

# OUR CONTRIBUTION

## NORTHUMBRIAN WATER GROUP'S ENVIRONMENT, SOCIAL AND ECONOMIC IMPACT REPORT

FOR THE YEAR ENDED 31 MARCH 2017



**NORTHUMBRIAN**  
**WATER** *living water*

**ESSEX & SUFFOLK**  
**WATER** *living water*



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## NORTHUMBRIAN WATER GROUP'S ENVIRONMENT, SOCIAL AND ECONOMIC IMPACT REPORT

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# SECTION 1: WELCOME

# NORTHUMBRIAN WATER GROUP'S ENVIRONMENT, SOCIAL AND ECONOMIC IMPACT REPORT

## ABOUT US:

Northumbrian Water and Essex & Suffolk Water are part of Northumbrian Water Limited, which is a member of Northumbrian Water Group Limited (NWG).

We provide water and sewerage services in the north east of England under the brand name Northumbrian Water (NW) and water services in the south east under the brand name Essex & Suffolk Water (ESW). We serve 2.7 million people in the north with water and sewerage services and 1.8 million people in the south with



## WE HAVE IDENTIFIED FIVE CAPITALS THAT WE RELY ON AS A BUSINESS:



Financial Capital



Manufactured Capital



Natural Capital



Human and intellectual Capital



Social Capital

# WELCOME FROM HEIDI

**I'M PLEASED TO INTRODUCE OUR CONTRIBUTION REPORT, WHICH BUILDS ON OUR ANNUAL FINANCIAL AND PERFORMANCE REPORTING TO LOOK AT OUR INFLUENCE AND IMPACT IN THE WIDER ECONOMY, THE ENVIRONMENT AND SOCIETY.**

We supply drinking water to 4.5 million customers in the north east and south east of England and safely take away the wastewater from 2.7 million people in our northern operating area. We recognise that our role and our contribution is much wider than providing this essential service and our financial returns.

We are an organisation with significant resources; we employ thousands of talented and skilled people, we own assets worth billions of pounds, we have an annual investment programme of hundreds of millions of pounds, and we work in partnership with thousands of suppliers. The nature of our business means that we have a massive influence and dependency on the natural environment and the communities that we serve.

We embrace this responsibility and we recognise that sustainable growth is critical to our business resilience and continued success. This is reflected in our vision to be the national leader in the provision of sustainable water and wastewater services.

We need to understand and make business decisions based on our impacts on all our capitals so that we can continue to be able to provide a resilient first class service to our customers, protect and enhance the environment, make a positive contribution to society and be a thriving and successful business.

Our business plans, our strategies and our day to day activity all reflect this understanding and are based on how our activities contribute to the economy, the environment and society.

In a fast changing world in which we have a growing population seeking a better lifestyle, dependent on the planet's finite resources, I believe it has never been more important for businesses to look beyond their immediate performance, impacts and finances and to recognise their total impact and contribution based on all the capitals.

This report builds on our sustainability reporting, helping to provide an even greater understanding of

the overall impact of our business on all our capitals, which is crucial in helping guide our future decision making. This approach provides a more complete assessment of how value is generated and makes it easier to understand our positive and negative impacts in both the short and long term.

The benefits of successfully managing all our capitals is no different to good management of financial capital. I believe it makes sound business sense to understand the value of all the capital upon which we rely, impact and contribute to. By reporting in this way, we are taking significant steps forward to do that.

Our work in this area is ambitious and ground breaking and we want to share with you our progress on this journey. I am excited to see this developing and contributing to achieving our vision to sustainably lead our sector.

I hope you find this report interesting and inspiring.



**Heidi Mottram**  
Chief Executive Officer

# WATER FORUMS' VIEWS

**OUR TWO WATER FORUMS ARE A VITAL PART OF US ACHIEVING OUR VISION. THEY CHALLENGE US TO ALWAYS MAKE SURE WE PUT OUR CUSTOMERS AT THE HEART OF OUR FUTURE PLANS AND PRICING.**

We have a Water Forum for Northumbrian Water, and one for Essex & Suffolk Water. The members are not our employees; they are all independent, with a great mixture of experience, knowledge and networks that puts them on the front foot for challenging our thinking and kick-starting dialogue about important customer issues.

Their job is to represent customers and challenge us to understand the impact of our decisions before they're taken.

Reviewing our activities and performance covered in Our Contribution, the Water Forums have provided the following comment:

"During 2016, the two, jointly-chaired NWG Water Forums have had the opportunity of seeing and interacting with many examples of NWG's environmental, social and economic activities, projects and initiatives.

This has helped us to fulfil our statutory obligation to hold the company to account, helping to validate, guide and challenge its sustainability strategy and activities. We have had the chance to:

- Take part in a workshop about vulnerable customers and affordability, to understand NWG's work and recent customer research in this area
- Participate in networking events about the company's environmental and sustainability work
- Get involved in discussions at a diversity and inclusion workshop, to help the company shape its thinking in this important area

- Visit some of the company's leading environmental sites, such as the drinking water sludge treatment reed beds and advanced anaerobic digestion plants
- Attend customer research meetings, to hear first-hand what customers think about subjects such as flooding and river water quality.

Our Contribution report is a strong statement that brings to life how the company is part of developing the whole region, and we would like to draw particular attention to the following areas, which our members have highlighted during their involvement to-date:

- The holistic nature of the SupportPlus process for vulnerable customers who face debt issues, in partnership with the StepChange debt charity
- The broad, leading-edge, exceptional nature of its community partnerships
- The Every Drop Counts project, giving customers the chance to participate in water-saving initiatives
- The staff volunteering programme 'Just an Hour'
- The Branch Out fund, supporting local communities to improve their natural environment, and the active role NWG plays in Business in the Community
- The work the NWG Academy has started, to attract and develop the skills and young people the company needs for the future
- The inspiring and deservedly award-winning Water Rangers programme, which is showing what's possible with true public participation and co-creation

- The innovative work that NWG is doing to use the data it already collects to spot and reduce pollution incidents, so increasing its resilience
- Its partnership working on catchments, for example the River Don Integrated Catchment Project, to put focus on problem areas
- The further investment in innovation to produce green energy from sewage as part of the 'Power from Poo' initiative
- The progress being made to reduce and mitigate the impact on climate change
- The company's ongoing work to be a diverse and inclusive place to work, including 'Different Like Me' training that will help staff give better customer service.

Based on what customer research and participation activities have revealed, plus our own work and areas of expertise, some of our challenges to NWG for the coming years are as follows:

- Really increase awareness and take-up of the support available to vulnerable customers to make its services more affordable, potentially using, for example, staff volunteering
- Support education providers (for all ages) in encouraging more children to take up and pursue science, technology, engineering and maths (STEM) subjects, thereby helping to keep a full pipeline of skills that the industry needs
- Consider the best way of measuring the outcomes of community investment activity, for example its impact on trust in the company

- Investigate how focused partnership work could improve resilience and overcome 'misconnections' challenges with the Wapping Burn catchment, which is a tough nut to crack (when sewerage pipes are wrongly connected, by third parties, to surface water outlets)
- Improve the diversity of the workforce to support giving even better customer service.

These are some of the challenges we have offered to the company; others will emerge from the ongoing activities and discussions of the Forums in the coming months and years."

**Jim Dixon,**  
Water Forums Chair

On behalf of the Forums for Northumbrian Water and Essex & Suffolk Water





# SECTION 2: OUR BUSINESS MODEL

## OUR BUSINESS MODEL

**NWG'S VISION IS TO 'BE THE NATIONAL LEADER IN THE PROVISION OF SUSTAINABLE WATER AND WASTEWATER SERVICES'. WE WANT TO CONTINUE TO DELIVER VALUE TO CUSTOMERS AND OTHER STAKEHOLDERS BY FOCUSING ON OUR CORE COMPETENCIES OF WATER AND WASTEWATER MANAGEMENT.**

**Importantly sustainability is included in our overarching vision, which means that long term broad thinking about our influence and dependencies broadly is embedded in our business model that flows from this vision.**

We have underpinned our drive to be the best with five strategic themes, Competitiveness, Customer, People, Environment and Communities. Achieving the right balance between them is essential to our success and reputation.

## OUR VALUES

**AS IMPORTANT AS OUR CLEAR DIRECTION AND GOALS IS OUR CLEAR SENSE OF VALUES. WE HAVE MADE A COMMITMENT TO FIVE CORE VALUES, DESCRIBED BELOW, AND THESE ARE THE PRINCIPLES WHICH DEFINE HOW WE WILL WORK TO ACHIEVE THE VISION.**

**ONE-TEAM:** We work together consistently, promoting co-operation, to achieve our corporate objectives.

**RESULTS DRIVEN:** We take personal responsibility for achieving excellent business results.

**CUSTOMER FOCUSED:** We aim to exceed the expectations of our external and internal customers.

**CREATIVE:** We continuously strive for innovative and better ways to deliver our business.

**ETHICAL:** We are open and honest in meeting our commitments, with a responsible approach to the environment and our communities.

# OUR OUTCOMES

Our business outcomes are aligned to these themes and encapsulate our long-term goals and what we aim to

**TABLE 1:**

THEME	OUTCOME
	<ul style="list-style-type: none"> <li>• We deliver water and sewerage services that meet the needs of current and future generations in a changing world</li> <li>• We supply clean, clear drinking water that tastes good</li> <li>• We provide a reliable and sufficient supply of water</li> <li>• Our customers consider the services they receive to be value for money</li> <li>• Our customers are well informed about the services they receive and the value of water</li> <li>• We provide a sewerage service that deals effectively with sewage and heavy rainfall</li> <li>• We provide excellent service and impress our customers</li> </ul>
	<ul style="list-style-type: none"> <li>• We help improve the quality of rivers and coastal waters for the benefit of people, the environment and wildlife</li> <li>• We protect and enhance the environment in delivering our services, leading by example</li> </ul>
	<ul style="list-style-type: none"> <li>• We are an efficient and innovative company</li> <li>• Our finances are sound, stable and achieve a fair balance between customers and investors</li> </ul>
	<ul style="list-style-type: none"> <li>• Our people are talented, committed and inspired to deliver great services to customers</li> <li>• Our people act in line with our values</li> <li>• We are seen as a great place to work</li> <li>• Our workplaces are healthy and safe</li> </ul>
	<ul style="list-style-type: none"> <li>• We are proud to contribute to the success of local communities</li> <li>• We work in partnership towards common goals</li> </ul>
	<ul style="list-style-type: none"> <li>• We are a company that customers trust</li> </ul>

# OUR BUSINESS ACTIVITIES

Table 2 summarises our key business activities, grouped according to core water, wastewater and customer functions. These core business areas are supported by cross-cutting functions such as procurement. The key activities described in Table 2 cover the majority of our operations and capture the main drivers of impact and value creation for society.

**TABLE 2: SUMMARY OF NWG'S KEY BUSINESS ACTIVITIES**

BUSINESS ACTIVITY	KEY ACTIVITIES
<b>WATER SERVICES</b>	
<b>Catchment management</b>	<ul style="list-style-type: none"> <li>• Encourage environmentally sensitive farming</li> <li>• Undertake ecosystem restoration and management</li> <li>• Implement sustainable drainage systems (SuDS)</li> </ul>
<b>Raw water abstraction</b>	<ul style="list-style-type: none"> <li>• Operate reservoirs, boreholes and river outtakes</li> <li>• Manage land around reservoirs</li> </ul>
<b>Water supply and network</b>	<ul style="list-style-type: none"> <li>• Operate water treatment works</li> <li>• Manage land around water treatment works</li> <li>• Transport water through the water network to customer taps</li> </ul>
<b>WASTEWATER SERVICES</b>	
<b>Wastewater network and catchment management</b>	<ul style="list-style-type: none"> <li>• Transport wastewater from customer sites to wastewater treatment works</li> <li>• Sustainable wastewater in the catchment                             <ul style="list-style-type: none"> <li>• Implement SuDS</li> <li>• Undertake ecosystem restoration and management</li> </ul> </li> </ul>
<b>Wastewater treatment and discharge</b>	<ul style="list-style-type: none"> <li>• Operate wastewater treatment works</li> <li>• Manage land around wastewater treatment works</li> <li>• Discharge treated wastewater to the environment</li> </ul>
<b>CUSTOMER SERVICES</b>	
<b>Customer service</b>	<ul style="list-style-type: none"> <li>• Engage customers</li> <li>• Encourage improved customer water efficiency</li> <li>• Run 'Love your drain' campaign to reduce pipe blockages</li> <li>• Support indebted and vulnerable customers</li> </ul>
<b>SUPPORTING FUNCTIONS</b>	
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• Purchase goods and services from local, national and international suppliers</li> </ul>
<b>Fleet and logistics</b>	<ul style="list-style-type: none"> <li>• Road, rail and air travel to support construction, maintenance, and other business activities</li> </ul>
<b>Buildings and facilities</b>	<ul style="list-style-type: none"> <li>• Ensure supply of energy and materials to offices and other facilities (excluding core water and wastewater infrastructure) for everyday operations</li> <li>• Construct new facilities</li> </ul>
<b>Workforce</b>	<ul style="list-style-type: none"> <li>• Provide employment</li> <li>• Support employee training and development</li> <li>• Promote employee health, safety and wellbeing</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>• Encourage and manage employee volunteering</li> <li>• Oversee community and charitable investment</li> </ul>



## SECTION 3: OUR CONTRIBUTION STORY

# OUR CONTRIBUTION STORY

**THIS REPORT SHOWS HOW WE ARE USING THE CAPITAL MODEL TO BETTER UNDERSTAND OUR BUSINESS IMPACTS AND DEPENDENCIES.**

At NWG we understand that the financial value of the business is only one measure of its success. Understanding our impact and dependence on the natural world, society and our employees are all equally as important. We believe in taking a long term view and want to leave a positive legacy in the areas where we operate.

The performance of a business is frequently measured on its financial return in isolation of any other contributing factors, yet within a business, to ensure it is running efficiently, human, environmental and social indicators are also used. Putting those alongside financial indicators and indicators about the physical assets the company owns provides a far more integrated picture of our performance.

At NWG we want to ensure that the measures and indicators we are using do provide that holistic, integrated picture. We want the measures we use to be consistent and hopefully comparable across the industry and within the broader business world. We want to truly understand the complete impact

of our decisions.

To enable us to have that integrated view of how we are performing, we need to be able to measure and monitor those impacts, both positive and negative.

We are working hard to do this in the most comprehensive and credible way. We have chosen to use PricewaterhouseCoopers' (PwC's) Total Impact Measurement and Management (TIMM) framework as well as take expert advice from PwC to inform our assessment of Our Contribution.

Using this expert advice and having consulted inside and outside the business we have identified our material impacts and key dependencies. This report outlines these important areas and gives an indication of the relative scale of our impacts on them. To help bring this to life we also present leading case studies and supporting data which showcase the work we do.

Over the next year we will be working on more detailed metrics that we can use to measure the positive and negative flows of our business activities.





## SECTION 4: OUR CAPITAL ASSETS

# OUR CAPITAL ASSETS

THERE ARE FIVE AREAS THAT WE RELY ON FOR OUR GOODS AND SERVICES, THESE ARE KNOWN AS THE FIVE CAPITALS.



### 1. FINANCIAL CAPITAL

Financial capital is the funds available for business activities, whether generated by an organisation's own operations and investments or provided by financial institutions



### 2. MANUFACTURED CAPITAL

Manufactured capital comprises material goods or fixed assets which contribute to the production process.



### 3. NATURAL CAPITAL

Natural capital represents the renewable and non-renewable environmental resources that all individuals and organisations are dependant on.



### 4. HUMAN AND INTELLECTUAL CAPITAL

Human and intellectual capital consists of people's health, knowledge, skills and innovation.



### 5. SOCIAL CAPITAL

Social capital is the networks, relationships and connections between people, communities and institutions.

We recognise that understanding and managing our interactions with the five key capitals is critical to our future business success. Dependence on these diverse forms of capital is the basis for the value we create for customers and society.

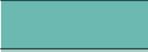
Each area of the business depends on different capitals to varying degrees based on the activities carried out in that area. Using expert advice, the relative dependence of our core business functions on the five capitals has been assessed at a high level based on simple economic principles and using our data.

The capitals dependency framework applied to our core business functions is shown in Table 3 overleaf. Due to the mixture of quantitative data, proxy data, and qualitative assessment, results are presented in relative rather than absolute terms.



**TABLE 3:  
RELATIVE DEPENDENCE OF OUR BUSINESS AREAS ON THE FIVE CAPITALS**

		BUSINESS FUNCTION				
		WATER		WASTEWATER		CUSTOMER
		Catchment management and raw water abstraction	Water supply and network	Wastewater network and catchment management	Wastewater treatment and discharge	Customer engagement, wellbeing and support
CAPITAL	Natural capital 	High	Medium	High	Medium	Low
	Social capital 	Medium	Low	High	Low	High
	Manufactured capital 	Low	High	Medium	Medium	Low
	Human and intellectual capital 	Medium	High	Medium	High	Medium
	Financial capital 	Medium	High	High	High	Medium

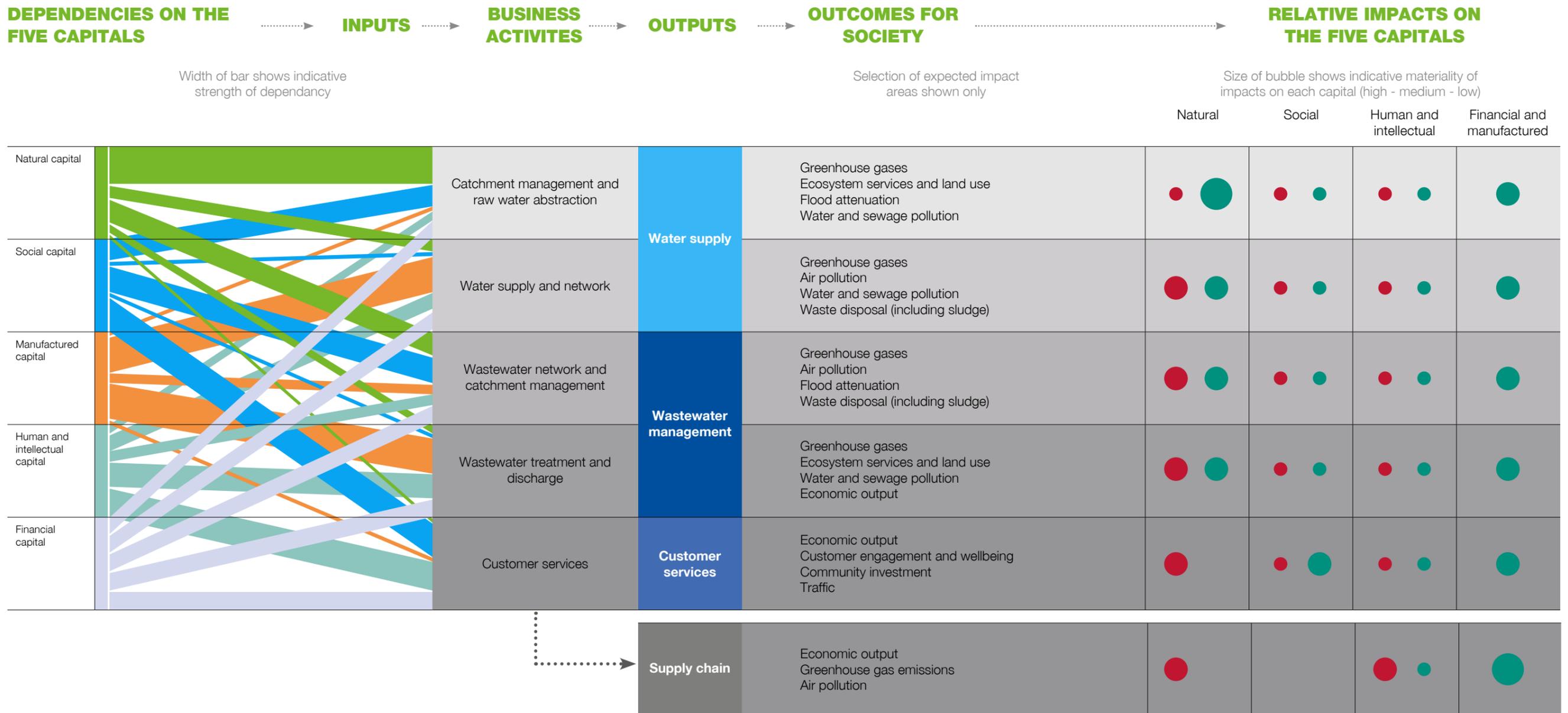
KEY	COLOUR
High	
Medium high	
Medium	
Medium low	
Low	

# SECTION 5: OUR DEPENDENCE AND RELATIVE IMPACT ON THE FIVE CAPITALS

# OUR DEPENDENCE AND RELATIVE IMPACT ON THE FIVE CAPITALS

In exploring the five capitals approach, we are realising our ambition to better understand and communicate the value we create for society. Based on expert assessment and having consulted internally and externally, our indicative materiality of impact and dependence on the five capitals is shown below (Figure 1). For our impact on social capital, we have taken a baseline that assumes if we were not providing the essential water and wastewater services to our customers, an alternative organisation would be fulfilling this need. Therefore the positive impacts of us providing this essential service is taken as a given in the baseline and not shown as a material impact in the table.

**FIGURE 1: OUR DEPENDENCE AND IMPACT ON THE FIVE CAPITALS**



## VALUE CREATION AND ASSOCIATED IMPACTS

The impacts shown above are relative, all of them represent areas that we have identified as being material to us. The scale is relative, so lower rating doesn't mean insignificant in absolute terms, to put this into context, our economic contribution equates to £billions each year compared to our contribution to local communities which is £millions each year. Both of these are significant and essential to our long term success.

**TYPE OF IMPACT**

- Positive
- Negative

**INDICATIVE MATERIALITY**

- Low
- Medium
- High

## IDENTIFYING IMPACTS

Our main business activities have been analysed, and this has identified 13 areas where we have material direct and indirect impacts. Table 4 shows these external impacts in addition to the economic value we add.

**TABLE 4: KEY IMPACT AREAS IDENTIFIED FOR NWG'S DIRECT AND INDIRECT IMPACTS**

CAPITAL	IMPACT AREA	DESCRIPTION OF IMPACT AREA
<b>Natural capital</b>	Greenhouse gases	Greenhouse gases (GHGs) trap energy in the atmosphere, contributing to climate change and its impact on society. The principal GHGs released by human activity include carbon dioxide (CO2), methane (CH4) and nitrous oxide (N2O). This impact area includes the emission of GHGs to the atmosphere, as well as avoided emissions through renewable power generation and any greenhouse gases absorbed from the atmosphere by ecosystems. Greenhouse gases are expressed in common units, in terms of their effect on the climate, for example the Global Warming Potential.
	Air pollution	The release of gases and particulate matter into the atmosphere has societal impacts beyond climate change. In particular, pollutants such as PM <sub>2.5</sub> and nitrogen oxides (NOx) have adverse effects on human health as well as ecosystems.
	Ecosystem services and land use	Ecosystems provide essential services to society which regulate our environment, provide goods and services that support livelihoods, offer opportunities for recreation and provide cultural and spiritual enrichment. Ecosystem restoration and sustainable landscape management can maintain or enhance them, and the conversion and degradation of natural areas can lead to a reduction in these services.
	Flood attenuation	Flooding can lead to significant impacts through the damage they cause to property as well as wellbeing impacts they have on the people affected. Flooding can also overwhelm wastewater networks, which drives sewer flooding and sewage pollution. The use of Sustainable Drainage (SuDs) and catchment management to manage surface water can help reduce potential flooding, alleviating its negative impacts.
	Water and sewage pollution	The release of toxins to waterways can lead to impacts on people's health if the pollutants are ingested via drinking water or through bioaccumulation in food. Excess nutrient pollution leads to eutrophication which reduces environmental quality and can adversely affect fisheries productivity and recreation opportunities. For us, sewage pollution is a particularly relevant type of water pollution that affects rivers and coastal areas, particularly when any untreated wastewater is released to the environment.
	Water resource management and use	In areas of water scarcity, the unsustainable consumption of water resources, such as groundwater, reduces water availability for future populations and may in some cases affect agricultural productivity, and the quality of the natural environment, with associated reductions in ecosystem services. In developing countries in our supply chain, in some circumstances, water consumption may reduce the availability of clean water for local communities, resulting in increased consumption of dirty water, with associated impacts on people's health. In the UK, much of the benefit of effective water management is captured in the price of water, which assumes a stable and reliable supply. However, we may have impacts that are not captured in the price of water, for example through the transfer of invasive non-native species between water sources, or (if applicable) abstraction from groundwater at levels that are not sustainable or cause ecological impact. We do not currently have any unsustainable water extraction points so at present this impact may not be material.

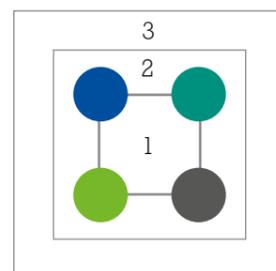
CAPITAL	IMPACT AREA	DESCRIPTION OF IMPACT AREA
	Waste disposal (including sludge)	The disposal of waste can drive a number of impacts including the release of GHGs and other air pollutants, leachate of pollution into water bodies and soils, and disamenity around disposal sites. In our case, a key waste product is sludge, which must be disposed of appropriately and can often be used to produce gas for export to the gas network and used to produce electricity and heat for use by us.
		We provide value for our customers by providing them with a reliable supply of clean water and safely collecting and disposing of their wastewater.
<b>Financial capital</b>	Economic output	The economic value created by us is measured as gross value added (GVA) – contribution to gross domestic product (GDP). This is calculated as the value paid by customers for our services, minus the costs of inputs to production (goods and services purchased from other companies). This GVA is shared between profits and wages, with portions of these also contributing to local and national government tax receipts. Our suppliers themselves also contribute to GVA, including payment of wages to their employees.
<b>Human and intellectual capital</b>	Training, education and knowledge	Training and education increases workers' productivity, adding to their human capital. Much of the value of this is captured in the future wages of these workers, which would be reflected in our GVA in future years. However, when employees leave the company, the human capital added by our training and education contributes to the wider economy through improved productivity (known as a 'spillover effect').
		In a similar way, the value of knowledge created by our research (both social and scientific) creates private value for us, reflected in future years' GVA, and also has a spillover benefit to the economy.
	Employee health and wellbeing	Injury and illness reduce both employee wellbeing and the amount of labour that employees can provide. This harms the business directly through reduced productivity and employee absence which will be reflected in financial results. However, the impact on wellbeing and increase in treatment costs will not be captured in the accounts. Where the health consequences are long-lived, employees who in the future leave the firm may have reduced ability to work, leading to a negative productivity spillover in the wider economy. Employee wellbeing and engagement schemes improve workers' wellbeing in addition to any productivity benefits to the firm.
<b>Social capital</b>	Customer engagement and wellbeing	Providing a high quality customer experience in addition to the core services of providing water and wastewater services adds to social capital by building public trust. Water efficiency programmes help customers save water and collaboration with charities such as StepChange contribute to customer satisfaction and wellbeing. Campaigns such as 'Love your drain' educate customers on what can be disposed of down drains, sinks or toilets to help reduce blockages and coastal pollution. All these activities contribute to building strong networks, relationships and connections between us and wider society.
	Traffic	We own and operate a large fleet of vehicles. These can affect communities through traffic noise and the disruption of congestion. Street works can also create noise pollution and traffic disruptions that affect communities and businesses. Greenhouse gas emissions and other air pollution from the vehicles contribute to climate change and can adversely affect human health (included in natural capital, opposite).
	Community investment	Our work in the community creates wider societal benefits and helps boost social capital. Direct contributions to charities and non-governmental organisations help the community through socially beneficial activities, while volunteering through our 'Just an Hour' programme allows employees to become involved in their communities and contribute to causes they value.

**FIGURE 2: LINKS BETWEEN OUR BUSINESS FUNCTIONS, KEY ACTIVITIES AND IMPACT AREAS**

The diagram below summarises the key links between our business activities and the impact areas identified. Examples of further detail on these links is provided with the case studies.



**KEY**



- 1. Business function
  - 2. Key activities
  - 3. Impact areas identified
- Financial and manufactured capital
  - Social capital
  - Human and intellectual capital
  - Natural capital

### PRIORITISING IMPACTS

The expected materiality of each impact area varies by core business function. The expected size of direct impacts across our core business functions, and of indirect impacts in the supply chain has been mapped (Figure 3). Supporting functions' impacts are allocated to the core business functions.

This assessment is informed by expert judgement and information and individuals across the business. It is intended to provide a relative indication of materiality, but until impacts are quantified and valued it is not possible to be definitive, and the results of future impact analysis may vary from the pattern shown here.

**FIGURE 3: INDICATIVE MATERIALITY OF IMPACT BY BUSINESS SEGMENT**





## SECTION 6: WHAT DO OUR RESULTS MEAN?

# WHAT DO OUR RESULTS MEAN?

**FROM THE WORK THAT HAS BEEN DONE USING PwC'S TIMM METHODOLOGY, WE HAVE AN UNDERSTANDING OF OUR MATERIAL IMPACTS AND KEY DEPENDENCIES.**

This holistic look at our business and using the capitals approach enables us to understand where we have most influence, helps us make decisions and helps set our future direction in our business plan. This innovative way of looking at our wider contribution and the dependencies of the business will help us to continue to build a sustainable and resilient future for our customers.

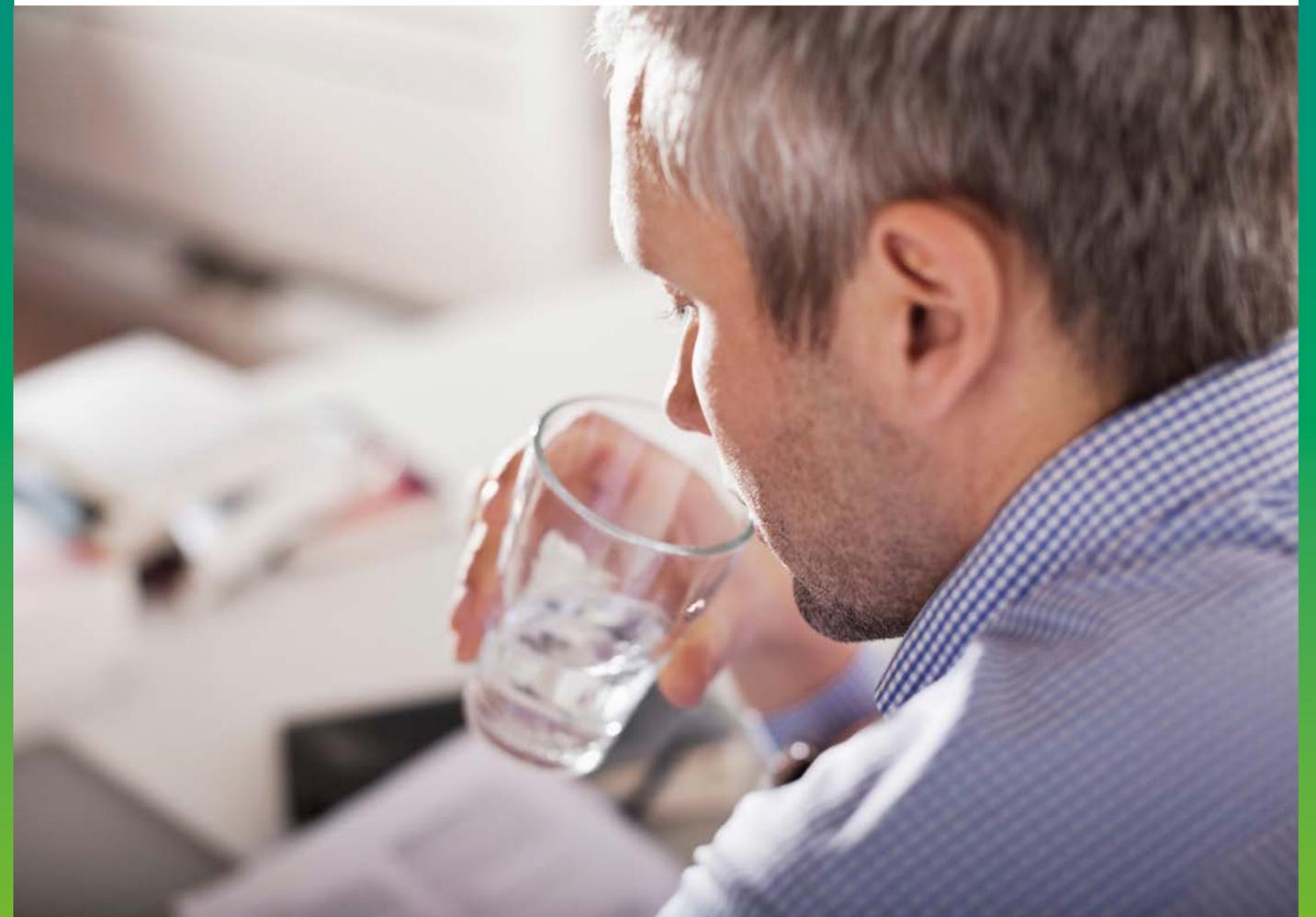
All of the areas assessed and identified in this report are of key value to us as a business. The relative difference in the scale of our impacts is due to how we function and the nature of what we do. Our primary purpose of sustainably supplying drinking water and safely taking away wastewater drives a huge investment programme of billions of pounds, which means in relative terms this impact on financial capital can be seen as the largest positive impact we have.

Equally, like all water companies, the very nature of our business means that we are a high energy user. While we are leading the industry in our use of

advanced anaerobic digestion, and have exceeded our targets on the generation and use of renewable energy, we recognise that our greenhouse gas emissions are a key impact on our natural capital.

For our impact on social capital, we have taken a baseline comparison which assumes that if we were not providing our customers with our essential services, an alternative organisation would be fulfilling this need. The material impacts identified are therefore the ways in which we provide added value over and above our core purpose for our customers and communities.

Due to the mix of proxy data and expert judgement to inform the impact materiality assessment the results are presented in relative rather than absolute terms and should be considered as indicative at this stage. Further detailed analysis of these key areas in the years ahead will give more precise quantitative data on the comparisons of these relative impacts.





## SECTION 7: CASE STUDIES & KEY DATA

# CASE STUDIES & KEY DATA

**IN THIS SECTION WE PRESENT SOME OF OUR FANTASTIC CASE STUDIES, WHICH SHOWCASE THE WORK WE DO, SUPPORTING DATA AND EXAMPLES OF HOW WE LOOK AT OUR IMPACTS ASSOCIATED WITH THESE AREAS. THIS REPRESENTS CRUCIAL INFORMATION THAT WE USE TO HELP MONITOR PERFORMANCE AND INFORM OUR DECISION MAKING.**

We have brought this work to life by sharing case studies, which show some of our highlights over the last year and demonstrate how important the capitals are to our success as a resilient thriving business.

The case studies also show how our activity and operations interact across multiple capitals and we have used the symbols shown above, to explain which of the capitals we feel are represented in each case study.



# FINANCIAL AND MANUFACTURED CAPITAL



VALUE OF THE ASSETS WE OWN  
**£4,261m**

CAPITAL INVESTMENT IN THE YEAR



**£225m**

LENGTH OF NEW WATER MAINS



**98km**

LENGTH OF GRAVITY SEWERS REHABILITATED



**78km**



LENGTH OF RISING MAINS REPLACED OR STRUCTURALLY REPAIRED

**9km**

OPERATING PROFIT

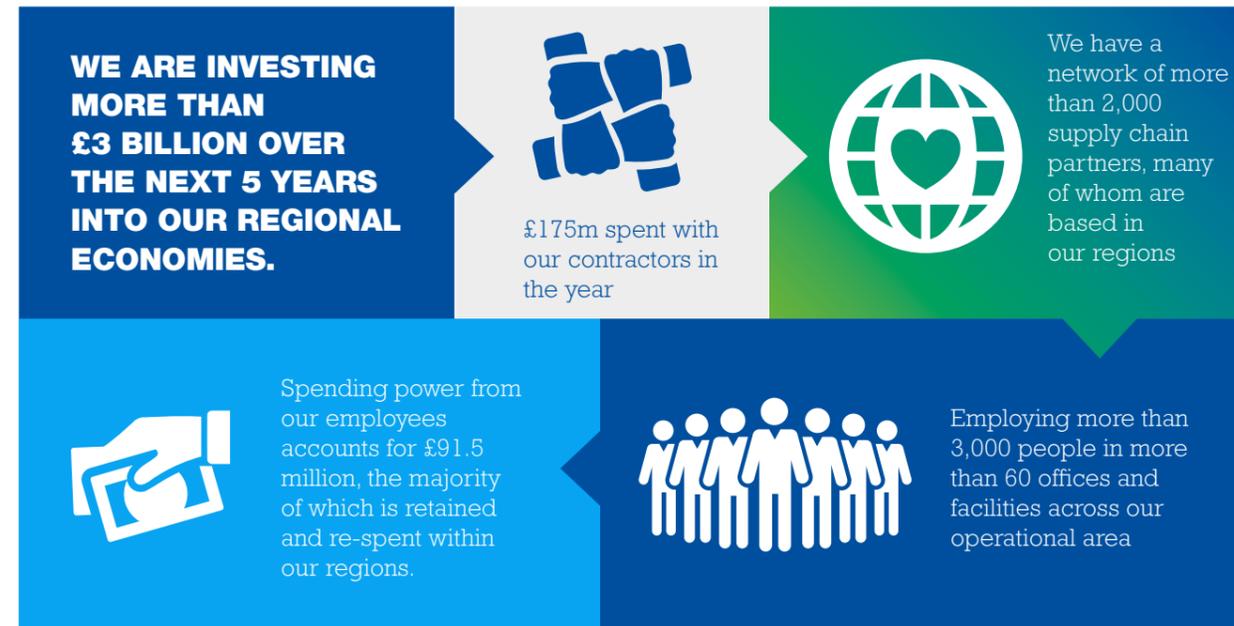


**£357m**

## RIPPLE EFFECT



OUR ACTIVITIES PLAY A SIGNIFICANT PART IN THE ECONOMIC WELL-BEING OF THE REGIONS WE SERVE.



In addition to the vital role we perform in the provision of water services to homes and businesses across our supply area, we have a substantial programme of expenditure and investment. We are a permanent and essential contributor to sustainable economic growth, investing more than £3 billion between 2015 and 2020.

This scale of our investment in regional infrastructure is a significant contributor to local economic growth and offers long term sustainability as unlike most businesses, our activities take place only within the regions we operate.

We work closely with our many local suppliers, helping them to grow their businesses to add to the economic impact we have on the region. We have a network of more than 2,000 supply chain partners, many of whom are based in our regions.

We employ more than 3,000 people in more than 60 offices and facilities across our operational area. The vast majority of our employees both live and work in our operating area. Spending power from our employees accounts for £91.5 million, the majority of which is retained and re-spent within our regions.

There are strong economic links between our company, our employees and our supply chain. This means that our investment has a ripple effect in the local economy going far beyond the direct investment through trade linkages with local suppliers and through employment of a large regional workforce.

In our NW region, it is estimated that for every £100 million of investment and expenditure, approximately £80 million could be generated as a result of the 'ripple' effect upon the regional economy. Over a five-year period, the 'ripple' effect of the activities in the NW region could equate to £2.1 billion; a financial impact on the north of England economy of almost £0.42 billion per year.

In our ESW region it is estimated that for every £100 million of investment and expenditure, approximately £28 million could be generated as a result of the 'ripple' effect. Over a five-year period, the 'ripple' effect of our activities in Essex and Suffolk could equate to £255 million; a financial impact on the economy of almost £51 million per year in the region.

# ABBERTON RESERVOIR



**ACROSS THE COUNTRY WE HAVE SOME SIGNIFICANT CHALLENGES TO FACE WHEN IT COMES TO RESOURCE SUSTAINABILITY AND RESILIENCE. THERE IS REAL CONFIDENCE IN THE PREDICTIONS THAT WE ARE GOING TO SEE MORE EXTREME WEATHER EVENTS AS A RESULT OF A CHANGING CLIMATE – FOR US THIS MEANS WE NEED TO BE PREPARED FOR WHEN THERE IS NOT ENOUGH WATER AND WHEN WE HAVE FAR TOO MUCH AT ONCE, LEADING TO FLOODING.**

In order to ensure a resilient supply of water in the driest county in the country, in Essex we have invested £150million to complete the Abberton Scheme. Following more than 20 years of investigation, consultation and detailed planning, the reservoir has been expanded by 58% to hold an additional 15 billion litres of water. This helps secure supplies to our 1.5 million customers in Essex for the next 25 years and beyond.

Abberton Reservoir is one of the most important habitats for overwintering wildfowl in Europe and is protected as such by international designations making this a particularly special project. From the outset, we looked at how we might make this site even more special for wildlife as part of the project.

We designed the scheme to secure future growth and make significant environmental enhancement at the same time. As well as securing water supplies, we have vastly extended the important habitats at the site; for example creating over 200ha of new wetland habitat.

The environmental enhancements and partnership approach we adopted, resulted in being honoured by world renowned naturalist and broadcaster, Sir David Attenborough joining us to officially open the scheme.

During 2016 work has continued to further the environmental enhancements at the site; including further areas of reed beds, grassland management and hedge planting.



**“I can remember a time when nature conservation and development were seen to be in opposition - you either developed or conserved - and that led to confrontation. Here at Abberton Reservoir this is fundamentally, extraordinarily and wonderfully different. This development has been constructed hand-in-hand to create a wonderment for people and wildlife who live and visit here and a godsend for people who depend on it for water.”**

**Sir David Attenborough**

**£150 MILLION INVESTED**

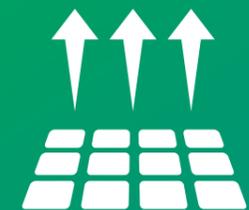


# NATURAL CAPITAL

**30%**  
RENEWABLE ENERGY USED



**GREENHOUSE GAS EMISSIONS**  
187.7kt CO2



**0.55 MEGALITRES SAVED PER DAY**  
THROUGH OUR WATER EFFICIENCY PROGRAMME



**£1.6 MILLION**  
ANNUAL INVESTMENT IN WATER EFFICIENCY PROGRAMME

**29,066**  
CUSTOMERS DIRECTLY HELPED TO SAVE WATER



**63%**  
ENGAGEMENT IN TARGET DRINKING WATER CATCHMENTS



**100%**  
BATHING WATERS MEETING SUFFICIENT STANDARD OR BETTER

**99.9%**  
WATER QUALITY COMPLIANCE



**202**  
MEGALITRES PER DAY LEAKAGE



**102**  
POLLUTION INCIDENTS

# POWER FROM POO



## WE ARE LEADING THE WAY IN GREEN ENERGY PRODUCTION FOR THE WATER INDUSTRY.

We use the waste customers flush down the toilet, as a fuel, and turn it into electricity and gas which people then use to heat their homes and cook their meals.

We are the first water company in the country to use all of the sewage sludge (the material left over at the end of the sewage treatment process) to produce gas and electricity. We've transformed sewage sludge, from being a waste product into a fuel being used to produce green energy.

We have invested £75million in Thermal Hydrolysis Advanced Anaerobic Digestion (AAD). The procedure uses a natural, biological process which involves taking leftover sewage sludge and heating it in something similar to a giant pressure cooker.

Our Howdon and Bran Sands AAD sites convert 100% of our sewage sludge to biogas and then into renewable electricity. At our AAD plant at Howdon we've made the "power from poo" process even more efficient by building a pioneering £8m gas to grid plant, which is the largest in the water industry. Biogas is upgraded after the AAD process by removing the carbon dioxide so the purified gas can be directly injected into the national gas grid.

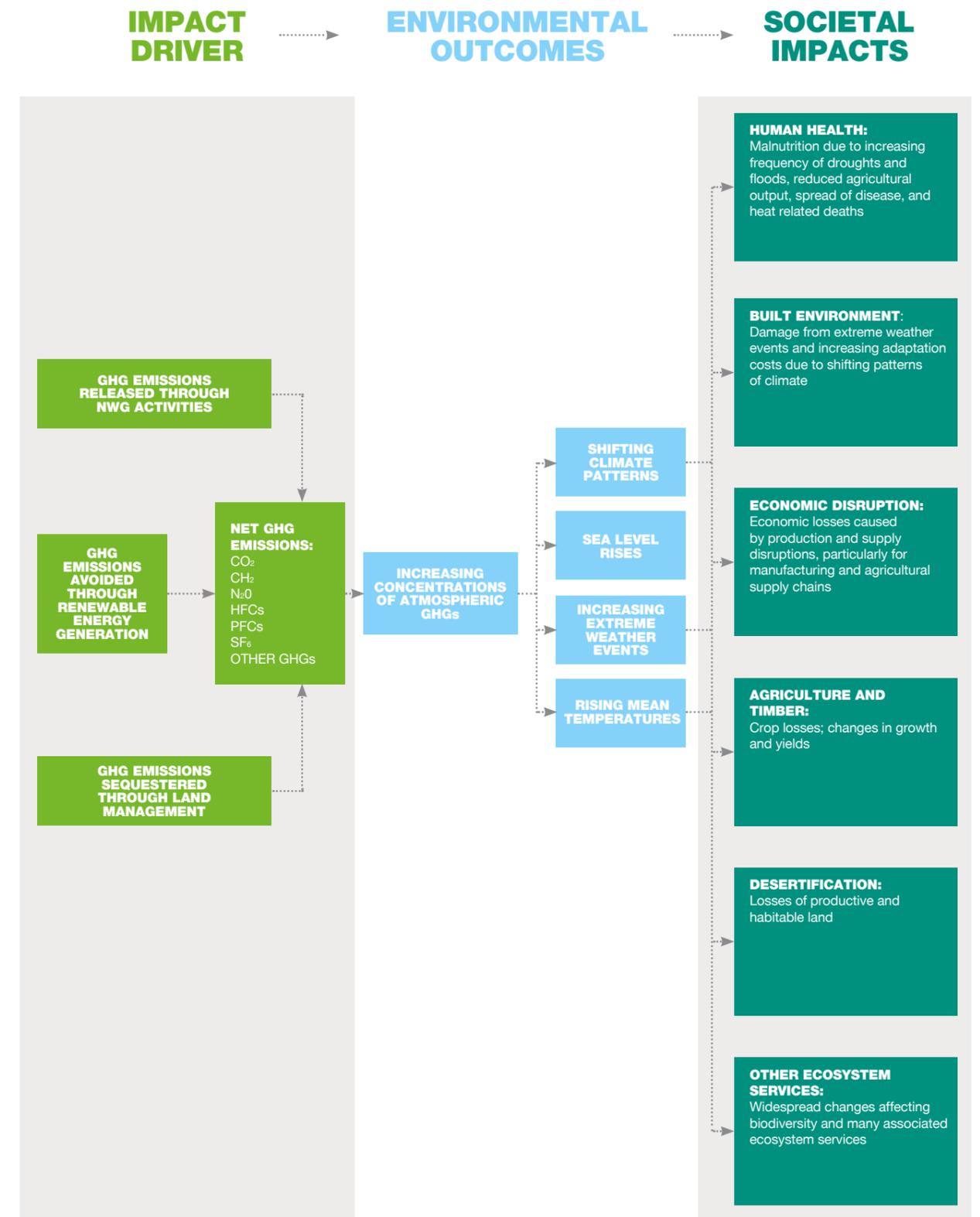
Results are impressive. By moving the sludge as a cake rather than a liquid we have reduced our carbon footprint from 90,000 tankers per annum to 10,000 trailers annually. We exceeded our renewable energy target of 20% two years early in 2013 and reduced carbon emissions by 30% towards our target of 35% by 2020.

“Our sites convert 100% of our sewage sludge to biogas and then into renewable electricity.”



Our business operations lead to the emission of greenhouse gases such as CO<sub>2</sub>. However, by producing low carbon energy as described in the previous case study, we also reduce the need for more heavily polluting power generation, leading to 'avoided' greenhouse gas emissions which is a positive impact. We also manage our land in a way that may absorb CO<sub>2</sub> from the atmosphere and store it in biomass. The impact pathway of greenhouse gas emissions and the resultant societal outcomes are shown in Figure 4.

FIGURE 4: IMPACT PATHWAY FOR GREENHOUSE GASES



## CATCHMENT



**WORKING IN CATCHMENTS IS FUNDAMENTAL TO THE RESILIENCE OF OUR BUSINESS AND PLAYS A CRITICAL PART IN HOW WE THINK AND OPERATE. WE HAVE A LONG HISTORY OF WORKING IN PARTNERSHIPS AND ACTIVELY CONTRIBUTING TO PARTNERSHIPS IN CATCHMENTS ACROSS OUR ENTIRE SUPPLY AREA.**

We recognise that looking at the whole catchment area is key to making sure we supply clean, clear drinking water that tastes great to our customers now and in the future. In addition to improving water quality, taking a catchment based approach is helping us reduce the risk of flooding and improve biodiversity. To look after the entire catchment, we work in partnership with others.

By working in partnership, we are able to pool resources and knowledge to better understand our catchments and work more effectively to address any environmental issues. Collaboratively we deliver catchment improvements in order to help us to improve the quality of rivers, lakes and reservoirs, groundwater and coastal waters for the benefit of public water supply, people, the environment and wildlife.

We work with a wide range of partners across our operating area, supporting the work of Defra's Catchment Based Approach amongst other initiatives. Building relationships and providing direct support and advice to land managers is a key part of our work in this area.

We also involve our local communities in our catchment based approach a great example of this is our award-winning Water Rangers scheme. Launched in 2014 this involves volunteers monitoring public access routes next to streams, rivers, becks, burns and bathing waters in the North East which are prone to pollution. After completing weekly or fortnightly patrols, Water Rangers report on the condition of the watercourse so that any potential pollution can be dealt with quickly.

Volunteers receive thorough environmental training about what to look out for when monitoring watercourses.

Since the start to the end of February 2017, a total of 2,792 patrols were carried out with 143 issues reported. Eight of these were then self-reported to the Environment Agency.

Originally started with 32 routes the scheme has expanded in recent months to 55 routes patrolled by a team of 67 Water Rangers.

“Since the start to the end of February 2017, a total of 2,792 patrols were carried out with 143 issues reported.”



## EVERY DROP COUNTS



**EVERY DROP COUNTS IS OUR LARGEST EVER WATER SAVING CAMPAIGN ACROSS OUR NORTHERN AND SOUTHERN OPERATING REGIONS.**

It takes a truly innovative, creative and wide-reaching whole-town approach by offering customers the chance to participate in various water-saving initiatives taking place in the same town at the same time. Using targeted advertising and community based marketing, participation is maximised, helping participants save water, energy and money.

Through our Every Drop Counts campaign in 2016, we have directly contacted 25,000 domestic customers and 1,700 non domestic customers. 7,794 households are now saving on average 20.5 litres a year and 81 businesses are also saving a total of 10.9 million litres a year, showing what an impact the project has had.



NWG has delivered innovative water efficiency projects since 1997, establishing us as the widely regarded industry leader in water efficiency. Since 1997, over 119,000 school children engaged in the campaign through an interactive theatre production, and over 32,000 household water saving visits.



Every Drop Counts goes beyond existing good practice by bringing together all of NWG's successful initiatives – previously delivered at different times and to different target audiences – and delivering them in one town at the same time. Supplemented by an exciting and wide-reaching marketing campaign, the aims are clear; to increase participation, to demonstrate quantifiable water savings and to leave the town as water efficient as possible.



Every aspect of the project is measured. This has enabled NWG to report real and quantifiable water savings, as opposed to assumed savings. Using meter reads and customer feedback allows detailed statistical analysis, in turn contributing to the industry's evidence base.



# SUSTAINABLE DRAINAGE



## BRUNTON PARK IS AN AMAZING EXAMPLE OF A SUSTAINABLE DRAINAGE (SuDS) SCHEME, WHICH SAW A RIVER BEING DIVERTED FOR THE FIRST TIME, TO PROTECT TYNESIDE HOMES FROM FLOODING.

Completed in August 2016, the scheme has reduced the flood risk to more than 100 properties from three sources of flooding, including NWG's surface and foul sewer networks and from the River Ouseburn.

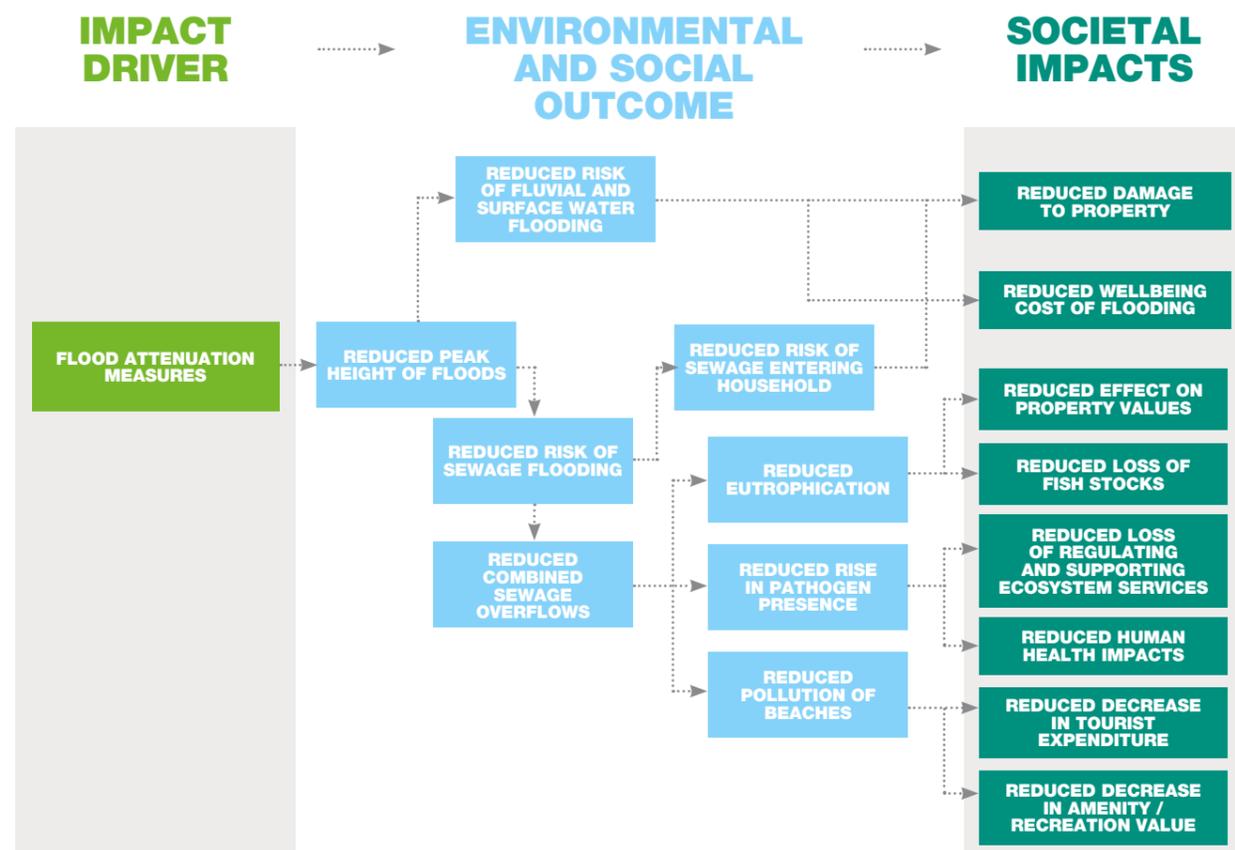
Working in partnership with the Environment Agency and Newcastle City Council, sustainable solutions included the installation of 380 metres of new river channel to divert the River Ouseburn away from the Brunton Park estate and a storage basin created using the old section of the river course. Almost two kilometres of new sewer, 600 metres of flood defence walls and an underground storage tank were also constructed.

As well as reducing flood risk, the scheme has delivered environmental benefits including the management of surface water in the natural environment and the creation of increased wetland habitat for wildlife.

It has also helped to increase community engagement. The route runs along the edge of the City of Newcastle Golf Course. A professional golf course designer was commissioned to create an improved course with the incorporation of the new river channel. Two key feature holes were created, something that the club are exceptionally pleased with.

Within the housing estate, the works required the demolition and replacement of the play area. On completion of the work a new playground was co-created with residents, the Parish Council and Newcastle City Council, providing a lasting legacy for the community.

FIGURE 5: IMPACT PATHWAY FOR FLOOD ATTENUATION



# HUMAN AND INTELLECTUAL CAPITAL



# SKILLS



**WITH 26 PARTNERS FROM ACROSS THE ENERGY AND UTILITIES SECTOR, WE'RE AIMING TO TACKLE FUTURE SKILLS SHORTAGES TO ENSURE WE CAN CONTINUE TO GIVE CUSTOMERS THE SERVICE THEY EXPECT AND DESERVE.**

The EU Skills Partnership has launched the sector's first ever Workforce Renewal and Skills Strategy to help find 221,000 new recruits to the industry by 2027.

At NWG, we are playing our part, working with partners and a range of other organisations to deliver apprenticeships and other routes into the sector. We also work in schools to educate young people about water and also to enthuse them about our industry, so they see the varied and exciting careers available within the utilities sector.

We currently have 10 Higher Degree apprentices earning as they work towards their BSc (Hons) Digital and Technology Solutions degree, delivered in partnership with the University of Sunderland.

Higher Degree apprentices are funded jointly between government and the employer, ensuring the learner gets paid to undertake academic studies, as well as undertake vocational learning, throughout the course.

Working with our team, the apprentices are helping to develop real applications and projects that will enhance the experiences of employees and customers alike.

Students and academics at some of the UK's leading universities are also helping us to get answers to questions and develop new knowledge that will help us to keep at the forefront of our industry.

Over the last two decades, we have built a network that includes universities across our operating regions.

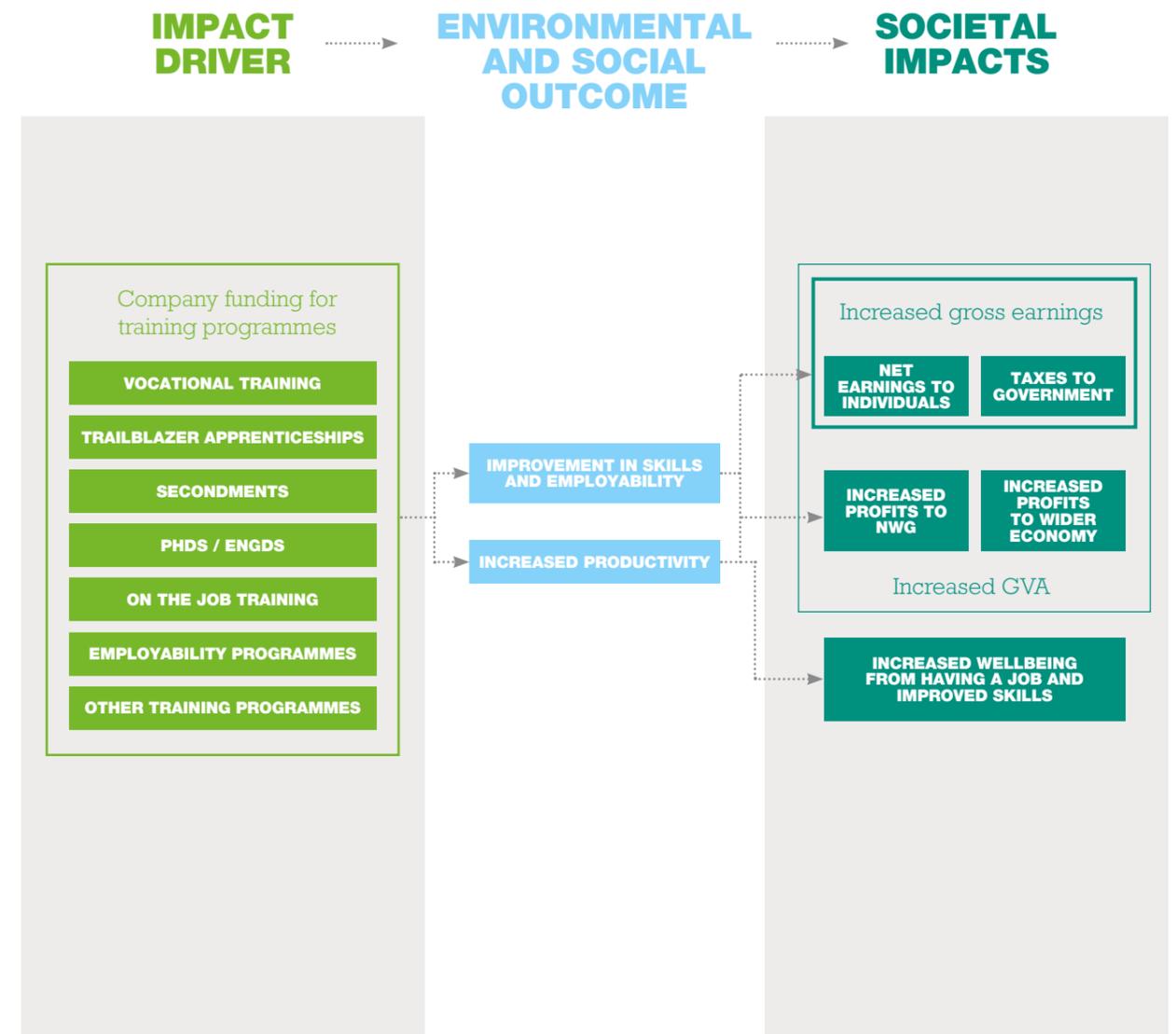
Much of our collaborative work is funded by the Engineering and Physical Sciences Research Council and the Natural Environment Research Council, in the form of post-doctoral research for example to predict and reduce incidences of discoloured water. It also includes developing joint research facilities, such as the biological wastewater research pilot plant BE:WISE, and supporting postgraduate research across a broad range of science and engineering disciplines.

We currently sponsor around thirty students through their postgraduate research and the findings have enhanced our understanding. This includes knowledge on how to recover energy and other resources, improving water quality for customers and the environment, how to sustainably reduce flood risk and how to engage more effectively with our customers and other stakeholders.

Everything we do in relation to supporting such academic research is carefully chosen to reflect and support our business strategy and objectives.

For the students, the opportunity and challenge is to approach a piece of research that has requirements of both an academic and an industrial nature.

**FIGURE 6: IMPACT PATHWAY FOR TRAINING**



## WOMEN IN SCIENCE AND ENGINEERING (WISE) NORTH EAST HUB



**AS A COMPANY, WE RECOGNISE THE VALUE AND IMPORTANCE OF DIVERSITY AND INCLUSION IN OUR WORKFORCE AND ARE ACTIVELY WORKING TO IMPROVE.**

Our aim at NWG is not to just focus on those elements of diversity that are protected by law. But to support all of our people to be the best that they can be in an environment that values and capitalises on everyone's contribution.

One of the ways that we work to lead in this area and continue to improve is through our partnerships with other organisations working to promote and encourage greater diversity and inclusion. For example, to help support this in our business and across the region, in September 2016 we hosted and have supported the launch of a brand new regional group aimed at improving gender balance and promoting diversity in science and engineering in the North East.

The WISE (Women in Science and Engineering) campaign's new North East Hub held its first meeting at our head office in Durham. People from across the North East's science and engineering sector, as well as others responsible for promoting diversity within businesses in the industry, attended the event.

The creation of the new group gives a forum to engage with other forward-thinking organisations, to share best practice, so that we can help others across the region to embrace diversity and inclusion.

Suzy Firkin, Membership Director at WISE, said:

“Many thanks to NWG for hosting the North East Hub event. It is always a pleasure to see the energy and enthusiasm of our members when they come together to share experiences and support each other in ensuring more women than ever before are an active part of the STEM workforce.”



## OUR SAFETY CULTURE



**IT IS OUR ASPIRATION AND ETHICAL RESPONSIBILITY TO MAKE SURE THAT EVERYONE GOES HOME SAFE EVERY DAY.**

We are proud of our record of maintaining a healthy and safe workplace, and we are working hard to improve this even further. We want to create and maintain a great safety culture and are putting a significant amount of effort into further improving behavioural safety.

During 2016 we maintained our high safety performance keeping us within the top quartile of water companies. We are certified under BS OHSAS 18001 Occupational Health and Safety Systems and received a gold medal award for the fifth consecutive year from RoSPA.

We've been working with our people to focus on talking to each other, engaging with their teams and thinking about safety in everything we think, say feel and do.

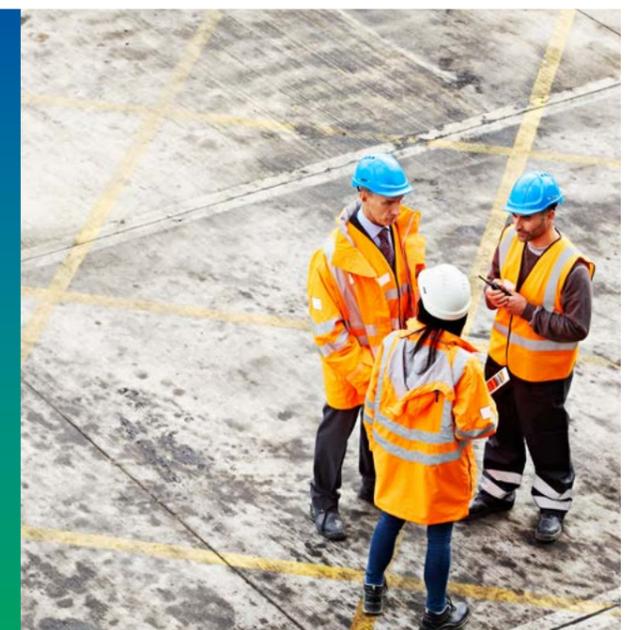
Safety is kept front of mind with regular communication with our people. One way that we have helped to improve our safety culture, is by introducing a 'safety share' at the start of all meetings. A safety share is simply a safety story or example that our people may have seen or heard that they share with their colleagues to demonstrate good practice or an opportunity to improve and learn. To help keep safety at the forefront of everyone's mind, a safety share is an important part of the start of all meetings and discussions. A 'safety share' is used a tool to start the conversation. This encourages others to pass on examples of safety and is a simple and effective way of further improving our safety culture that everyone from across the organisation gets involved with.

We also operate a 'Spot It' system to encourage reporting of health and safety issues and concerns by employees. A procedure is in place to ensure that suitable investigation and remedial actions are carried out, which are monitored to ensure closure. During 2016, employees raised 654 'Spot It's'.

A focal point for all health and safety communication is our HSQE Matters, which is published as a monthly digest with the intention of keeping all employees updated on external and internal changes in health and safety. This digest clearly sets out in a clear and easy to read way things our people need to do, things they need to know and things that they should discuss.

This commitment to developing and maintaining this strong behavioural safety culture is clearly demonstrated by our Leadership team. Every month all members of the Executive Leadership Team go out to meet employees and discuss health and safety. It provides Directors an opportunity to observe various workplace environments and learn how employees keep themselves and others safe.

**SAFETY IS KEPT FRONT OF MIND WITH REGULAR COMMUNICATION WITH OUR PEOPLE.**



# SOCIAL CAPITAL

**£471 MILLION**  
**RIPPLE EFFECT**  
 FROM OUR ACTIVITY IN OUR  
 REGIONS PER ANNUM

**£175 MILLION**  
 SPENT WITH LOCAL  
 CONTRACTORS



NW RATED AS THE MOST  
 TRUSTED WATER COMPANY  
 BY CUSTOMERS IN CCWATER  
 ANNUAL SURVEY

**561,198**  
**VISITORS**  
 TO OUR HISTORICAL AND  
 ECOLOGICAL SITES

**53%**   
**OF OUR PEOPLE**  
 VOLUNTEERED TO SUPPORT COMMUNITY,  
 ENVIRONMENT AND COMMUNITY PROJECTS



**3,918**  
**CUSTOMERS**  
 RECEIVING SUPPORT AND  
 ADVICE TO HELP MANAGE  
 DEBT IN 2016

**£613,566**  
 DIRECT FINANCIAL  
 CONTRIBUTION TO  
 ENVIRONMENTAL,  
 COMMUNITY AND  
 CHARITABLE NGOS

**1,273**  
**ENVIRONMENTAL**  
 COMMUNITY AND CHARITABLE  
 NGOS SUPPORTED BY US

**£204,000**  
 RAISED TO SUPPORT  
**WaterAid**

BRANCH OUT FUNDING  
 USED TO LEVERAGE  
**7.7x**  
 THE VALUE OF FUNDS

**1.22%**  
**OF PROFITS**  
**DONATED**  
 TO COMMUNITY GIVING

# SUPPORTPLUS



## WE RECOGNISE THAT SOMETIMES LIFE'S UPS AND DOWNS MEAN THAT SOME CUSTOMERS MAY FIND THEMSELVES IN CHALLENGING FINANCIAL SITUATIONS

As a business that puts customers at the heart of everything we do, it's important that we are aware of this and that we find ways to help. It's also why it's vital that, when there is a problem, customers speak with us as early as possible, so that we can look for ways to provide support.

Three years ago, we teamed up with StepChange Debt Charity, in a first for the water industry, to create a partnership to offer customers access to free, confidential debt advice and support.

As the UK's largest debt charity, StepChange is a natural partner to entrust with such important and often sensitive matters for our customers.

In 2016 alone, the partnership saw more than 2,500 referrals to StepChange. These referrals allow us to understand better each customer's financial situation and create an opportunity, and the time, for them to work with the charity to put together an action plan.

StepChange gives advice on a range of issues, from debt to bankruptcy, and even has an online benefits calendar on its website.

The partnership runs alongside a range of support available directly through our team, giving customers a number of ways to pay their bills. This includes; monthly instalments and budget plans, to help customers spread the cost of our services, short term

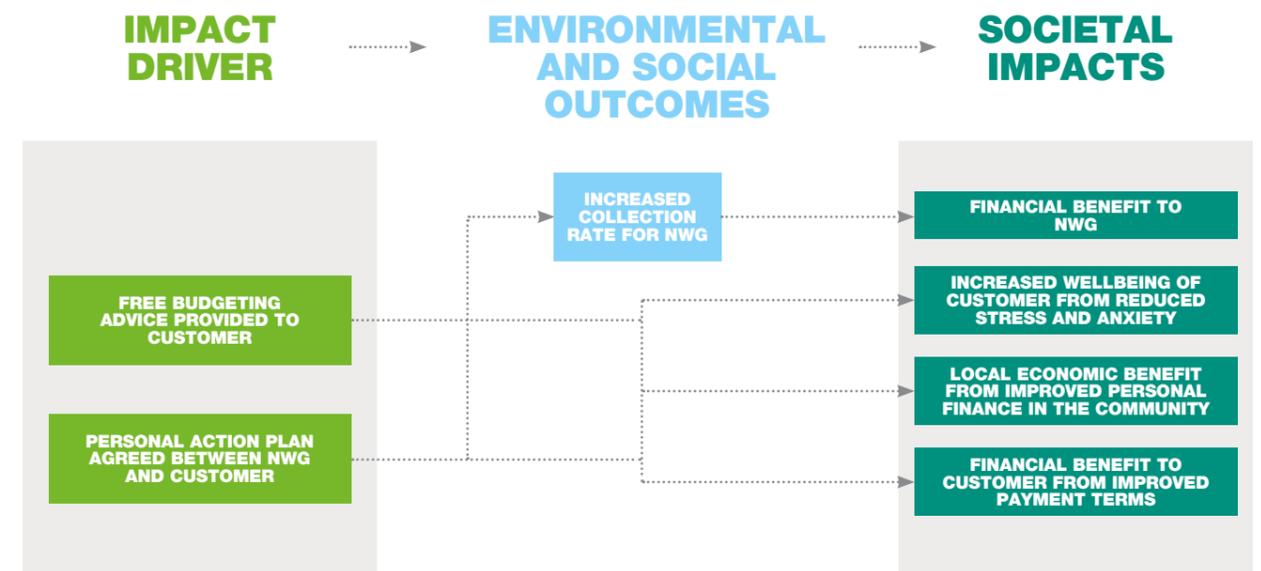
payment plans and even payment holidays for customers who have a break in income are also available.



“By working in partnership with organisations like NWG we can help to ensure that vital assistance reaches the many people out there who find themselves falling further into debt”

**Debt Advice Co-ordinator at StepChange**

**FIGURE 7: IMPACT PATHWAY FOR CUSTOMER EXPERIENCE THROUGH STEP CHANGE DEBT RELIEF**



## MAKE MY DAY



**WE ARE STRIVING TO PROVIDE OUR CUSTOMERS WITH UNRIVALLED CUSTOMER SERVICE. WORKING WITH OUR CUSTOMERS TO CREATE OUR STRATEGY FOR OUR CUSTOMER EXPERIENCE, WE UNDERSTAND THAT CUSTOMERS WANT TO KNOW ABOUT THE GREAT WORK WE DO LOCALLY AND TO BE MADE TO FEEL SPECIAL.**

One of the ways that we've done this is through a week of quite extraordinary activity to coincide with Customer Service Week in October 2016. We took to the streets and went out into our communities to surprise customers and specially selected community groups with treats and gifts by taking, to 'make their day'.

Each day we surprised customers that had been nominated by friends, neighbours and family members with a gift. This included a gift of £500 for Taylor who has severe cerebral palsy and wanted a beach wheelchair. A weekend in London to see Phantom of the Opera was given to a couple whose son is terminally ill who had not been away together for 9 years. 92 year old Violet asked for someone to take her out for fish and chips as she had no family and was lonely; one of our managers took Violet out for the afternoon.

We also surprised a number of community groups with gifts – ranging from a £500 donation to tables and chairs for an over 60s club to taking 22 volunteers from a community café, who all have learning difficulties, for a 5 star afternoon tea so they could experience the high life.

As well as the bigger surprises, we took our community engagement hub to a different location each day and did a special lucky dip for residents on their high streets. Everyone won a prize and 100 lucky people won a bigger prize like meal vouchers for a local restaurant, flowers or tickets for a local attraction.



“By the end of this special week, over 2,000 customers were touched by the campaign.”



## BRANCH OUT



**OUR BRANCH OUT FUND HELPS TO ENABLE PROJECTS THAT BENEFIT THE NATURAL ENVIRONMENT AND THEIR LOCAL COMMUNITIES. A HEALTHY NATURAL ENVIRONMENT IS ESSENTIAL FOR US TODAY AND TO ENSURE WE CAN CONTINUE TO SUPPLY TOP QUALITY DRINKING WATER AND SAFELY REMOVE WASTE WATER IN THE FUTURE.**

Branch Out is about working in partnership to reconnect habitats for the benefit of people and wildlife. In 2016 the fund has continued to enable number of projects with the aim of helping this region build resilience and adapt to the changing climate whilst bringing benefits to water, wildlife and communities.

In 2016, through Branch Out we supported a variety of partners with 15 projects providing close to £60,000 in funding. This funding has unlocked a further £347,588 in match funding for our partners, which equates to 7.7 times the value we have donated.

Projects supported by Branch Out in 2016 include Cold Blooded and Spineless, with the North Pennines AONB Partnership.

The project has been developed to empower local people to take action to discover, record, monitor and celebrate invertebrates. This is a five year project and Branch Out money has helped to unlock hundreds of thousands of pounds of Heritage Lottery Funding.

Cold Blooded and Spineless continues to build a pool of highly trained volunteers and to engage with the public to raise awareness of these small but valuable animals in the North Pennines.





## JUST AN HOUR



**WE ENCOURAGE OUR EMPLOYEES TO SUPPORT COMMUNITY AND CHARITABLE ORGANISATIONS THROUGH OUR EMPLOYEE VOLUNTEERING SCHEME JUST AN HOUR. THIS SCHEME ALLOWS EMPLOYEES TO GIVE A MINIMUM OF 15 WORKING HOURS EVERY YEAR TO SUPPORT CAUSES CLOSE TO THEIR HEARTS.**

Since the launch of Just an hour in 2002, our employees have supported the communities we serve, something we are very proud of.

Last year 53% of employees participated in Just an hour taking our community support beyond a pure donation of cash using their wealth of knowledge, skills and expertise for the benefit of communities, charities and the local environment.

Our employees often find opportunities through Just an hour allow them to learn new skills and can increase their confidence so they also benefit. Some departments use Just an hour for team building.

In 2016, our employees supported 836 organisations.

This included colleagues fundraising and sending more than 130 shoe boxes full of gifts to deprived communities across the Ukraine and Central Asia at Christmas to help put festive smiles on the faces of families.

Teams have also worked together volunteering alongside local suppliers to help transform the grounds of a local hospice. Two days of hard work saw the volunteers tidying the grounds and clearing areas to lay a woodland path accessible for wheelchairs at Zoe's Place Baby Hospice in Middlesbrough.



**53%**  
**OF EMPLOYEES**  
PARTICIPATED IN  
**JUST AN HOUR IN 2016**



**836**  
**ORGANISATIONS**  
HELPED IN 2016

**SECTION 8:  
THANK YOU FOR  
READING**

# THANK YOU FOR READING

We hope you have found this report informative and inspiring. By taking a holistic approach and looking at our social, environmental and economic impacts in the framework of the capitals we have taken a great step forward.

This report shows the technical assessments we have undertaken which have been brought to life by the case studies and data showcasing our leading work in the key areas for our business.

We have identified our material impacts and key dependencies. By publicly reporting on these in a transparent and ethical way we are sharing our

progress as we continue to work to integrate this understanding into our business plans and decision making.

This innovative way of looking at our wider contribution and the dependencies of the business will help us to continue to build a sustainable and resilient future for our customers.

This is our first Our Contribution report and we will continue to do further innovative work to take this on to new ground breaking levels for the water sector over the years to come.



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DH1 5FG

[www.nwl.co.uk](http://www.nwl.co.uk) | [www.eswater.co.uk](http://www.eswater.co.uk) | [www.welivewater.co.uk](http://www.welivewater.co.uk)

**NORTHUMBRIAN**  
**WATER** *living water*

**ESSEX&SUFFOLK**  
**WATER** *living water*