

# Our approach to multi-capital thinking

## Our capitals

Our capitals are the resources and relationships available to us. They are the inputs to our business that we transform through our decision-making process and operating activities into our strategic outcomes. We are starting to use the concept of capitals to guide our decision-making, for example, when considering land use and weighing the interests and benefits of recreation and biodiversity enhancements.

To monitor our progress across short, medium and long-term objectives, we are developing a multi-capital value framework that includes metrics and will include KPIs. We are aware that a multi-capitals approach needs to reflect the values of our business. We have chosen to develop our multi-capitals framework and metrics on our website, so we can update it with new information for each metric when it becomes available.







Our multi-capitals framework includes the six capitals – natural, financial, intellectual, human, manufactured and social.

The multi-capitals approach will help demonstrate how our inputs and activities, i.e. capital investment, support for customers in vulnerable circumstances, biodiversity enhancement and land management, impact on the ground. And to illustrate the value of these activities – helping with business resilience and environmental enhancement, supporting customer affordability and employee diversity, knowledge sharing and building trust with our stakeholders and customers.

- Financial – our financial health and efficiency;
- Manufactured – our pipes, water works and offices;
- Natural – the materials and services we rely on from local environment;

- Human – our people and wellbeing;
- Intellectual – our knowledge, innovation and partnerships;
- Social – our relationships, trust and contribution to society.

We are at the beginning of our work on multi-capitals and expect our metrics to develop as our data and reporting functions become more mature. We are keen to describe our progress, and lessons learnt, for our stakeholders. We have therefore summarised some key metrics we anticipate we will include within our multi-capitals reporting framework.

Multi-capitals theme	Metric	Impact	Value
 <b>Natural capital</b>	Biodiversity	Invasive Non Native Species	Biodiversity enhancement
	GHG [greenhouse gas emissions]	Out projects Net zero progress	Decarbonisation
 <b>Manufactured capital</b>	Pump replacement	Energy efficiency	£ saved
 <b>Human capital</b>	No Equality, Diversity and Inclusion initiatives	Gender pay gap Long Term Incentive score	Business continuity Zero harm
	Number of Wellbeing initiatives		
 <b>Financial capital</b>	Green investment	Type of investment funded	£ invested
 <b>Intellectual capital</b>	Innovation projects	Spend on innovation	Innovation solutions developed
 <b>Social capital</b>	Customers on Priority Services Register	No of customers supported	£ saved
	Debt and social charities supported	Per Capita Consumption reduction	
	Home efficiency checks		