17 companies.
- We have reduced written complaints to our lowest ever level this year.
- On Ofwat's D-MeX measure, for developer customer satisfaction, we are consistently in the top half and expect to receive a small reward for 2021/22.

➔ Read more about [our performance for customers](#) on page 56 to 58

KPI performance



Met expectation/target

Link to remuneration

- Our C-MeX ranking features as a measure in both our annual bonus and in the customer basket component of our Long Term Plan



Employees

Having a diverse and inclusive workforce where everyone goes home safe and well is one of our key priorities

Our target

Upper quartile

score against UK utilities norm for engagement

Our progress this year

- Our overall engagement is at 87 per cent, equal to the UK high performance norm, which we have now been equal to or above for the last three years.
- We are 11 per cent better than the UK norm and 5 per cent better than the UK utilities norm.
- We are rated 4.6 out of 5 by former and current employees on Glassdoor, and 92 per cent of our employees would recommend United Utilities as a great place to work.

➔ Read more about [our performance for employees](#) on page 60 to 62

KPI performance



Met expectation/target

Link to remuneration

- n/a



Many of our operational KPIs are considered in executive remuneration through the annual bonus and/or Long Term Plan

➔ Read our [remuneration report](#) on pages 160 to 191

KPI status key

- Met expectation/target
- Close to meeting expectation/target
- Behind expectation/target



Environment

We work hard to protect and enhance the natural environment across the North West

Our target

Upper quartile

in the water industry in the EA's Environmental Performance Assessment

Our progress this year

- The most recent annual assessment from the Environment Agency (EA) was for 2020, and we were awarded the maximum 4 star rating, meaning we were classed by the EA as an industry-leading company.
- We achieved our best ever performance, as we were green across all measures –the first water company to achieve this level of performance since 2015.
- The EA will publish their annual performance assessment for 2021 in July 2022.

➔ Read more about [our performance for the environment](#) on page 64 to 66

KPI performance

● Met expectation/target

Link to remuneration

- Our EPA rating features within the customer basket measures in the Long Term Plan, and environmental performance is indirectly linked to the annual bonus as many of our ODIs have an environmental impact



Investors

We aim to deliver a sustainable return, exercising prudent financial risk management and strong ESG performance

Our target

RoRE

guidance will be updated throughout the period in line with guidance on individual elements

Our progress this year

- Reported RoRE for 2021/22 was 7.9 per cent on a real, RPI/CPIH blended basis.
- This includes outperformance in customer outcome delivery incentives (ODIs), financing and tax, slightly offset by underperformance on total expenditure (totex).
- Underlying RoRE was slightly lower at 7.7 per cent, and excludes the tax that will be recovered through the regulatory sharing mechanism.
- Cumulative RoRE for the first two years of AMP7 is 6.2 per cent on both a reported and underlying basis.

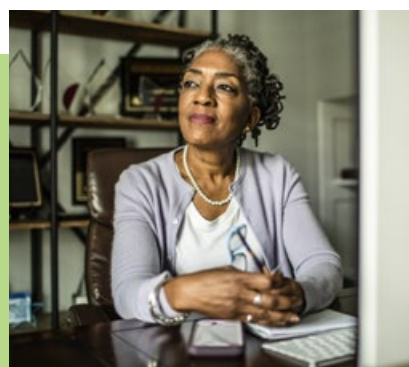
➔ Read more about [our performance for investors](#) on page 68 to 70

KPI performance

● Met expectation/target

Link to remuneration

- RoRE is a performance measure in the Long Term Plan, and is indirectly linked to the annual bonus as it is influenced by our performance on two bonusable measures: C-MeX and ODIs



Suppliers

We strive to innovate in partnership with suppliers to find ways to improve our services for customers

Our target

95%

as the minimum of invoices paid within 60 working days of issue, in line with the Prompt Payment Code

Our progress this year

- Over 99 per cent of our invoices were paid within 60 days this year, and our average time to pay is 13 days.
- We act fairly and transparently with all our suppliers and are a signatory to the Prompt Payment Code, fully complying with the reporting requirements. As a signatory to this Code, we are also working to pay 95 per cent of our small and medium-sized enterprise (SME) suppliers within 30 days, a new guideline that came into effect in July 2021.

➔ Read more about [our performance for suppliers](#) on page 72 to 74

KPI performance

● Met expectation/target

Link to remuneration

- n/a

