

Delivering our strategic priorities



Warrenpoint wastewater treatment works, County Down.

The world in which we operate

Our global world

We live in a resource constrained world and have a responsibility to ensure that our planet earth is sustainable for those who come after us. The United Nations has developed 17 goals to deliver a more sustainable world by 2030 and we are proud to play our part in supporting delivery of at least 12 of these goals:

SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING 	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY 	8 DECENT WORK AND ECONOMIC GROWTH 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	11 SUSTAINABLE CITIES AND COMMUNITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	14 LIFE BELOW WATER 	15 LIFE ON LAND

Customer

Delivering an exceptional customer experience



NI Water's Intelligent Operations Centre.

Customer

Delivering an exceptional customer experience

Strategic areas of focus

Right place,
right time,
right channel

Caring
for you

Getting
smarter

Protecting
you

Sustainable development goals



Principal threats/opportunities



Page 84 Read more about principal threats and opportunities.

Strategic performance indicators

Customer	Unit of measurement	Target 2023/24	Actual 2023/24	Pass/Fail	Target 2024/25
Reduction in customers reporting service failures	Number	65,200	50,400	Pass	64,300
First point of contact resolution	%	84	86	Pass	84
More customers singing our praises (Net Promoter Score)	Number	42	46	Pass	42

Right place, right time, right channel

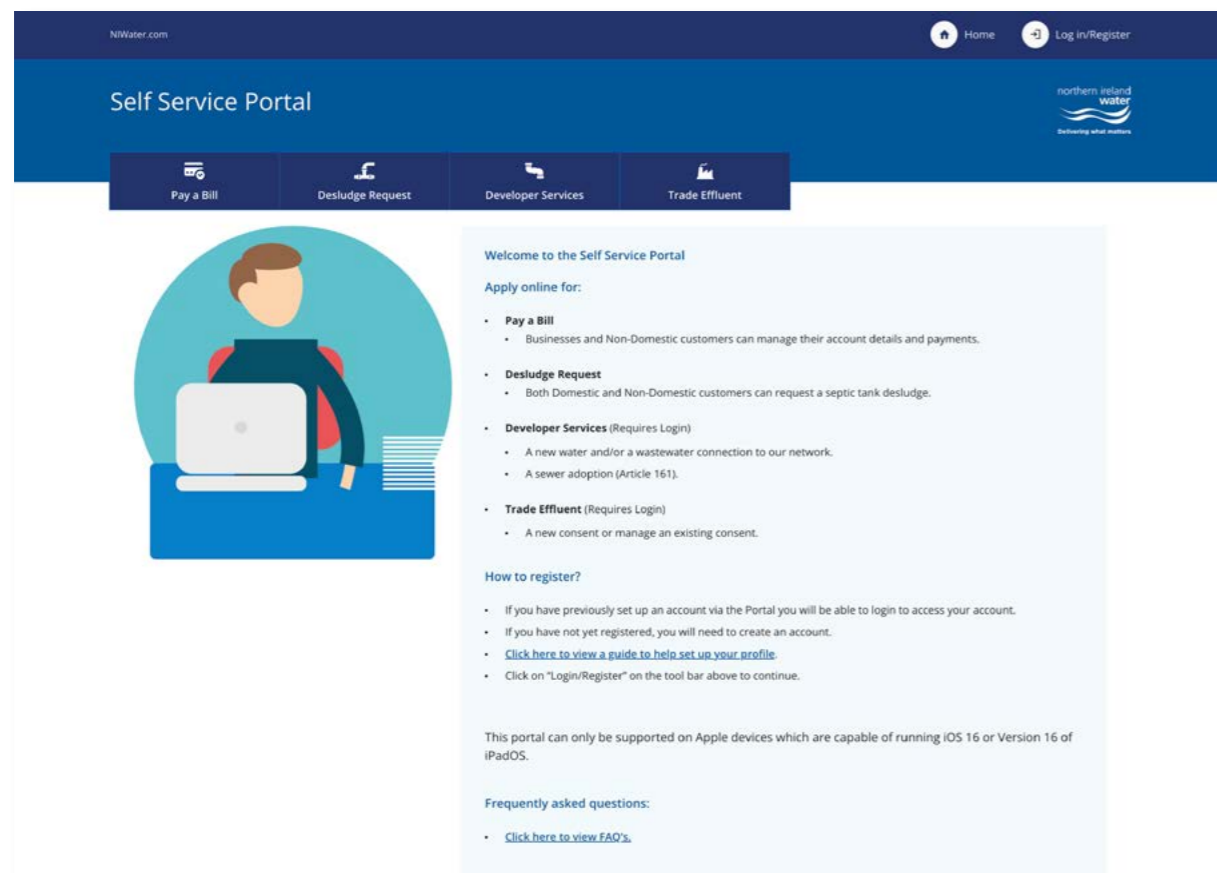
Our social media and digital channels provide us with fantastic platforms to keep our customers informed of the challenges we face delivering great tasting, clean drinking water and recycling wastewater safely back to the natural environment. Our Website, Facebook and X accounts allow us to reach out to our customers when there is an incident impacting the services we provide and to change how they think about water to help reduce the pressure on our infrastructure and nature.

Facebook and Web Chat boost

In our ambition to deliver an exceptional customer experience, we are embracing new ways to meet rising customer expectations. Since increasing the operational hours of our social media platforms and introducing a web chat to our service update page, our social media base has continued to grow, now surpassing 35,000 followers and regularly handle more than 2,000 customer web chats per month. Feedback from customers for these channels has been very positive with both web chat and social media registering high consumer advocacy scores.

We expanded our customer base for web self-serve in 2022/23 by launching the web self-serve for developers, providing them with a service to submit applications,

track progress and pay online. This was a major step change for the business and transformed the way we interact with our customers. In 2023/24, we refreshed the website, including changes to the landing page architecture and a reduction in process steps. These improvements will enhance the overall customer experience and provide better clarity and simplification on each step. Analysis of our range of social media offerings in comparison to other utilities is encouraging with around a quarter of our customers now choosing to contact us through a digital channel.



During 2023/24, we created a new dedicated Customer Team for Developer Services. The team has been specifically trained to deal with all development-related queries, which can be more complex than standard operational customer calls.

Developer Services Customer Team Contact Details:
 Developer Services Dedicated Phone Line - **03458 770003**
 Email - **customerengagementteam@niwater.com**



NI Water new dedicated Customer Team members for Developer Services.

In 2024/25, we will focus on finalising the design of the new customer, billing, and contact contract. This will include the delivery of new automated telephony, texting, and online chat customer channels.

Right first time

We have introduced a comprehensive programme of initiatives to minimise the need for customers to contact us and for those customers that do make contact, ensure we resolve their issue first time.

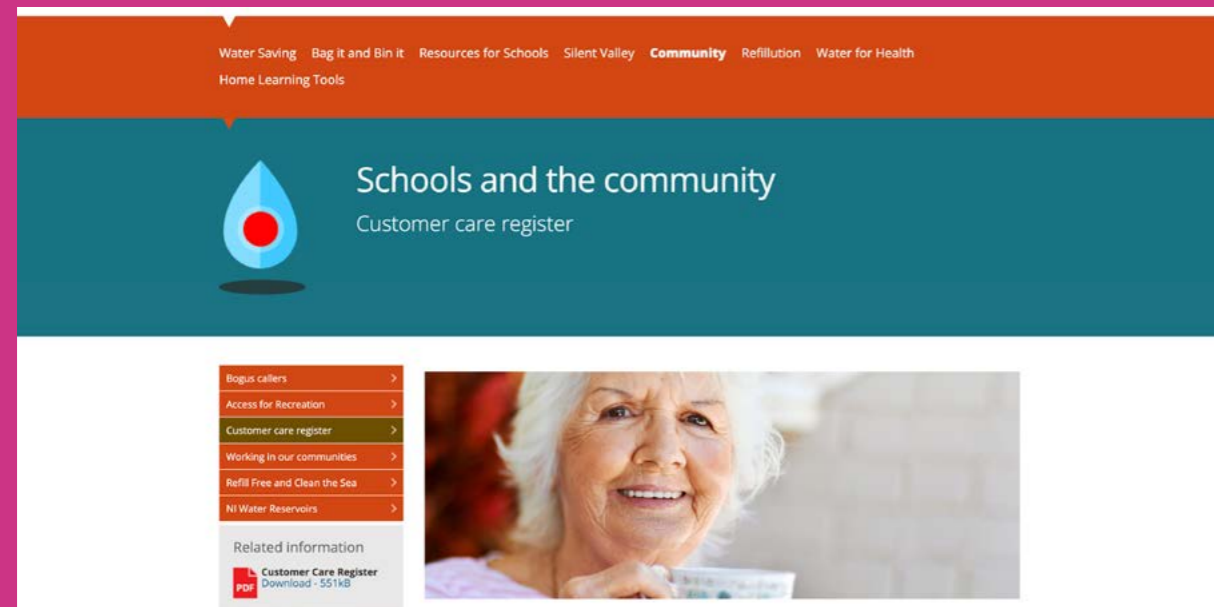
Over 2023/24, we delivered against our target of 65,200 for unwanted customer contacts, our First Point of Contact Resolution target of 84% and our Net Promoter Score of 42. We also introduced early warning text notifications for metered non-domestic customers experiencing high water consumption.

We expanded the use of robotics to automate manual processes, focusing on how we manage leakage defects that are identified by our contractors and continued with our programme of improvement initiatives focusing on septic tank and billing journey improvements.

During 2023/24, we continued to offer our social media and web chat services until 11pm, seven days a week. We offer a range of

telephony and self-service channels to suit our customers' needs, including our waterline service, which is available 24 hours a day. In 2024/25, we will be introducing new channels and customer systems as part of the new customer, billing, and contact contract.

Voice of the Customer packs are circulated monthly to business areas to provide an understanding of what is working well and to highlight areas for improvement. Over 2023/24, we have continued to undertake several customer journey reviews based upon customer feedback, along with our annual omnibus survey to gain the opinions and thoughts of the 'silent majority' of customers that use our services. Our focus on customers was recognised in the UK Customer Satisfaction Index Results for the first six months of 2023. NI Water was listed as the second highest performing water company for overall customer satisfaction and the third highest performer in the Utilities Sector Report.



Caring for you

Our Customer Care Register offers a range of free additional services for those customers who need extra help, such as an alternative water supply when supplies have been interrupted for a prolonged period. We continue to work with the Consumer Council for Northern Ireland, Health Trusts, Councils, and other Utilities to promote our Customer Care Register. A further 177 customers have been added to the register over 2023/24, with a total of 2,798 customers/organisations registered. We continue to engage with the Utility Regulator, CCNI and other utilities on the Best Practice Framework: Code of Practice for consumers in vulnerable circumstances, which will standardise the approach to consumer vulnerability across the Northern Ireland utility sector.

In 2024/25, we will continue working towards BS ISO 22458 Consumer Vulnerability accreditation, which is to be achieved by the end of PC21. By taking a proactive and inclusive approach NI Water can mitigate against exacerbating consumer vulnerability.

The Utility Regulator published a 'Consumer Protection Programme 2024-2029 Final Decisions Paper' in March 2024, which contains a suite of bespoke projects aimed at enhancing consumer protection for all consumers including both domestic and non-domestic, consumers in vulnerable circumstances and 'future' consumers across all utilities. Going into 2024/25, NI Water will work with the Utility Regulator and other utilities to help deliver the future outputs as outlined in the Final Decisions Paper.

During 2023/24, we introduced the JAM (Just a Minute) card across the entire organisation. The JAM card allows anyone with a hidden disability or communication barriers to discreetly ask for 'Just A Minute' of patience when they need it. The JAM card accreditation demonstrates NI Water's ongoing commitment to its customers and its priority to advance equality, diversity, and inclusion across the award-winning organisation, with over 1,300 colleagues undertaking the bespoke training programme.



NI Water CEO and staff members with NOW Group CEO at the launch of the JAM partnership with NOW Group.

You can find out more about our Customer Care Register at www.niwater.com/customer-care-register/ Alternatively, telephone Waterline on 03457 440088.

Getting smarter

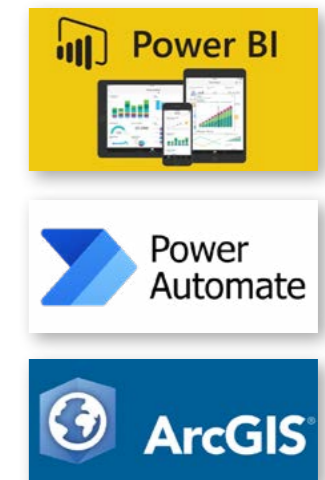
Our customers tell us that they want a modern, interactive web-based platform where they can submit applications for our services, track progress, make payments and digitally sign documents without the need for paper or telephone contact. In response, we launched a digital application process for new connections to our network, wastewater adoptions and applications for trade effluent.

Using Robotics to enhance customer experience

In 2023/24, we extended the use of robotics to automate processes resulting in improved service delivery for both internal and external customers using technology such as Power BI, Power Automate and ArcGIS. This technology means we have more time to focus on activities that make the most difference to our customer experience.



NI Water staff in our Intelligent Operations Centre.



Protecting you

Cyber security is a key priority for NI Water as we face increasing and evolving cyber threats that could harm our service delivery and business performance. We are committed to improving our information governance and cyber resilience by investing in technology, training, and awareness. We have a Cyber Resilience Programme in place to protect our operational technology and we work closely with the National Cyber Security Centre and other stakeholders to stay ahead of the cyber risk landscape. We also monitor and test our cyber security through simulated phishing campaigns, independent penetration testing and audits. We collaborate across the business to ensure that any new or upgraded technology is assessed for cyber risks and complies with our standards and policies.



Help NI Water be Cyber Watertight



Fofanny clear water tank under construction, County Down.

Strategic areas of focus



Sustainable development goals



Principal threats/opportunities



Page 84 Read more about principal threats and opportunities.

Strategic performance indicators

Water	Unit of measurement	Target 2023/24	Actual 2023/24	Pass/Fail	Target 2024/25
Water quality compliance*	%	99.83	99.92	Pass	99.83
Leakage	Million litres/day (Ml/d)	154	155	Fail	153
Reduction in supply interruptions in excess of: **					
• 6 hours	%	0.669	0.192	Pass	0.650
• 12 hours		0.084	0.000	Pass	0.080
• 24 hours		0.009	0.000	Pass	0.010

* Calendar year target.
 ** The >12 hr target is a Final Determination target. The >6hr and >24hr targets feed into the Supply Interruptions Overall Performance Score, which is also a Final Determination target.

Improve at source

The raw water we use to produce our high quality drinking water is predominantly taken from Lough Neagh, local rivers and a range of upland sources, all of which are rich in natural organic matter. We continually monitor the raw water entering our water treatment works and adjust the treatment process accordingly. Increasing levels of organic matter in raw water, as well as fertilisers and herbicides, place a strain on our water treatment works. While investment in our treatment works to install complex energy and chemical intensive processes can remove the problem, the sustainable long-term solution is to work in partnership with farmers, land owners and other stakeholders to manage the source waters using catchment management. Working together, we can improve the water quality before it even reaches the water treatment works which benefits the natural environment and biodiversity and can reduce our operating costs, especially when resources are pooled with stakeholders to access funding.

Restoring our peatlands

Our drinking water catchments amount to over 12,000km², with NI Water owning around 112km². Our greatest opportunity for successful catchment management is in these areas, which are often upland and dominated by peat and heathland. When functioning correctly, peat bogs provide multiple ecosystem services, including water quality improvement, flood mitigation, habitat, societal benefit, and carbon storage. Unfortunately, many of our bogs are in poor condition and have dried out.

Our peatland restoration programme began in 2014 on our Dungonnell catchment in the

Antrim Hills, with over 500ha of blanket bog now actively restored there, filtering cleaner raw water into our reservoir and the bog beginning to function again. In 2023/24, we completed a management plan for a further phase of peatland restoration work at Garron Plateau, which we aim to complete via an externally funded project in partnership with RSPB NI over the next five years. This will focus on repairing peat hags and gullies formed by natural processes and will reduce the erosion of peat material from these areas into the reservoir. This project was the first in Northern Ireland to be registered under the IUCN Peatland Code and will cover four compartments in an area of almost 2,000ha. Over a 30-year period this site has the potential to achieve a reduction of 48k tonnes of carbon, leading to significant claimable emissions inset.

We work closely with DAERA Forest Service in our drinking water catchments to negotiate back areas of commercial forestry planted on peat where there might be long-term benefits to water quality, biodiversity, and carbon storage. A peatland restoration plan for Lough Bradan was completed in 2023/24, in preparation for practical works being carried out to restore 28ha of previously forested land to functioning peat bog in 2024/25. Commercial forestry planted on peat in our catchments increases erosion of carbon into our reservoirs. Removal of trees and restoration helps improve water quality and slow overland flow, keeping peat in the bog where it belongs. This project will see a range of forest-to-bog peatland restoration techniques trialled, to inform future projects.

Forestry operations to fell trees adjacent to Lough Bradan reservoir, County Down.



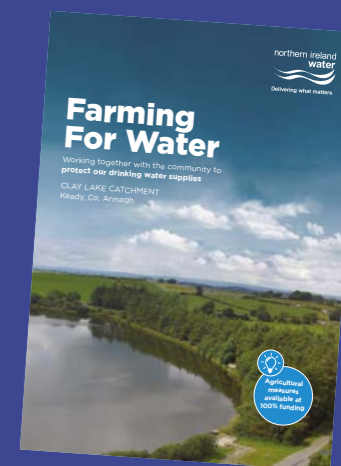
Farming for water

Pressures arise on our water resources from various sectors with agriculture being one of the major pressures. Our Farming for Water scheme focusses on reducing the amount of the herbicide MCPA, nutrients and soil getting into the watercourses connected to Clay Lake, which provides drinking water for Keady, County Armagh and is also part of the Lough Neagh catchment. The scheme provides 100% funded measures for farmers within the catchment area to make environmental/water quality improvements or their farm business to improve raw water quality. We have around 30 farms signed up for the scheme, around 4km of watercourse fencing installed, six pesticide storage cabinet and spill kits delivered, eight angler access points installed, 14 mains drinkers installed and four solar drinkers installed.

All land managers in Carmoney (Faughan River), County Derry/Londonderry and part of Ballinrees (Lower Bann), County Derry/Londonderry catchments were invited to register for a free Farm Chemical Disposal Scheme, which will reduce risk of accidental chemical pollution incidents and use of banned chemicals in these catchments which experience raw water pesticide challenges. Previous schemes in 2022/23 removed over 1,800 litres of unwanted chemicals in 733 containers from the Derg catchment. We attended several CAFRE Farm Business Development Group meetings

(farming education group meetings), Environmental Farming Group Meetings and other rush control events held by DAERA for farmers, and presented on local water treatment, water quality protection and pesticides best practice.

We continue to promote best practice pesticide use in our catchments as members of the Water Catchment Partnership. Over 2023/24, we partnered with upland graziers in our Mourne water catchments to manage sheep grazing for water quality and habitat protection. This work was supported by designated site protection, heathland surveying, invasive species control and wildfire mitigation. Additionally, NI Water are Associate Partner in an upcoming Peace Plus-funded project focussing on the development of restoration plans for damaged peatland in the High Mourne. We continue to be active members of the Forever Mourne Partnership, attending Steering and Working groups to plan and implement delivery of the recommendations from the Mourne Community Renewal Through Nature project.



One million trees

We are engaging with The Woodland Trust and Forest Service to deliver our large-scale tree planting scheme on our landholding to plant one million trees on over 500 hectares of land by 2030. The scheme is part of our wider plans to help tackle climate change and create a more sustainable future for Northern Ireland.

We are almost a quarter of the way there, and we believe we have an important role to play in helping to build the green economy and restore biodiversity. Around 220,000 trees have been planted at Annalong, Fofanny, Dunore and Stoneyford. For the 2024/25 planting season, we have secured funding from DAERA Forest Service to draw down from Forest Expansion Scheme funding to plant around 250,000 across 139 hectares on our land near Woodburn reservoir in Carrickfergus, County Antrim.



NI Water CEO, Director of the Woodland Trust Northern Ireland and NI Water Project Support Officer at Stoneyford Reservoir, County Antrim.

 <https://youtu.be/9f61W6NsMpI>

Tapping into EU funding

Following on from the successful delivery of the EU INTERREG VA funded Source to Tap project and our involvement in the Cooperating Across Borders (CABB) project, NI Water is pursuing funding under the Peace Plus Programme for both biodiversity and water catchment projects. Working in partnership with other organisations, bids are being prepared over 2024/25 for submission to the Special EU Programmes Body (SEUPB). These projects will provide a mechanism to collaborate with partner organisations to sustainably manage our drinking water catchments and contribute to water quality improvements over PC21 and into PC27.

Enough water for all

The Water Resource and Supply Resilience Plan sets out how NI Water intends to sustainably maintain the balance between supply and demand for water over the long-term, and the operational and management options and activities available to respond to short-term critical events such as droughts and freeze-thaw issues. The latest draft of the Plan forecasts supply demand deficits in five of the ten Water Resource Zones during summer peak conditions, with four of the zones identified as currently in deficit today. The draft Plan has identified several mitigations to resolve these deficits, and these include the upgrade of both Moyola and Clay Lake water treatment works and new boreholes near Dungannon (Gortlenaghan) and Lisburn (Lagan

Valley). The draft Plan has been issued for consultation and will be updated based on responses with the final Plan to be published in 2024/25.

Several new projects and operational interventions were completed in 2023/24, which have improved current supply/demand and resilience issues. This included new clear water basins at Seagahan and Fofanny water treatment works and the upgrade of Derg water treatment works. Further work over 2024/25 includes the progression of the strategically important Castor Bay to Ballydougan project, which will facilitate transfer of additional flow from Castor Bay to Ballydougan and the construction of new Granular Activated Carbon filters at Ballinrees water treatment works.

Summer demand spike

Extreme weather, hot or cold, can have a major impact on assets, causing increased leakage within our network and on customer properties. Our changing climate is bringing more frequent and severe weather events such as heavy rainfall, heatwaves and extreme cold. These events can affect the quality and quantity of our water sources, placing pressure on our water treatment works. In June 2023, as warm temperatures persisted across Northern Ireland, demand for water rose around 15% to 700 million litres per day. Our focus was to keep customers in supply, especially in the west and south. This required extensive tankering operations between Carryglass, Dungoran, Dromore High and Clay Lake.



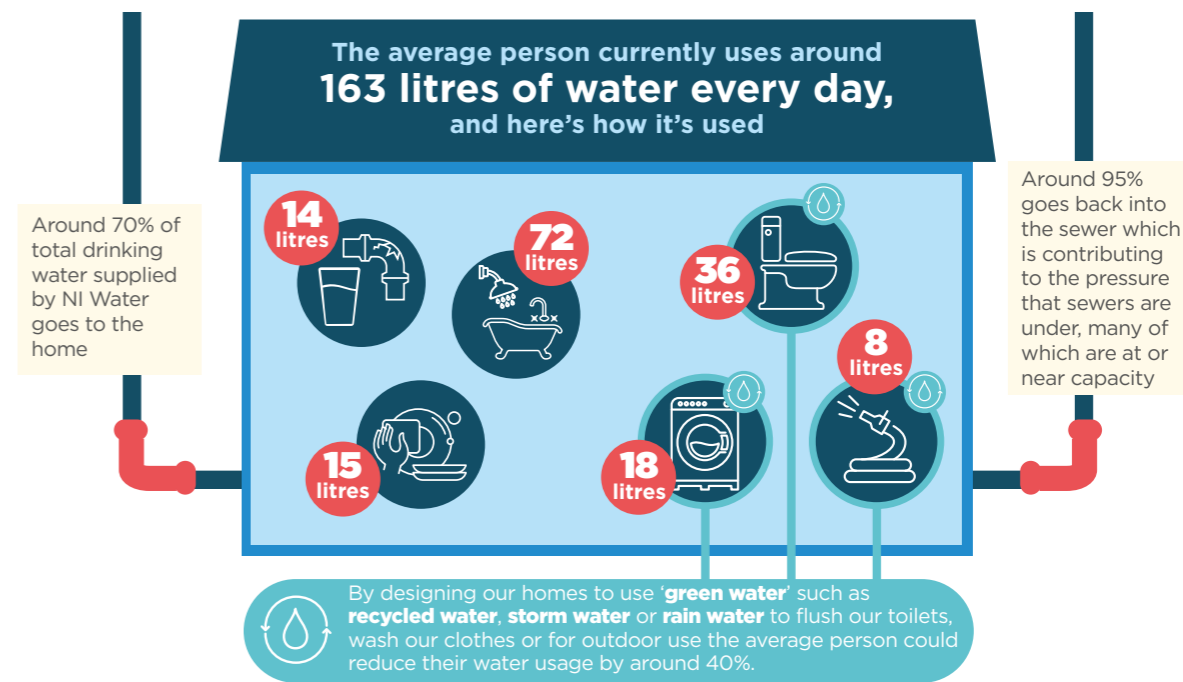
Clay Lake impounded shallow freshwater lake, County Armagh.

Using less drinking water

By better designing our homes we could reduce the total demand for drinking water by around 25%. Further reductions in demand can be achieved by installing more water efficient appliances in the home and changing our behaviours e.g., shorter showers. By using less, we can lower our

carbon footprint, improve biodiversity, reduce leakage, increase resilience, and ease pressures on our sewerage infrastructure.

Find out more at www.niwater.com/water-saving/



Pumping £9m into County Down

In 2023/24, we completed a £9m investment to improve the security of the water supply for around 76,000 customers in large parts of County Down. The upgrade at Fofanny water treatment works involved the construction of a new water storage tank with a capacity of 10 million litres, equivalent to four Olympic

size swimming pools or 50,000 baths! The upgrade will provide additional water supply to customers, particularly during high demand emergency situations, when we may need additional time to shut down the main plant, while we complete other planned maintenance to our water supply network.



NI Water's Director of Infrastructure Delivery, staff and contractors pictured at the new Fofanny clear water tank, County Down.

Tasty, clean and safe

Delivery of great tasting, clean and safe drinking water is central to what we do. It underpins the public health and economy of Northern Ireland.

World class water on tap

The water we supply for domestic use or food production must comply with UK national standards. The standards are strict and generally include wide safety margins. They cover: bacteria; chemicals such as aluminium, lead and pesticides; and how water looks and tastes. To make sure that your drinking water supply is tasty, clean and safe, we take samples for testing. Sampling and analysis of drinking water is carried out 365 days per year. Our sampling programme covers raw waters, water at various treatment stages, treated water going into supply from our treatment works, drinking water in the distribution system and at the customer tap. Samples are analysed by our scientists based in laboratories at Belfast and Altnagelvin. Overall drinking water quality compliance in 2023 was 99.92%, above the target of 99.83%. We publish a Drinking Water Quality Report each year at <https://www.niwater.com/publications/>.

We continue to engage with the DWI on potential changes to the Drinking Water Regulations, in line with European standards and have put in place a monitoring programme of sampling and analysis for potential new parameters.

Blue green algae

Blue-green algae is not actually an algae but rather a type of bacteria called cyanobacteria, which naturally inhabit our freshwater, coastal and marine waters and, like plants, require sunlight, nutrients, and carbon dioxide to grow and reproduce. The growth of blue green algae in Lough Neagh is attributable to several factors, including the presence of invasive zebra mussels, which filter the water allowing more sunlight to penetrate deeper into the Lough. Sunlight combined with the presence of nutrients, plus the recent warm weather has seen unprecedented levels of algae growth.

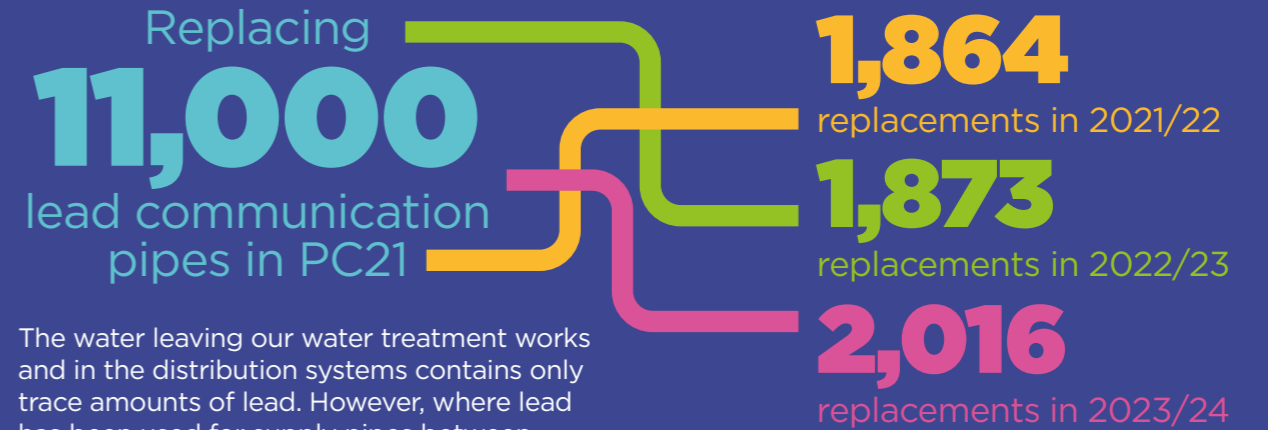
Nutrients in the water bodies are derived from multiple sources: key sources include run-off from agricultural land, industrial, agri-food and wastewater discharges (both public and private septic tanks). Agriculture run off and unregistered private septic tanks are unregulated and high in nutrient content. In agriculture, nutrients are applied in the form of artificial fertilisers and slurry/manure derived from livestock. During rainfall events, this practice may lead to nutrients being washed directly into the waterbody before being assimilated into the soil/grass. In public wastewater discharges, the levels of nutrients are controlled by ammonia and phosphorus limits being applied to the discharge via the Water Order Consent, which is regulated by the NIEA. A similar regulatory approach will be applied to industrial discharges by NIEA.

Management of the Lough is a multi-agency responsibility and like other catchments, there is a complex range of pressures across multiple sectors impacting on the water quality. NIEA have responsibility for monitoring the raw water quality in the Lough.

Lough Neagh, County Antrim.



Tackling lead pipes



The water leaving our water treatment works and in the distribution systems contains only trace amounts of lead. However, where lead has been used for supply pipes between the water main and the kitchen tap or in domestic plumbing, there is a risk of non-compliance at the customers' tap. So even with the removal of all lead pipes within our network there will be a risk to lead compliance from lead pipe remaining within customer properties.

Our aim is to deliver water, which meets the lead standard and regulations, whilst working towards a lead free water supply. We tackle the problem in two ways:

1. By chemical treatment to reduce the amount of lead that dissolves from lead pipes into the water; and
2. The replacement of lead communication pipes that connect customer properties to the watermain in our distribution network.

Information for customers on lead in drinking water and lead pipe replacement is available through our website and in our lead leaflet.

We continue to engage with stakeholders concerning the potential options for consideration in relation to addressing lead in private supply pipes.

Find out more about reducing the risk of lead at:

https://www.youtube.com/watch?v=9k9FIO_FcZE

<https://www.youtube.com/shorts/NCOkobnjwjl>

Is your house older than 1970? Then you might have lead water pipes

Lead pipework was used in many houses built in Northern Ireland before 1970 and much of it still exists. Lead pipework may result in lead levels in your drinking water which are above the limits set out in drinking water regulations.

How you can find and deal with lead pipes?

- Look in or behind the cupboards in your kitchen; Find the pipe leading to the kitchen tap;**
- Open the stop valve box outside your property. If you can, scrape the surface of the pipework inside the box gently.**
- Other pipe materials which are normal and don't need replaced include copper, iron and plastic.**

Check if it is lead along as much of its length as possible - unpainted lead pipes are dull grey, and the surface feels soft; If you scrape the surface gently, you will see the shiny, silver-coloured metal beneath.

If you are still unsure, ask a plumber for a second opinion.

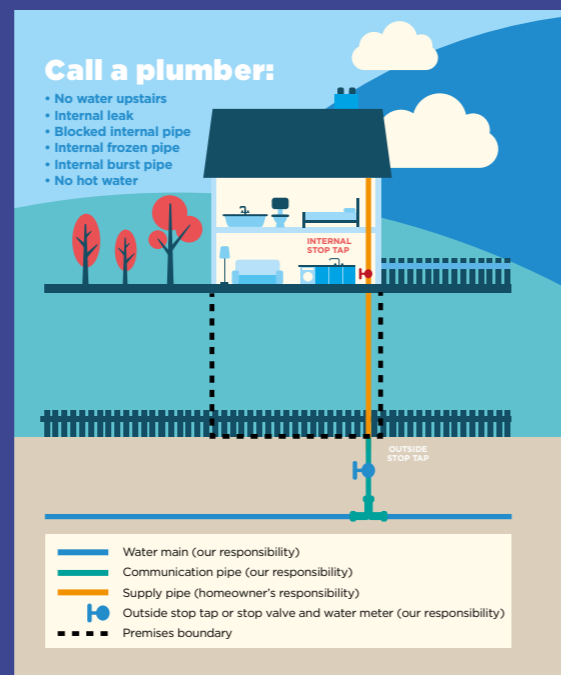
Drive down leakage

NI Water is committed to driving down levels of leakage in our drinking water network. Leakage teams are continually working around the clock locating and repairing leaks to maintain customer supplies. Our leakage detection teams cover around 27,000km of water mains and 24,000km of smaller diameter pipework serving Northern Ireland's individual households and businesses. Our network is greater than the distance around the earth (around 43,000km).

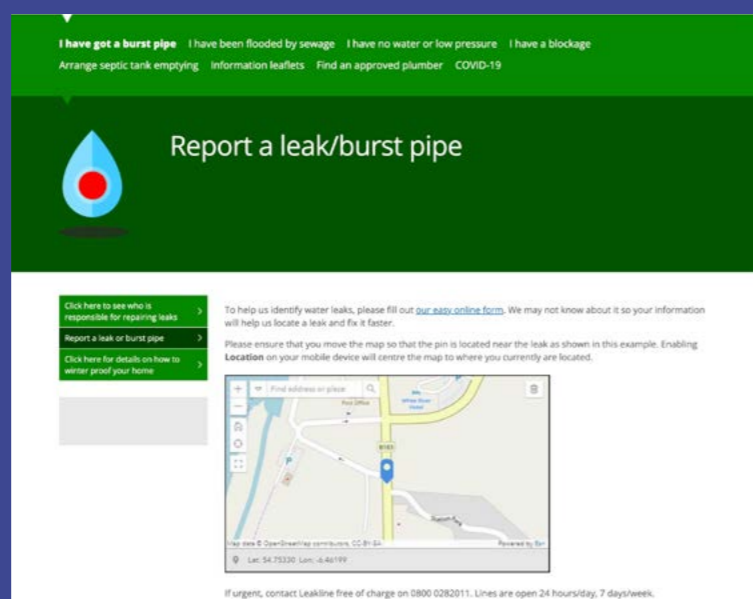
In 2023/24, NI Water reported its lowest ever level of leakage at 155 million litres per day against a target of 154 million litres per day. This reduction has been achieved despite Northern Ireland experiencing the highest recorded levels of rainfall and the highest average annual temperature.

More frequent weather extremes are having a significant impact on reducing leakage. NI Water continues to advance its capabilities using highly skilled leakage detection and repair teams. We deploy a variety of leakage detection techniques including listening sticks, ground microphones, acoustic loggers, drones, satellites, and dogs. We also monitor flows and pressures on our infrastructure. The combination of traditional and new approaches to leakage management will be used to drive down leakage over the remainder of PC21. We aim to achieve the economic level of leakage of 150 million litres per day by 2027. This is the level at which the costs of reducing leakage further outweigh the benefits.

A quarter of our leakage is within the boundary of a customer's property. If there is a leak on your property, then please get it fixed. You can ask your home insurer for assistance or NI Water for advice.



If you see a leak on the road or footpath, NI Water needs your support in reporting leakage by visiting <https://www.niwater.com/report-a-leak-or-burst-pipe/> or by calling our dedicated Leakline number on **0800 028 2011**, open 24 hours a day, every day. Calls are free of charge.



Always on

Every week we are repairing bursts that occur on our water network of 27,000km of water mains. Many of these bursts can result in interruptions to customers' supply or customers experiencing low water pressure.

Every minute counts

Our 'every minute counts' ethos helps to focus on ways to improve our performance and explore innovative solutions to minimize the time customers are off supply and keep them in supply with water. We continued to implement our interruption to supply strategy over 2023/24, achieving record reductions in 'lost minutes per property'. A second Mobile Booster Trailer has been purchased and delivered to allow for greater resilience in our response to unplanned interruptions, as well as greater opportunity to keep customers in supply during planned shutdowns.



NI Water's second mobile booster trailer.

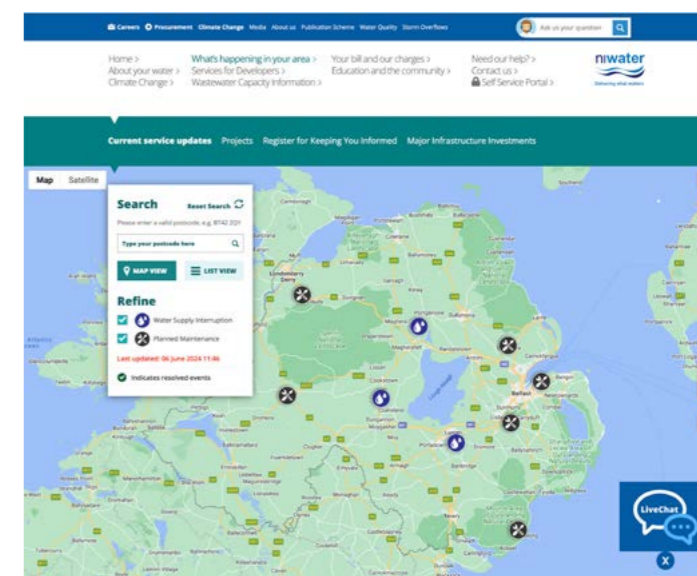
Our SMART networks programme helps to maintain a CALM network and increase visibility on all our water assets. Creating a calmer network reduces transients that can cause bursts and interruptions. Over 2024/25, we will be improving controls at water booster stations and using our new

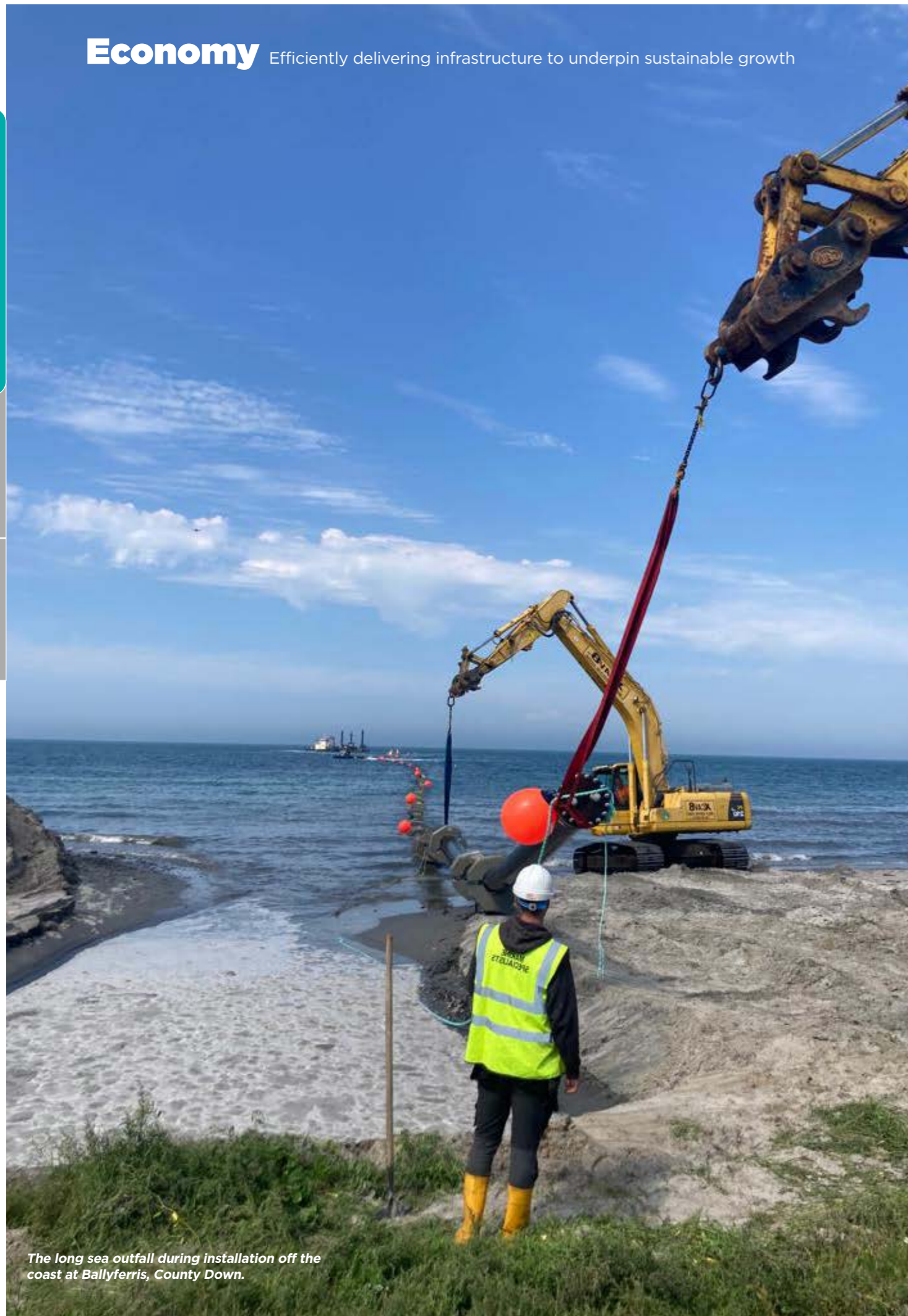
digital tools as well as data analytics through our SMART network to monitor and control our field operations. By 2027, we plan to install telemetry at 26 booster stations, enabling visibility and real time pressure control over 400km of pumped water mains, spanning around 7,500 properties.

Visit <https://www.niwater.com/current-service-updates/>



Current service updates
Real-time information on repairs and supply interruptions across our network, updated daily.
[Learn More](#)





The long sea outfall during installation off the coast at Ballyferris, County Down.

Strategic areas of focus

Funding world class economic infrastructure

Efficient and affordable services

Sustainable growth

Sustainable development goals



Principal threats/opportunities



Page 84 Read more about principal threats and opportunities.

Strategic performance indicators

Economy	Unit of measurement	Target 2023/24	Actual 2023/24	Pass/Fail	Target 2024/25
Increase/(decrease) in customer tariffs*	%	13.4	13.4	Pass	4.7
Number of economic constraint areas eased (cumulative over 2021-27 period)	Number	0	0	Pass	2
Number of serious development restrictions eased (cumulative over 2021-27 period)	Number	4	8	Pass	12
Bathing water quality**	Excellent	Majority excellent or good***	18	Pass	Majority excellent or good***
	Good		6		
	Sufficient		1		
	Poor		1		

* Non-domestic customers only.

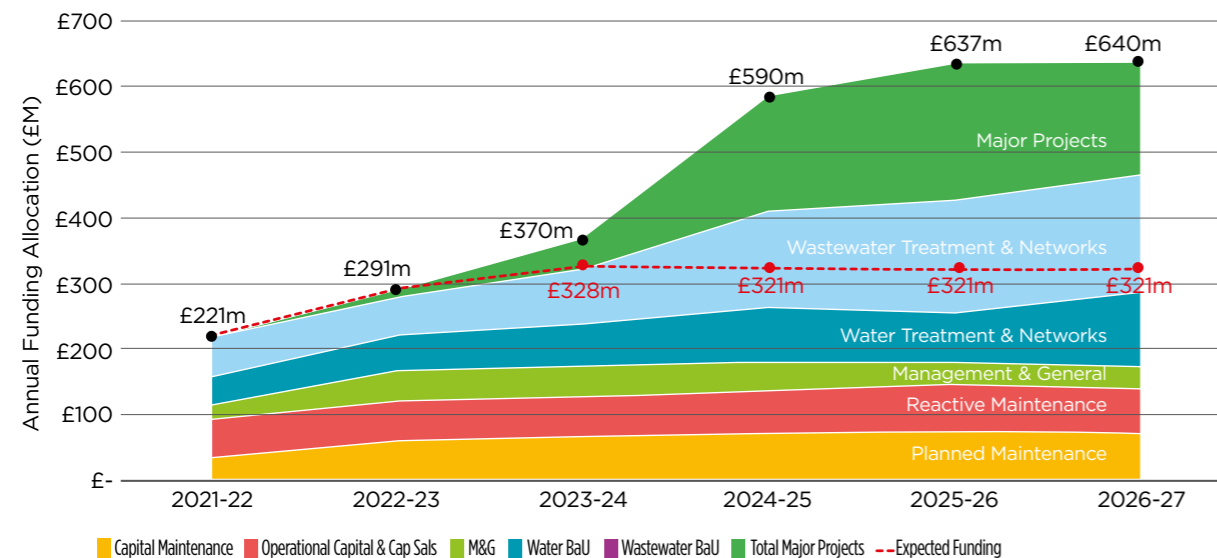
** Bathing water at 26 sites is monitored weekly from May to September each year.

*** Other major contributors to bathing water quality include agriculture, wider industry, and consumer behaviour (flushing inappropriate items).

Funding world class economic infrastructure

Largely unseen, our infrastructure is the foundation for all economic activity in Northern Ireland as almost every new home and business requires a connection to the public water and sewerage system. We share the government's ambition for Northern Ireland to have the infrastructure that enables everyone to lead a healthy, productive, and

fulfilling life; supports sustainable economic development; and protects our environment. But this ambition can only be realised if we can secure multi-year funding in line with that determined by the independent Utility Regulator, supported by a mechanism to deal with financial shocks.



Unlocking development constraints

The public expenditure made available from Government for investment in wastewater services has not been able to keep pace with the investment required to provide increased capacity to facilitate growth or achieve water quality targets. Many of our sewerage networks and wastewater treatment plants are having to operate at or beyond their design capacity, limiting opportunities for new connections and constraining economic development in over 100 towns and cities across Northern Ireland, including Belfast and Derry/Londonderry. Our PC21 Business Plan sets out the investment required to start to address the wastewater capacity constraints. We anticipate that it will take a sustained increase in investment over the next 18 years plus to solve the problem of development constraints.

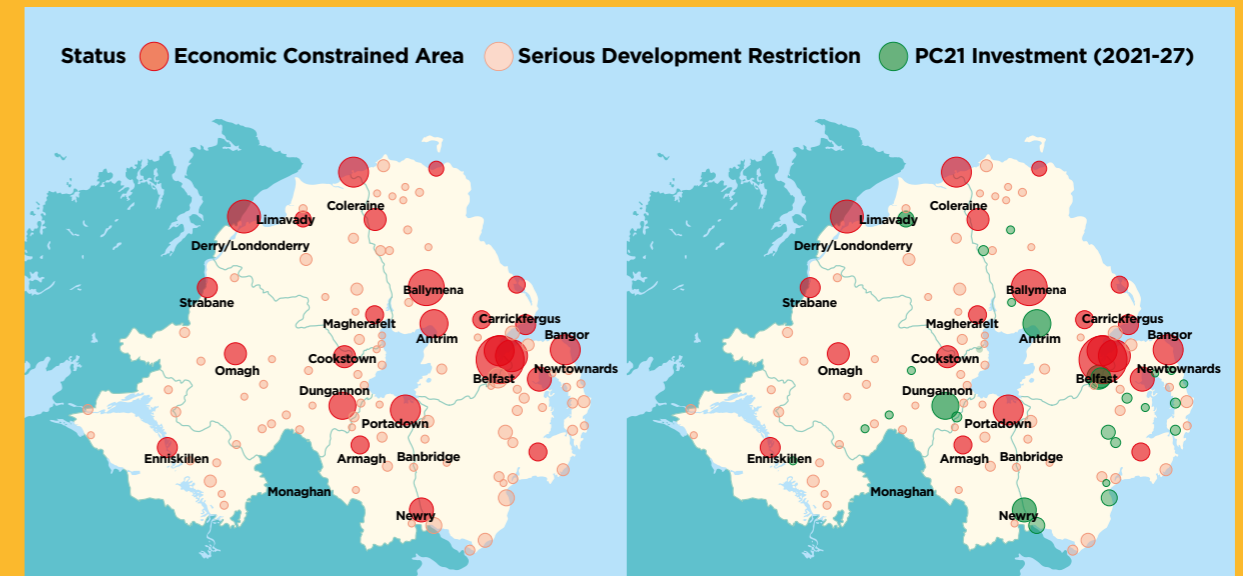
During 2023/24, we continued our engagement with local councils and other stakeholders on wastewater capacity constraints. We also revised wastewater system capacity information across all

Council areas and engaged with Council's local development planning teams. We are continuing to develop decision support tools such as Esri ArcGIS and Power BI to help prioritise and target investment on wastewater capacity constraints. One of the key strategies that NI Water has adopted is the introduction of a restructured pre-planning process to help mitigate where possible site restrictions and facilitate connections to our network.

We are identifying innovative wastewater technologies and optimising existing wastewater processes. This may result in some economic growth in the catchments served by wastewater treatment works across Northern Ireland, which are currently operating at or near their capacity. Going forward, we will conduct technology pilot trials at wastewater treatment works which are currently constrained as well as trialling new innovative approaches at a wastewater test bed facility at Ballykelly (North West).

Work is also continuing to develop more holistic capital interventions in drainage areas where potential developer delivered solutions are not possible, with several catchments

being used as Pilot Projects. Progression and delivery of these schemes will be dependent upon the availability of capital funding over the remainder of PC21.



Development constraints across Northern Ireland at the start of PC21 (2021/22).

Development constraints across Northern Ireland at the end of year three of PC21 (2023/24).

Giving tourism a boost in Ballyferris

An extensive wastewater project aimed at improving the quality of bathing waters along part of the Ards Peninsula was completed by NI Water ahead of the 2023 summer tourist season. The £18m Ards North Wastewater Improvement Project got underway in May 2021 and included the construction of new wastewater pumping stations and pipelines to rationalise and upgrade the wastewater infrastructure in the Carrowdore, Ballywhiskin and Ballywalter catchments. At the heart of the project was a new state-of-the-art wastewater treatment works. The new treatment facility has been designed to treat all wastewater flows from the villages of Carrowdore, Ballywhiskin and Ballywalter - as well as local caravan parks - to strict environmental standards before discharging the treated effluent via a new sea outfall pipe.

To boost the sustainability of the treatment facility, 138 solar panels have been fitted to the roof of the new control building which will produce over 45,000 kWh per annum. This renewable energy could save NI Water up to £300k over 25 years. Charging points for NI Water's growing fleet of electric vehicles have also been installed at the new treatment works.



The long sea outfall during installation off the coast, adjacent to a caravan park at Ballyferris, County Down.



NI Water Staff with the Mayor of North and Ards Down Borough Council at the launch of Ards North wastewater treatment works, Ballywalter, County Down.

Efficient and affordable service

The Utility Regulator made provision for a Mid-Term Review (MTR) to be undertaken at the mid-point of the six-year PC21 period to allow both NI Water and the Utility Regulator the opportunity to review and, if necessary, adjust aspects of the PC21 determination to ensure it remained realistic and challenging. We made a written submission to the Utility Regulator at the end of September 2023. This submission set out our proposed changes to funding, price limit requirements and some output targets, which were largely driven by global economic volatility and the completion of further evaluation of 'scope uncertain' projects. Having considered NI Water's response to their Draft Determination – submitted in June 2024 – the Utility Regulator published their MTR Final Determination (FD) on 30 September 2024.

Amidst unprecedented levels of funding uncertainty, securing multi-year government commitment to fund the PC21 programme and provide NI Water with the ability to

manage financial shocks continues to be our highest priority. Commitment to the PC21 programme not only benefits our customers but also the wider supply chain, environment, and economy.

The NI Audit Office (NIAO) has concluded its review on the funding of NI Water's infrastructure Funding water infrastructure in Northern Ireland | Northern Ireland Audit Office (<https://www.niauditoffice.gov.uk/publications/funding-water-infrastructure-northern-ireland>). The report highlighted weaknesses in NI Water's current funding arrangements and the consequences which arise from these. The report also warns that these issues are likely to be exacerbated as a result of a continued and increasing funding shortfall going forward and calls for an independent comprehensive review of the alternative funding and governance arrangements led by suitably qualified experts.



“This report highlights the challenges that decision-makers have faced in securing the finance and investment needed to meet water infrastructure requirements in the coming decades. A very real consequence of this underinvestment is that there are many areas in Northern Ireland where new development, including the construction of homes and other buildings, is restricted due to insufficient capacity to connect to sewage and wastewater services.”

Dorinnia Carville – Comptroller and Auditor General



Find out more at <https://www.niauditoffice.gov.uk/publications/funding-water-infrastructure-northern-ireland>. Read more on our funding at page 88.

Ballygomartin 'pumping' out energy savings

17 sites have been progressed for pump optimisation work, investing £4m and delivering 4.7m kilowatt hours (kWh) of annual benefits. This saves enough electricity to power around 1,600 domestic properties annually. Ballygomartin water pumping station is one of the sites where two efficient pumps were installed, replacing previous pumps, which resulted in around a 35% reduction in site energy usage. With every best in class energy efficient pump that we install, we are delivering water more efficiently.



NI Water staff and contractor with the energy efficient pumps installed at Ballygomartin water pumping station, County Antrim.

https://youtu.be/_IZMON7SijE

Storm overflow optimisation helping to deliver cost savings

We have been working collaboratively to develop innovative approaches to reducing pollution from NI Water assets at a lower cost and carbon footprint, whilst delivering water quality improvements to our local watercourses. Working together, the Hydraulic Modelling and Capital Delivery Teams, have successfully reduced the costs of delivering the storm overflow improvement project in Ballynahinch.

Savings have been delivered after the NIEA indicated that the Ballynahinch town wastewater pumping station needed a large volume of storm storage (around 12 Olympic sized swimming pools) to protect the Ballynahinch River from the storm overflow. Using evidence from modelling studies, coupled with detailed on-site investigations, we demonstrated to the NIEA that a much smaller infrastructure upgrade would be sufficient to achieve the necessary water quality improvements in the Ballynahinch River. The detailed modelling and investigation work, which proved a more efficient solution could be employed,

is projected to deliver cost savings of over £50m. In addition, by installing state of the art screens, the scheme will also prevent any sewer related debris (wet wipes etc) visually impacting the river. The subsequent reduction in carbon will also help reduce our carbon emissions.



NI Water staff involved in the storm overflow improvement project.

Read more on storm overflows at page 58.

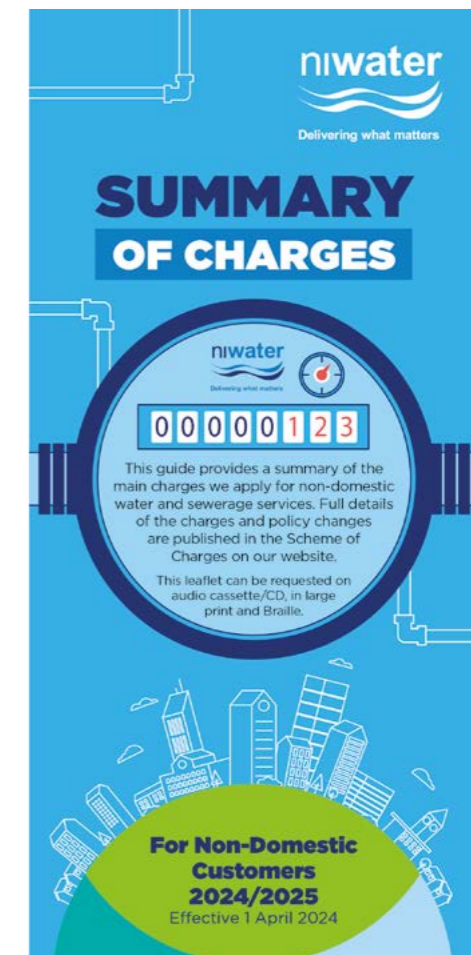
Customer tariffs

We are aware this is a challenging time for businesses and the local economy. Like many of our business customers, we continue to face significant financial pressures from continued high energy prices, high inflationary conditions, and other cost increases.

Whilst any increase is of course unwelcome, we have worked hard to ensure most of our customers will see their bills rise by less than inflation. Specific bill changes operate according to a formula agreed with the Northern Ireland Utility Regulator.

From 1 April 2024, non-domestic water and sewerage charges increased by 4.7% on average. Measured customer bills increased by 4.1%, while unmeasured and trade effluent bills increased by 5.3% and 6.8% respectively.

Find out more at <https://www.niwater.com/siteFiles/resources/pdf/WaterCharges/202425/SchemeofCharges202425.pdf>




Sustainable growth

Every aspect of life in Northern Ireland relies on the water and wastewater services we provide, so it is important that any investment we make in our infrastructure is built with the future in mind. To improve our long-term resilience, we need to ensure our infrastructure can withstand pressures created by climate change; can accommodate growth in the economy and helps protect and restore nature. We believe that our future infrastructure investment can support not only the transition to a more sustainable and resilient business but also help create an affordable, low carbon green economy for Northern Ireland.

Advances in our investment management processes are helping us ensure we deliver our services for the lowest possible cost. These processes are also helping us choose more integrated sustainable solutions to address climate change. Our Investment Planning and Costing tool allows estimates of standardised costs and recommend lowest whole life cost solutions to be calculated for PC21 projects. We are expanding our

carbon accounting to capture whole life carbon and land carbon. Pilot projects are being undertaken over the remainder of PC21 to examine the use of a multi-capitals approach to support our decision making. This approach incorporates the social and environmental costs and benefits not presently captured in market prices.

We are working closely with NIEA on the review of consenting method and source apportionment techniques, which will contribute towards ensuring discharge standards at our wastewater treatment works are proportionate, whilst delivering on the best environmental outcome for the investment delivered by NI Water. We have established an Investment Group, which provides a forum with NIEA to facilitate negotiation of discharge standards, enabling open and transparent decision making, supported by appropriate scientific evidence.

 [Read more about wastewater compliance on page 57.](#)

£4.7m hydro turbine boost

We were awarded £4.7m of funding through the Department of Economy 'Invest to Save' Scheme. The funding received is for the installation of hydro turbines at Breda service reservoir in South Belfast, Ballygomartin water pumping station in North Belfast and Crocknafeola service reservoir in County Down along with further pump efficiency work across six sites. The hydro turbines will enable NI Water to generate electricity at these sites to reduce grid consumption and/or export to the grid to generate an income for the business.



Hydro turbines at Breda Service Reservoir in South Belfast, County Antrim.




NI Water battery delivers for the Grid

NI Water is set to reduce its carbon footprint after becoming one of the first public sector organisations to install a state-of-the-art battery energy storage system. The 4.1 MW battery is powered by an existing solar farm at one of our largest water treatment plants at Dunore Point. The battery boasts a 5.6 MWh total capacity, which helps to store surplus energy generated onsite from around 24,000 solar panels. The battery means that

during periods of low customer demand, NI Water can store this surplus renewable energy to use later during peak times. The company can therefore power its operations at a lower cost and keep water flowing. The battery also has flexibility to provide power back to the grid when required, to help support grid stability and provide greater resilience in the network to benefit NI society and economy.



NI Water's state-of-the-art battery energy storage system at Dunore Point, County Antrim.

 <https://www.youtube.com/watch?v=CCzFPLvJviM>



Solar installation at Drumaroad water treatment works, Castlewellan, County Down.

Strategic areas of focus

More resilient network

Sustainable solutions

Keep it clear

Towards net zero

Sustainable development goals



Principal threats/opportunities



Page 84 Read more about principal threats and opportunities.

Strategic performance indicators

Nature	Unit of measurement	Target 2023/24	Actual 2023/24	Pass/Fail	Target 2024/25
Reduction in pollution incidents - sewage (high and medium)*	Number	10	11	Fail	9
Wastewater compliance (% population equivalent served)**	%	94.65	99.23	Pass	95.71
Reduction in number of properties at risk of out of sewer flooding (cumulative over 2021-27 period)	Number	20	22	Pass	26
Reduction in carbon footprint. Relates to reduction in carbon emissions measured in tonnes of carbon dioxide equivalent (tCO ₂ e)	%	***	***	***	***

* Calendar year target.

** Calendar year target. Based on pre-announced rather than un-announced regulatory sampling at the treatment works and the reported wastewater compliance doesn't incorporate flow compliance for the wastewater treatment works or the sewer network.

*** Annual targets to be set in 2024/25 aligned with our new Climate Change Strategy.

More resilient network


Reducing pollution and sewer flooding

We had 11 medium severity incidents in 2023, which is one incident above the target. We have reviewed our Pollution Management Strategy and identified additional measures, such as increased event and duration monitors, to improve our performance in this area.

Flooding and the risk of flooding can constrain economic development, increase the cost of insurance, and pollute our natural environment. Most of the urban areas of Northern Ireland, including road surfaces, are served by combined sewers that carry both wastewater and surface water - such a system would never be built today. Climate change has contributed to an increase in the intensity and frequency of rainfall. Heavy rainfall can cause the sewers to become full of water and the sewage to back up in the system. Many of our traditional systems include 'combined sewer overflows', which were designed to prevent out-of-sewer flooding/damage to properties by discharging this excess water directly into the rivers or streams, bypassing the treatment works.

Our PC21 Business Plan includes ambitious storm water removal targets aimed at reducing risk of property flooding, enhancing our natural environment, and facilitating economic growth. This programme is underway with the commencement of investigation studies and modelling. NI Water reports the area of surface area removed through direct capital investment, such as storm separation or Sustainable Urban Drainage System projects.

We removed 230,774m² of impermeable surface area by the end of 2024/25. This is lower than the cumulative target of 1,093,620m² at the end of 2024/25. However, the removal of incidental storm water is expected to increase in line with our wastewater infrastructure programme throughout PC21.


 Find out more about climate resilience at <https://www.niwater.com/climatechange/strategy/>

£7m Ravenhill Avenue Flood Alleviation Project Complete

During 2023/24, we completed the £7m Ravenhill Avenue Flood Alleviation Project. The project was delivered as part of the Living With Water in Belfast Plan which aims to help protect against flooding, enhance the water environment and provide the increased capacity needed for economic growth. Some sewers in this part of South Belfast date back to the early 1900's, they were in very poor condition, and undersized to deal with today's flows. This essential project will improve the sewers, whilst significantly reducing the risk of 'out-of-sewer' flooding and environmental pollution in the area. The project has also removed approximately nine hectares of stormwater from the combined sewerage network, the equivalent of 12 football pitches, allowing it to return directly to the River Lagan.



Ravenhill Avenue Flood Alleviation Project nearing completion.

 <https://www.youtube.com/watch?v=UVovASjUqc0&t=19s>

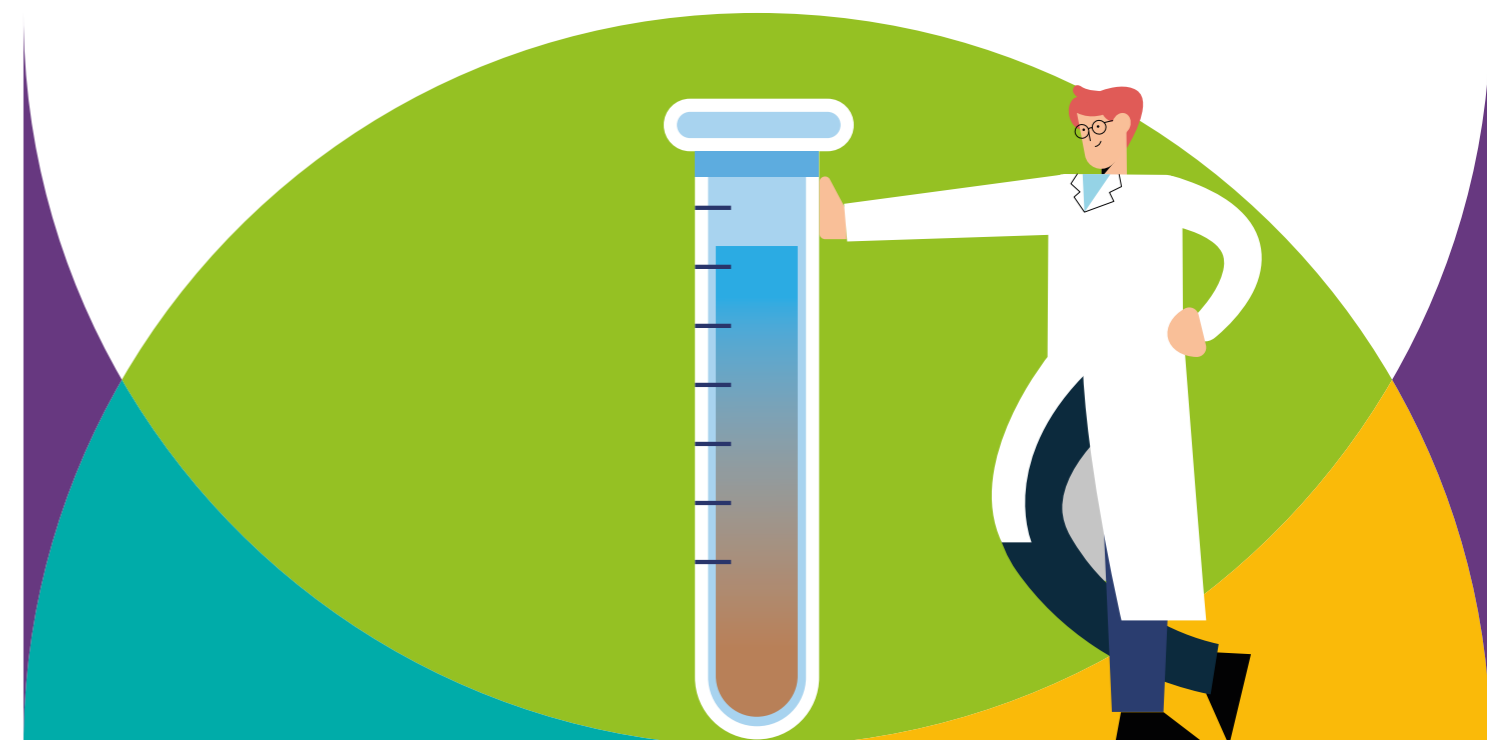
Completing the picture on wastewater compliance

We recognise the need to reform how wastewater compliance is assessed. The current regulatory monitoring programme is based on pre-announced rather than unannounced regulatory sampling at the treatment works and the reported wastewater compliance doesn't incorporate flow compliance for the wastewater treatment works or the sewer network. This provides an incomplete picture of environmental compliance and protection. We are working with the NIEA and other stakeholders to reform the wastewater compliance model to improve compliance across the whole wastewater system. This is known as the Water Regulation Reform Programme.

A Wastewater Regulation Compliance Reform Group has been established with senior management representation from NI Water and NIEA. This working group will act as the interface between NIEA and NI Water on the delivery of wastewater regulation reform programme over PC21. It is recognised that the outcome of the proposed regulation change will result in new evidence, which will highlight non-compliance across our wastewater infrastructure.

NI Water has appointed a programme manager to develop and report progress on the plan for the wastewater regulation reform programme. The wastewater Statement of Regulatory Principles and Intent is under review by NIEA. This will take account of the regulatory approach for recognised underinvestment, a no detriment approach to dealing with development constraints and reform of wastewater compliance assessment. Work continues with NIEA on compliance assessment methodologies, including review of the Flow and Event Duration Monitoring Policies. Identification of investment needs for compliance reform will also be considered as part of the PC27 Business Plan.

We continued our wastewater regulatory monitoring programme over 2023/24. This sampling programme is helping to build up performance data, providing insight to treatment works' performance. We have initiated establishment of an independent wastewater compliance team, which will assist with providing assurance on the management of wastewater assets.



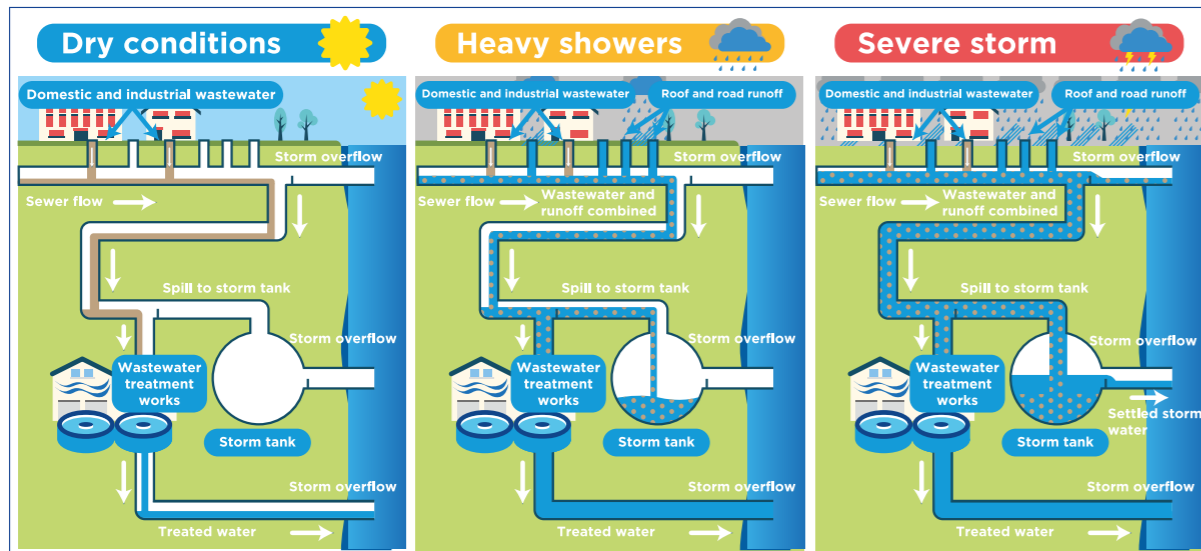
Storm overflows

During periods of heavy rainfall highly diluted wastewater may also be discharged from storm overflows, which are design features on a wastewater system, acting as emergency relief points. This prevents the flooding of homes, businesses, and schools, which would present public health hazards.

Northern Ireland has proportionally more storm overflows per level of population than many other parts of the UK. This is because it was historically cheaper to install

more overflows than invest in diverting the rainwater at source and putting in place the larger pipes and holding tanks. This means we have the lowest rate of internal sewer flooding in the UK, while the disbenefit is that we have higher quantities of wastewater going into our rivers, lakes, and seas.

The diagram below shows how the combined sewerage system operates and how spills can occur as rainfall intensifies:



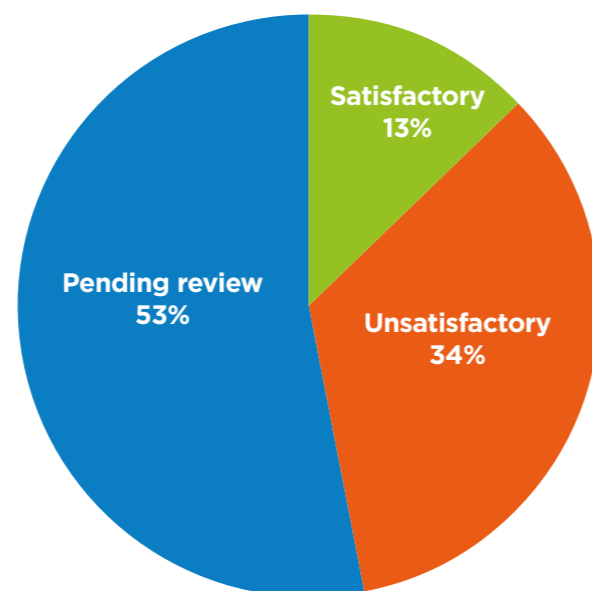
Many overflows are being forced to operate more frequently resulting in higher levels of pollution. This is due to a combination of new housing and business developments occurring without investment in the capacity of the wastewater system. This is leading to an excessive rate of loss of wastewater from many of our networks before it reaches a treatment works.

NIEA sets standards for overflows to allow spills of dilute wastewater at times of prolonged heavy rainfall when receiving waters are themselves fast flowing. Tighter standards apply to bathing and shellfish waters which are special to all and attract tourism. Modelling indicates that many operate much more frequently, contributing to the poor quality of our watercourses, loughs, and the sea.

NI Water has around 2,500 storm overflows. The roll out of event duration monitors over PC21 is helping to quantify the frequency and duration of discharges. We plan to have over 700 monitors installed by 2027, representing around 30% coverage of all storm overflows.

Assessment is ongoing and of those evaluated to date around three quarters are unable to meet the standard set by NIEA. Other contributors are agricultural practices and private drainage systems, with the share of pollution greatly varying depending on the characteristics of each catchment.

Storm overflow status



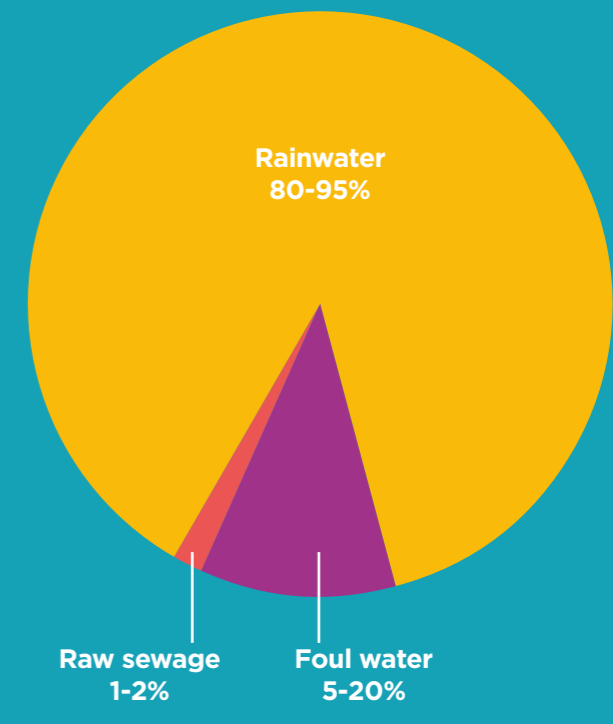
The modelling of drainage systems and catchment environments in collaboration with NIEA is giving us new information on where future investment is best targeted to tackle these spills. Our predictive models indicate 16 to 20 million cubic metres of wastewater is spilling each year – a figure that may rise by around 10% when all modelling is complete. The spills are mostly rainwater and although it varies, spills contain foul water and during times of heavy rain typically contain 1-2% of raw sewage.

Our initial estimate is that it could cost between £3billion - £4billion to address all unsatisfactory overflows. It is estimated that a further £3billion could be required to bring these up to the new standards that are now being adopted in England.

NI Water's website contains an interactive map to indicate the location of the discharges.

Find out more at <https://www.niwater.com/storm/overflow/>

Make-up of typical wastewater spill during storm conditions



Living with Water Programme (LWWP)

Living With Water is a new multi-agency approach to the provision of drainage and wastewater infrastructure, which promotes holistic and integrated solutions that achieve multiple benefits at reduced cost and disruption. Open spaces and watercourses can be used to enhance the environment, promoting recreational opportunities and by sustainably managing water to help reduce flood risk. This is commonly referred to as blue/green infrastructure. In addition to blue/green infrastructure it is recognised that significant investment is also required in more traditional infrastructure, like sewers, pumping stations and upgrades to our wastewater treatment works.

The £1.4bn Strategic Drainage Infrastructure Plan for Belfast was published by the DfI in 2021/22, with several significant flood alleviation projects carried out in Belfast

over 2022/23. A similar approach is being explored for Derry/Londonderry, which NI Water plans to support. We are also working with the DfI to develop the NI version of the Water UK 'Drainage and Wastewater Management Plan Framework' to help sustainably manage our drainage infrastructure.

Inflation has had a significant impact on construction projects across the public and private sectors with materials and labour costs climbing sharply over the last two years. The current estimate of programme costs has increased to £2.1bn. Funding of the programme is being reviewed by the DfI.

Find out more at <https://www.infrastructure-ni.gov.uk/topics/living-water-programme>

Sustainable solutions

Solar system

As part of our PC21 commitment to double our existing 8MW of solar generation by 2027, we're exploring installations across our own land, through strategic partnerships. During the first phase of the project, we've installed over 2,000 solar panels across three sites to generate clean electricity and lower our carbon footprint. The on-site roof and ground mounted solar installations were completed at energy intensive sites at Drumaroad and Killyhevlin water treatment works, and Limavady wastewater treatment works. The solar panels have a combined capacity of 0.9 MW of power, which will capture the sun's energy and convert it into electricity, which will be consumed on-site reducing demand from the electricity grid.



Solar installation at Drumaroad water treatment works, Castlewellan, County Down.

Getting in the 'ozone'

We have been working to deliver energy efficient savings at Dunore Point water treatment works on the shores of Lough Neagh. Through collaborative working, NI Water has achieved significant energy cost savings of around £100k per year by turning off the ozone process over the lower risk winter months, whilst still maintaining drinking water quality compliance.



NI Water staff at Dunore Point water treatment works, County Antrim.

'Reed' all about it

A part nature-based solution to wastewater treatment has been completed at Loughries wastewater treatment works, Newtownards, County Down. Due to its age, an increasing load from the village, and ever-tightening discharge limits being applied, the existing works was in danger of breaching consents. The project involved the design and construction of a new treatment process consisting of a septic tank and aerated reed bed, which is a long-term solution to operate as a tertiary final polishing system. The vertical flow orientation of the reed bed minimises the footprint of the required bed, whilst aeration provided enhanced microbial treatment to bring discharges to the required standard.



Aerated reed bed growth at Loughries wastewater treatment works, Newtownards, County Down.

Keep it clear

We deal with around 10,579 blockages of our sewers each year. The most common cause of these blockages is the flushing of items which do not dissolve down the toilet such as wet wipes and the disposal of fats, oils, and grease down the sink. These combine to form a solid mass in the pipes underground, meaning less waste can pass through the pipe. If enough waste cannot pass through, it leads to flooding in homes, business, or our natural environment.

The UK Government has announced plans to ban the supply and sale of wet wipes containing plastic, aiming to combat plastic pollution and safeguard waterways. The legislation, set to be introduced in 2024/25, will be implemented in stages across England, Northern Ireland, Scotland, and Wales.



Bin it

NI Water continues to promote the 'Bin it' message to raise awareness of the damage caused by flushing inappropriate items, encouraging the public to 'bin it' instead. This is done through an extensive 'Bin it' advertising campaign which is spread across five months of the year, utilising TV, radio, outdoor and social media assets. This campaign is enhanced with an extensive awareness campaign, focussing on key times of the year when fats, oils and grease may be more of a problem in the home, for example, Christmas or Easter. The message was also promoted at the Balmoral Show, with artwork showing the impact of a blocked pipe running throughout the floor of the stand, creating a talking point for staff. Over 10,000 customers were given key messages, including the 'Bin it' message over the four-day period of the show.


NI Water also carries out targeted campaigns in areas where there is an identified problem. For example, an area in Portadown was highlighted as having of recurring blockages. Local elected representatives and the Town Mayor were invited to a photocall alongside NI Water staff. This release was issued across the Portadown area. The blockages stopped in this area and a follow up release 'Portadown loves their sewers' was issued in 2023/24.




Artwork showing the impact of a blocked pipe at the Balmoral Show, Belfast, County Antrim.



NI Water staff with local elected representatives and Lord Mayor of Armagh City, Banbridge and Craigavon during the targeted 'Bin it' campaign in Portadown, County Armagh.

 https://youtu.be/syp45gNoFDg?si=qTYK79HU_qbK6RY0

 <https://www.niwater.com/fats-oil-and-grease-fog/>

Delivering net zero carbon and climate resilience

Addressing climate change is critical to the water sector given the impact on the quality and quantity of water sources, the carbon intensity of our sector’s supply chain, and the exposure of our assets to extreme weather events. We are mitigating emissions from our activities, reducing emissions where we can from our construction and the wider supply chain, and adapting our assets to extreme weather events.

At NI Water, we’re committed to delivering a net zero, climate resilient future for all our customers. Our Climate Change Strategy was published in May 2023 and sets out how we can harness the huge and largely unseen potential for NI Water to address climate change. Several of the approaches we are taking will benefit our society and economy more broadly as it seeks to decarbonise and exploit the benefits of green growth through a just transition. We have challenged ourselves to go further and faster than the net zero 2050 targets set by law. NI Water is committed to achieve net zero for the energy we use by 2030 and net zero for all our emissions by 2040, as measured against our 2020/21 adjusted baseline. We can also play a strategically important role in helping society to decarbonise by planting one million trees; building more renewables on our land; kick-starting our hydrogen economy; and providing sources of warmth for district heating schemes.

However, climate change is a systematic problem for Northern Ireland and requires systematic solutions. We also need holistic solutions that address the changes of the

global energy crisis and growing pressures on public sector funding that we experience as a government owned company. To do this, we will need support from all our stakeholders, a positive policy and regulatory environment from government and regulators, innovation from our supply chain, reduced water use from our customers, and collaborative planning from councils and other partners. To meet future strategic challenges such as climate change, water companies in England and Wales are proposing to make their largest ever investment, nearly doubling investment levels over the 2025-30 period. In contrast, NI Water faces material underfunding of PC21 which is adversely impacting on delivery of our Climate Change Strategy. Delivery of our Climate Change Strategy is critically dependent on multi-year funding in line with that determined by the independent Utility Regulator, supported by a mechanism to deal with financial shocks.

Taskforce on Climate related Financial Disclosures

Large sections of the UK economy have moved to mandatory climate change reporting against the Taskforce on Climate related Financial Disclosures (TCFD). This is in accordance with the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

NI Water has transitioned towards TCFD compliance for 2023/24 and will continue to develop our disclosures over 2024/25. The TCFD framework focuses on four key elements, supported by 11 recommended disclosures:

TCFD elements	TCFD recommended disclosures
Governance	a. Board oversight
	b. Management role
Strategy	a. Climate-related risks and opportunities
	b. Impact on the organisation's businesses, strategy and financial planning
	c. Resilience of the organisation's strategy
Risk Management	a. Risks identification and assessment processes
	b. Risk management process
	c. Integration into overall risk management
Metrics and Targets	a. Climate-related metrics in line with strategy and risk management process
	b. Scope 1, 2, 3 greenhouse gas metrics and the related risks
	c. Climate-related targets and performance against targets



Governance

We are committed to best practice climate governance to ensure robust oversight and successful delivery of our Climate Change Strategy.



Board

The NI Water Board provides leadership on climate change and takes overall responsibility for overseeing the management of risks associated with and sets the risk appetite for climate change. Climate change risk and opportunity is integrated into the strategic review process in NI Water and is one of NI Water’s Principal Risks. The Board receive quarterly updates on the management of climate change risks. Find out more about our Principal Risks on page 84.

The Audit Committee and Risk Committee supports the Board on climate risk management and climate reporting and receive quarterly updates on these areas. Refer to the reports by the Committee Chairs at page 126 and page 128.

Executive Committee

Responsibility for operational delivery of the Climate Change Strategy and management of climate risks rests with the Executive Committee. The Director of Engineering and Sustainability is the designated Senior Responsible Owner for climate change and is supported by a Head of Climate Change and designated senior managers and their teams across relevant areas of the business. The Executive Committee receive quarterly updates on the climate strategy and the management of climate risks.

Programme Board/Progress Group

The Executive Committee is supported by the Climate Change Strategy Programme Board/Progress Group which is responsible for implementing the annual climate action plan. NI Water actions and the action owners from across the business are identified to ensure traction and delivery of the Climate Change Strategy Delivery risks are managed by the Programme Board, drawing on updates from the Progress Group, and reported quarterly to the Executive Committee.

Strategy

Focusing on climate has been a priority for NI Water since our formation in 2007. We have made significant improvements in water resilience for customers, delivering higher levels of leakage detection, sustained investment in water mains and water efficiency initiatives.

We have been developing a Water Resilience and Supply Plan from 2012 and have been partners in the Living With Water Programme to improve strategic drainage infrastructure from 2014. Since 2015, we have reduced our operational carbon emissions by well over 50%, through alternative fuel projects to reduce fossil fuels used in our treatment processes, delivering solar farms, restoring peatland, and planting new woodlands.



Read more about our Climate Change Strategy at <https://www.niwater.com/climatechange/strategy/>

Corporate Strategy

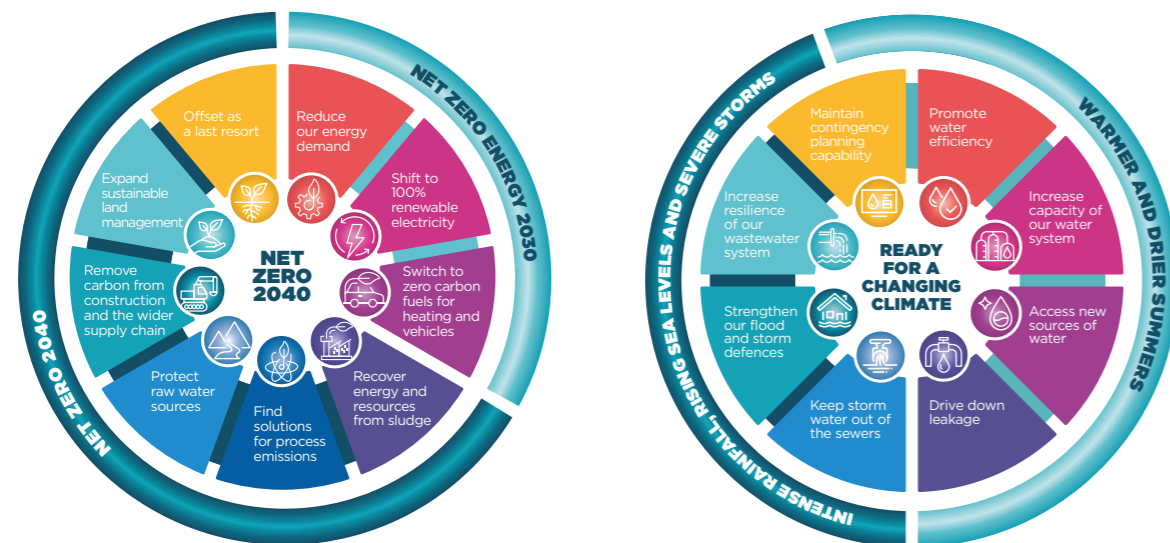
Our Corporate Strategy sets the overall strategic direction on climate action in the medium-term across PC21 (2021-27) and over the longer-term (2021-2046). Getting to net zero for emissions and ensuring we are resilient to climate change are essential elements within our Corporate Strategy through our strategic priority on nature. We set out our goal to fully exploit innovative approaches to energy and new technology to reduce our carbon footprint and ultimately become carbon neutral. The long-term corporate strategy also recognised the need for a sustained step change in levels of investment to improve asset resilience.

Climate Change Strategy

Our Climate Change Strategy sets out our approach to building a net zero and climate resilient business. The Strategy sets out:

- our pathway to net zero emissions for the energy we use by 2030;
- how we will achieve net zero for all our emissions by 2040; and
- what we will do to ensure resilience of our services to climate change by 2050 and by 2090.

These 2030 and 2040 targets are further broken down by shorter term annual targets which are to be progressed by the Climate Change Strategy Programme Board/Progress Group.



Risk management

The climate risks we face span transition risks and physical risks. Addressing these helps us to protect our customers where we can from the worst impacts of climate change and presents us with an opportunity to invest for sustainable outcomes, such as the new low carbon energy sources outlined in our Power of Water Report.

Transition risks

Transition risks are about the risks of transitioning to a net zero economy. Limiting warming to 1.5°C means organisations face transition risks from the imposition of government policy and regulation, such as the introduction of carbon taxes, climate litigation, reputational exposure, and shifting consumer preferences, as well as from the 'green premium' on new technology. Transition risks can lead to additional funding pressures and the stranding of assets which are no longer useable under new policy and regulation.

Physical risks

With every small increase in average global temperatures there are changes to the climate, which can lead to more severe weather events and degradation of the natural environment. These are the physical risks of climate change. We have already seen the impact of global warming across our region through increased flooding, storms, prolonged periods with no rainfall and more frequent periods of intense rainfall. All these factors create challenges across our business. There are also physical risks associated with our operational assets especially in relation to critical facilities located in exposed areas.

By 2050 Northern Ireland is expected to experience a temperature increase of between a 1.9°C, in a middle emission scenario, and 2.4°C, in a high emission scenario. By the 2090s the temperature is projected to be significantly higher of between 3.3°C and 5.2°C. Climate hazards have potential to cause major disruption to our water and wastewater service. We have summarised the hazards under the following areas:

- Warmer and drier summers causing a surge in water demand and risk of drought; and
- Intense rainfall, rising sea levels and severe storms overwhelming our sewers and leading to internal flooding of homes and pollution of water courses, putting our low-lying coastal sites at risk of flooding, and causing damage to our infrastructure.

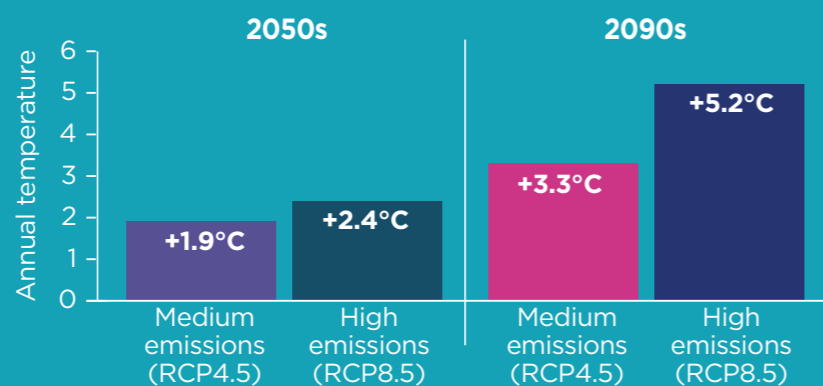
We recognise that other hazards exist such as extreme cold, which can also cause a surge in water demand. These hazards pose indirect risks to us by impacting on infrastructure that we are dependent on such as the road network, on our people or on our supply chain.

As an operator of critical national infrastructure, we must be ready for climate change. We are moving our business to a higher state of readiness by planning for two degrees of temperature rise by 2050 and preparing for four degrees by 2090. As part of this, we ensure that our business continuity plans, major incident plan and commercial insurance programme are aligned with this Climate Change Strategy.

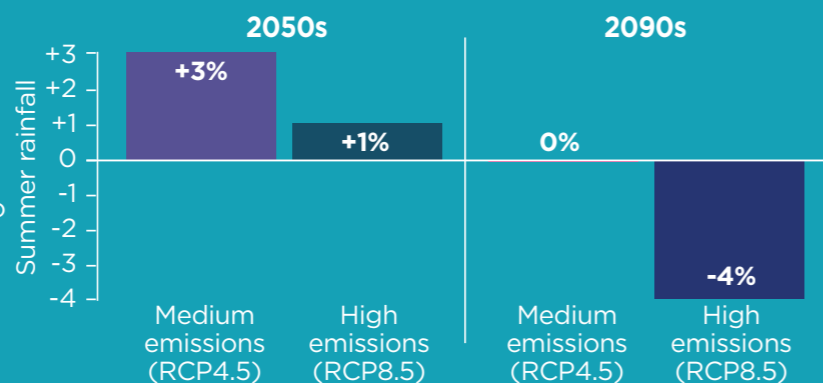




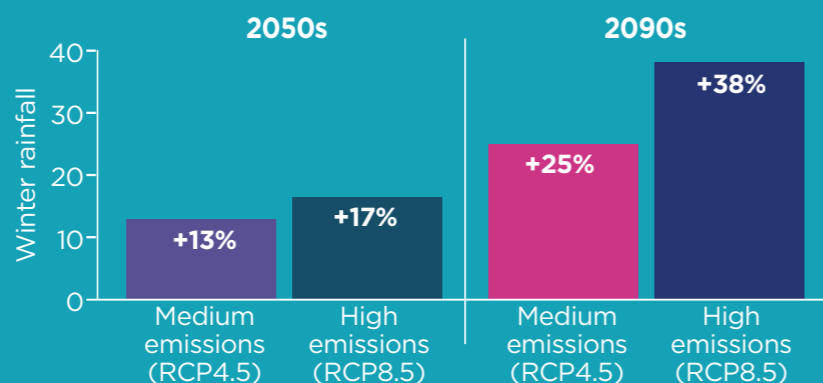
Annual temperatures are set to increase on average by between 1.9°C - 2.4°C by 2050*



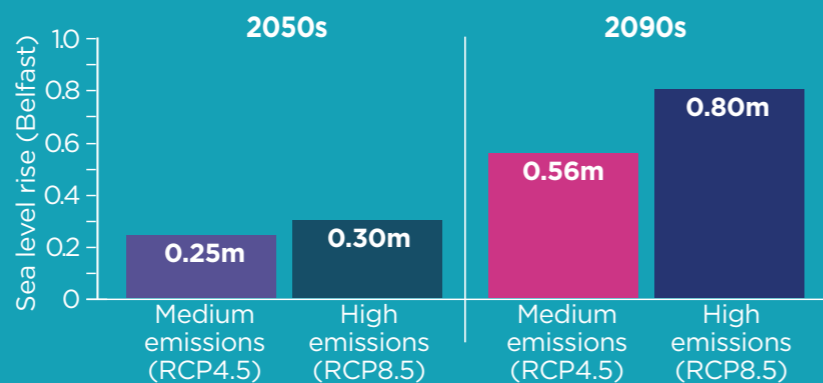
We can expect hotter drier summers, and while overall summer rainfall is projected to decrease, downpours will be more extreme**



Winter rainfall is projected to increase creating warmer wetter winters**



Projected sea level rise has the potential to impact our coastal towns and cities including Belfast



Climate change and sea level rise projections based on the 90th and 95th percentile respectively (compared to the 1981-2000 average).

*UKCP18 key results, available at <https://acft.metoffice.gov.uk/pub/data/weather/uk/ukcp18/science-reports/UKCP18-Probabilistic-Update-Report.pdf>
 **CCRA3 2021, Summary for Northern Ireland available at <https://www.ukclimaterisk.org/wp-content/uploads/2021/06/CCRA-Evidence-Report-Northern-Ireland-Summary-Final.pdf>

Opportunities

Investing to mitigate the transition and physical climate risks we face brings a wealth of new opportunities. Our Power of Water Report underlined the potential for NI Water's assets to act as catalysts for transforming the energy system by both producing clean, renewable energy and support flexibility of supply. NI Water and its customers will benefit from our renewable transition in the stability of costs and mitigation of emissions, but this can only be fully achieved with collaboration across institutions and stakeholders in Northern Ireland. Other opportunities are continually being explored and will be progressed in the coming years. Taking the opportunities to mitigate these risks will have wider benefits for the Northern Ireland landscape in reducing inequalities, improving air quality, and creating new jobs and opportunities.

Risk scenario modelling

We developed a Climate Risk Model in 2021/22 to assess the financial impacts of physical and transition risks. The model points to illustrative trends for physical and transition risks over the next three decades. These show transition risks peaking over this decade before being overtaken by physical risks. The model helped inform the development of our Climate Change Strategy, particularly in relation to the timing of our targets and actions for net zero and climate resilience. The Model has also helped us identify

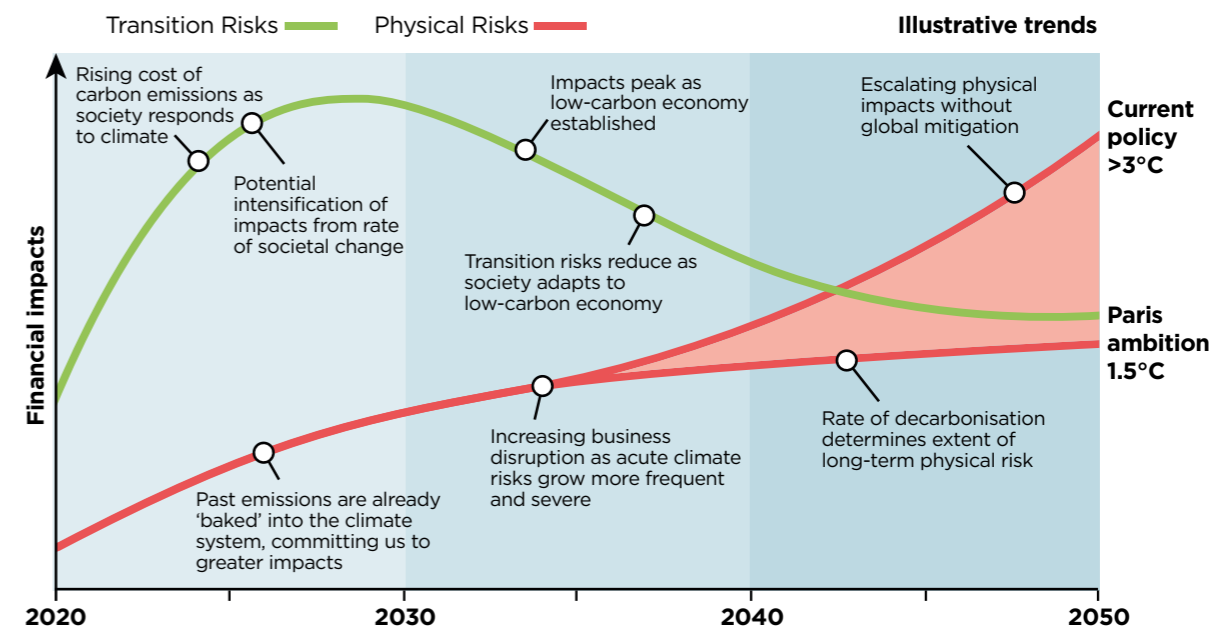
information required to improve our understanding and climate decision making.

The model points to illustrative trends for physical and transitional risks over the next three decades. These show transitional risks peaking over the next decade before being overtaken by physical risks. These trends reflect that companies and their owners face significant risks from both action and inaction.

The magnitude of the short-term financial impacts over the PC21 period excludes the costs to transition NI Water to net zero. This aligns with the approach taken for the PC21 Business Plan and will likely result in a material increase in the financial impacts once factored in for PC27 (2027-33) and future Price Controls.

The modelling exercise identified several areas for development, which have been incorporated into the Climate Change Strategy action plan:

- transition (policy) risk - more granular assessment of scope 3 supply chain emissions as part of setting of science based targets;
- transition (technology) risk - quantifying the cost to decarbonise the business by 2040 and funding via the Price Controls; and
- physical risk - assessment of granular asset level impacts to inform long-term asset resilience as part of our long-term resilience planning for clean water and wastewater.



Illustrative trends for physical and transitional risks over the next three decades.

We re-ran the model over 2023/24 to further inform our 2023/24 TCFD disclosures. The re-run process involved the following developments:

- inclusion of improved data sets such as Scope 3 emissions;
- extending the transition risk assessment,

assessing policy, liability and technology risks over a 5-10 year time frame; and

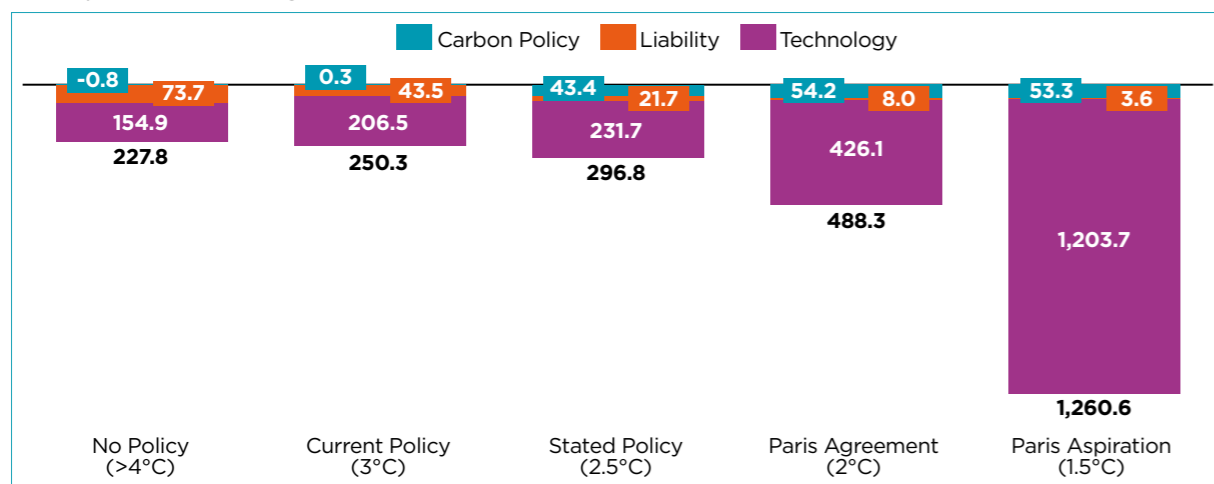
- physical risk assessment to quantify the business disruption, property damages and market disruption risk and opportunities present.

Key findings from the model re-run included the following:

Value at risk over the 10-year time frame - £m

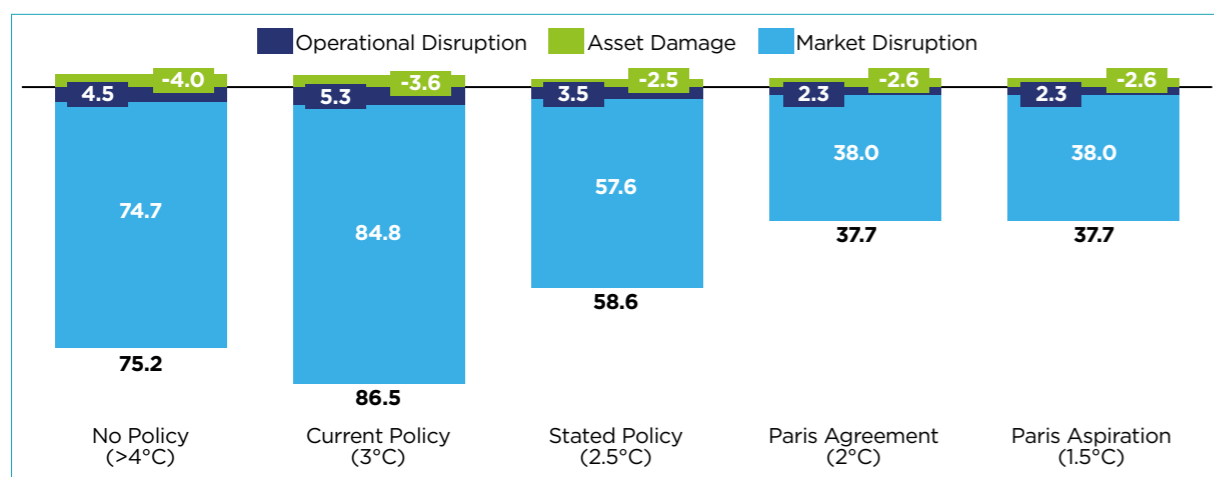
Transition Risk:

- technology risk is the dominant transition risk faced by NI Water, while policy (carbon pricing) and liability (climate litigation) risks are present, the magnitude is smaller;
- the overall impact of transition risk ranges from £227m to £1.2bn as the economy adopts more climate stringent policies;



Physical Risk:

- the largest physical risk costs at £86.5m are expected to be incurred in the current policy scenario over the ten-year time frame;
- the leading peril impacting NI Water’s key facilities is temperate windstorm, followed by riverine flood and drought/water stress; and
- heatwave and drought/water stress are expected to increase the demand for NI Water’s services.



Key recommendations from the model re-run include creating a decarbonisation plan to reduce emissions, with a particular focus on Scope 3 emission reductions; accelerating the electrification of NI Water’s assets, creating a strategy for assets with larger fossil fuel dependency and establishing a climate risk mitigation plan and business interruption plan for all key facilities. These recommendations will be progressed over 2024/25.

Model assumptions:

Input data and Assumptions

- This exercise assesses the potential impact of climate on NI Water’s earnings value in the next 5-10 years under set global temperature scenarios (>4°C, 3°C, 2.5°C, 2°C and 1.5°C);
- Cash Flow projections for the next 5-10 years are used; and
- Baseline Cost of Capital is calculated based on NI Water’s current capital structure and cost of debt and equity.

Limitations and Constraints

- Impact on earnings value is calculated assuming that NI Water does not modify its current/planned strategy based on the market ecosystem. Thus, the exercise does not provide an expected value of this impact.

Transition risk assumptions:

	Modelling data assumptions
Carbon Policy	<ul style="list-style-type: none"> • Carbon costs have been estimated based on the NI Water’s GHG emissions • Scope 1 and Scope 2 emission values were obtained from NI Water’s annual report • The collective global Scope 3 emissions data was geographically split using NI Water’s geographical ratio from the previous year • For comprehensive analysis, it is assumed that NI Water retains all the increased carbon pricing costs
Liability	<ul style="list-style-type: none"> • For comprehensive analysis, this exercise assumes that NI Water will not pass litigation costs to customers
Technology	<ul style="list-style-type: none"> • The following depreciation rates were utilised for assets: property: 1.97%, machinery: 8.23%, transport: 17.68% • The reduction in fuel usage for transport assets is assumed to be proportionate to the size of NI Water’s electric fleet • NI Water’s property assets are assumed to have a 2.3% fossil fuel utilisation rate due to the use of kerosene, gas oil, natural gas and propane in buildings • Machinery assets are assumed to have a 100% fossil fuel utilisation rate • It is assumed that NI Water retains all the increased investment costs and does not pass them onto customers

Physical risk assumptions

	Modelling data assumptions
Operational Disruption	<ul style="list-style-type: none"> • Replacement costs were identified for all key facilities to determine the cost associated with extreme weather events impacting NI Water’s key facilities • Where replacement costs were not available for facilities, initial costs of the facilities were pro-rated to 2023
Asset Damage	<ul style="list-style-type: none"> • Replacement costs were identified for all key facilities to determine the cost associated with extreme weather events impacting NI Water’s key facilities • Where replacement costs were not available for facilities, initial costs of the facilities were pro-rated to 2023
Market Disruption	<ul style="list-style-type: none"> • 2023 revenue values were aligned to NI Water’s market breakdown from the previous assessment conducted

Our principal risk on climate change is being aligned with the analysis on physical and transitional risks and the Climate Change Strategy. This will further support the embedding of climate risks through our corporate, directorate and programme/project risk and resilience management systems.

The long-term viability assessment has been updated for the latest analysis on climate risks. Find out more at page 136.

The Directors have considered in the Section 172(1) statement how their decisions support the long-term climate resilience of the business and the consideration of the climate impact of its operations. Find out more at page 142.

We have also considered the impact of climate change on the financial statements across areas such as provisions, impairment, contingent liabilities and accounting judgements and estimates. Find out more at page 168.

Metrics

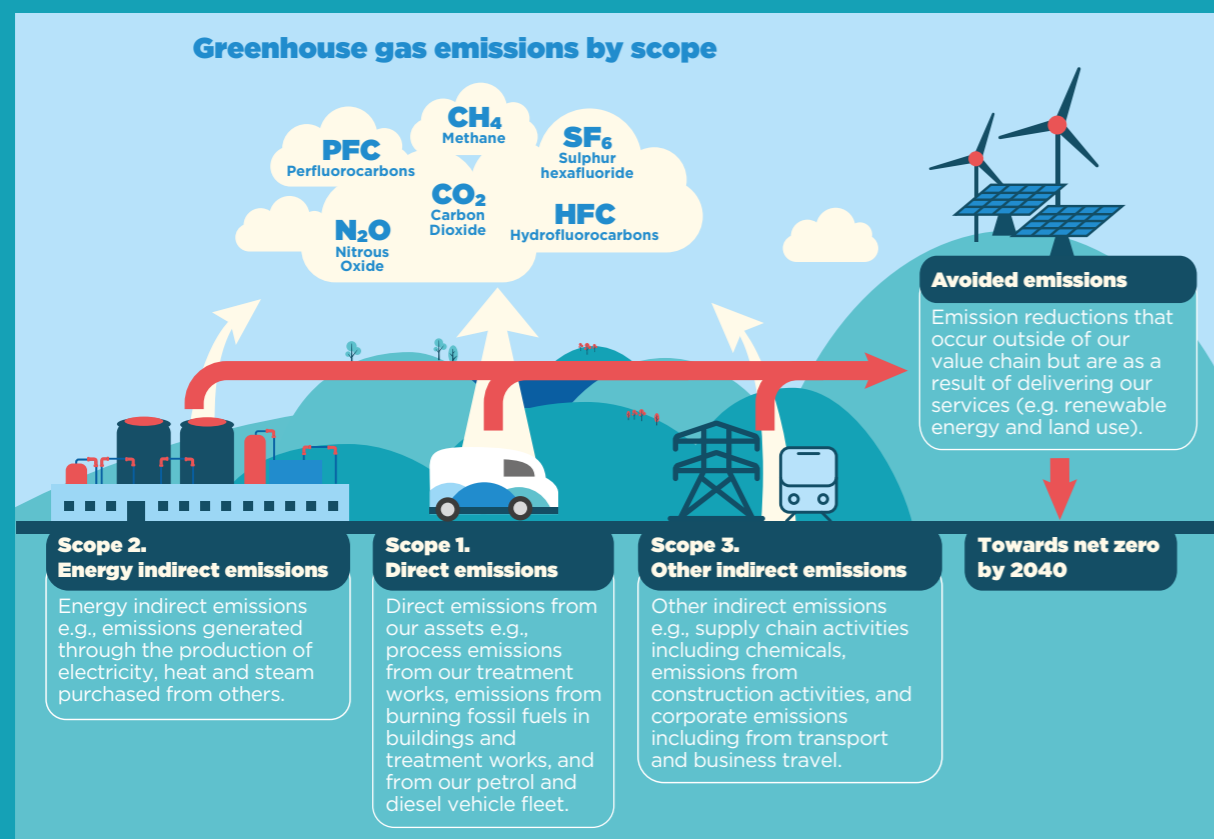
We account for our greenhouse gas emissions annually using the UKWIR Carbon Accounting Workbook, designed specifically for water companies to measure and report their emissions. The emissions are split into different categories known as scopes.

The Workbook is used to prepare the disclosures in our Annual Integrated Report and is aligned to the UK Government Environmental Reporting Guidelines, including the Streamlined Energy and Carbon Reporting Regulations.

We report a fourth category of emissions in our Annual Integrated Report. This category is known as ‘avoided emissions’ and relates to emission reductions that occur outside of our value chain but are because of delivering our services (e.g., renewable energy).

In 2022/23 for the first time, we augmented our existing 2020/21 reporting by estimating our full scope 3 emissions, so we have a better understanding of our total annual emissions footprint. This is important as it allows us to set a baseline, which we can now use as a reference point in future years to compare how we have progressed in decarbonising our business. We will further develop our methodology in 2024/25 to establish land use and wastewater process emissions and how these factors impact in our overall carbon footprint.

We have already made sizeable reductions in our greenhouse gas emissions since we began reporting. But we know there is much more to do, and we are playing our part in the water industry’s drive to improve the accuracy of our reporting.



Our baseline is made up of 2020/21 emissions from our activities, and subdivided into scopes 1, 2, and 3.

The reported emissions for 2022/23 and 2023/24 are shown below:

NI Water greenhouse gas emissions	2023/24 tCO ₂ e Market based*	2023/24 tCO ₂ e Location based**	2022/23 tCO ₂ e Market based*	2022/23 tCO ₂ e Location based**
Scope 1 direct emissions				
Direct emissions from burning of fossil fuels	2,319	2,319	1,912	1,912
Process emissions from our treatment plants	7,929	7,929	7,185	7,185
Transport: Company owned or leased vehicles	2,121	2,121	2,418	2,418
Total scope 1 direct emissions	12,369	12,369	11,515	11,515
Scope 2 energy indirect emissions				
Grid electricity purchased	19,009	53,624	21,263	49,652
Total scope 2 energy indirect emissions	19,009	53,624	21,263	49,652
Total scope 1 and scope 2 (gross of avoided emissions)	31,378	65,993	32,778	61,167
Avoided emissions				
Avoided emissions from renewable electricity exported	(283)	(283)	(281)	(281)
Avoided emissions from renewable electricity purchased	N/A	(32,432)	N/A	(30,983)
Total avoided emissions	(283)	(32,715)	(281)	(31,264)
Total scope 1 and scope 2 (net of avoided emissions)	31,095	33,278	32,497	29,903
Scope 3 other indirect emissions				
Purchased goods and services	56,166	56,166	80,310	80,310
Capital goods and services	93,107	93,107	64,560	64,560
Waste generated in operations	18,581	18,581	9,410	9,410
Employee commuting, homeworking and business travel	2,156	2,156	1,850	1,850
Fuel and energy	19,216	19,216	6,200	6,200
Transport and distribution	3,302	3,302	3,330	3,330
Leased assets	152	152	100	100
Total scope 3 other indirect emissions	192,680	192,680	165,760	165,760
Total reported emissions (net of avoided emissions)	223,775	225,958	198,257	195,663

*Market-based figures use emission factors specific to the actual electricity purchased.

**Location-based figures use average grid emissions to calculate electricity emissions.

NI Water greenhouse gas emissions intensity	2023/24	2022/23	2021/22	2020/21
Total location-based reported emissions per megalitre of treated water (tCO ₂ e/MI)	1.026	0.887	0.608	0.684
Total location-based reported emissions per megalitre of sewage water (tCO ₂ e/MI)	1.717	1.487	1.019	1.148

The total reported emissions increased from 195,663 tCO₂e in 2022/23 to 225,958 tCO₂e in 2023/24, an increase of 15%. The increase in total reported emissions was primarily due to increased capital investment. There was a resulting increase in greenhouse gas emissions intensity.

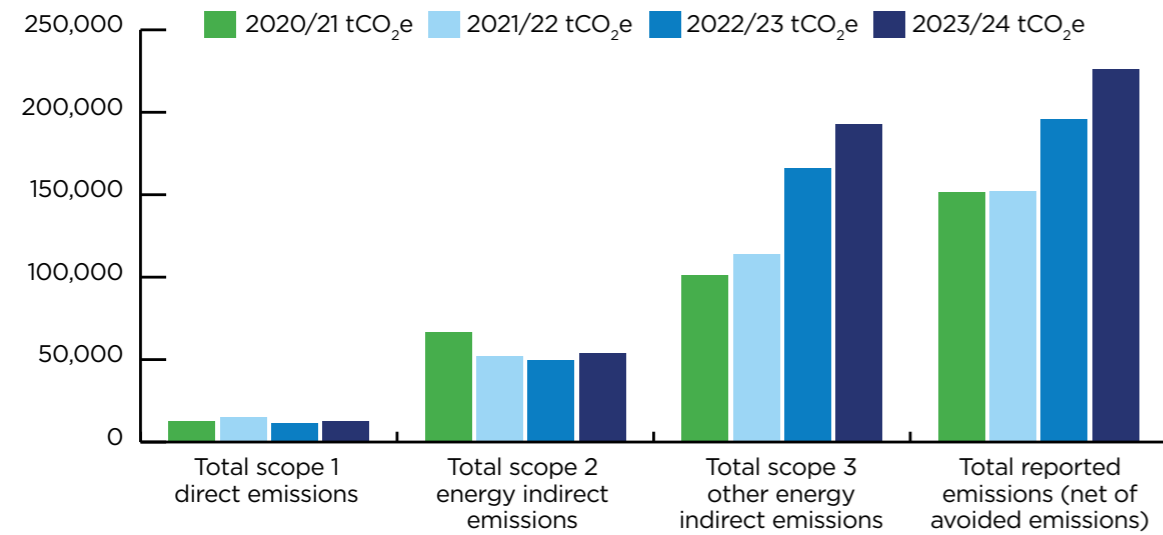
2022/23 was the first year NI Water reported scope 3 emissions. We have developed our methodology and classifications in 2023/24 in line with industry standards

and knowledge. The data is based on assumptions and latest understanding.

We plan to continue developing our methodology and processes in future years.

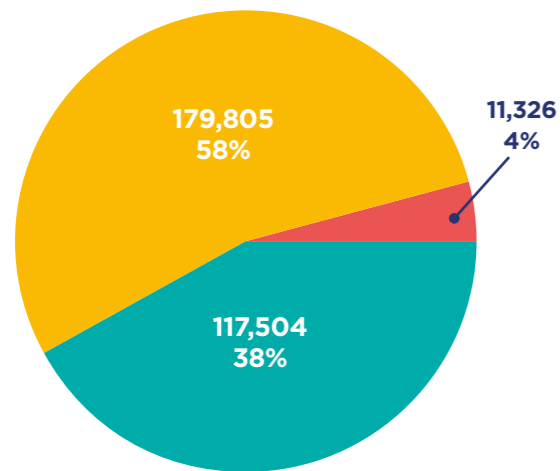
Based on the uncertainties and current industry practice, our net zero 2040 baseline currently excludes some of the wastewater process emissions and all of land use. We will include all of these in our net zero 2040 baseline and target once we are able to quantify them.

Location based greenhouse gas emissions



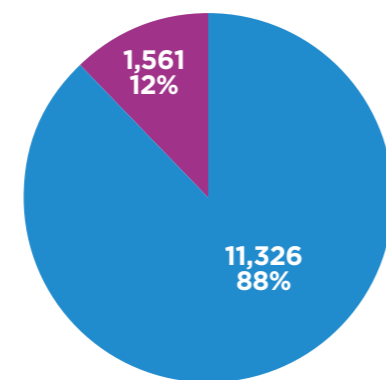
NI Water's electricity consumption and renewable energy generation is shown below:

Total electricity consumption 2023/24 (MWh)



- Grid electricity purchased (excluding renewable energy)
- Grid electricity purchased - renewable energy
- Renewable electricity generated and used
- Total electricity consumption 308,635MWh**

Total renewable electricity generated 2023/24 (MWh)



- Renewable electricity generated and used
- Renewable electricity generated and exported to the grid
- Total renewable electricity generated 12,887MWh**

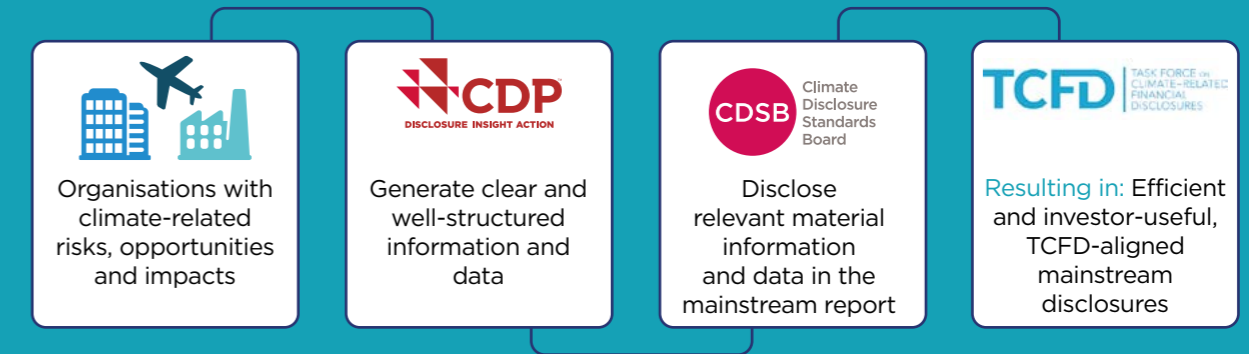
ISO 14064 (Part 1)

NI Water uses Achilles, a UKAS accredited verifier, to review its carbon reporting against ISO 14064 (Part 1). This ISO standard covers the quantification and reporting of greenhouse gas emissions and removals. Accreditation has been achieved for the 2020/21 baseline in Climate Change Strategy and the subsequent two years. The accreditation for 2023/24 data will be finalised in 2024/25.



CDP

NI Water registered with CDP and submitted the 2022/23 CDP questionnaires for both Corporate and Public Authorities. The CDP aligns with the Climate Disclosures Standards Board (CDSB) framework which helps corporates identify material information and data. The CDP and CDSB are part of a climate disclosure framework, which ultimately supports corporate disclosures under the TCFD framework.



NI Water was awarded a C rating for both Corporate and Supplier Engagement Rating (SER), including an A rating for Scope 3 verification. CDP's Supplier Engagement Rating assesses how effectively companies are working with suppliers to address climate change issues. Specifically, it focuses on the key areas of governance, targets, ambition, management (Scope 3), supplier engagement, and overall CDP climate change performance. The Public Authorities Questionnaire is currently not scored.

Your CDP score

C

Average performance

Non-energy utilities: **B-** | Europe: **B** | Global Average: **C**

UNDERSTANDING YOUR SCORE REPORT

Northern Ireland Water Limited received a C which is in the Awareness band. This is lower than the Europe regional average of B, and lower than the Non-energy utilities sector average of B-.

- Leadership (A/A-):** Implementing current best practices
- Management (B/B-):** Taking coordinated action on climate issues
- Awareness (C/C-):** Knowledge of impacts on, and of, climate issues
- Disclosure (D/D-):** Transparent about climate issues

Your SER

C

Average performance

Non-energy utilities: **C** | Europe: **B-** | Global Average: **C**

UNDERSTANDING YOUR SCORE REPORT

Northern Ireland Water Limited received a C which is in the Awareness band. This is lower than the Europe regional average of B-, and the same as the Non-energy utilities sector average of C.

- Leadership (A/A-):** Implementing current best practices
- Management (B/B-):** Taking coordinated action on supplier engagement issues
- Awareness (C/C-):** Knowledge of impacts on, and of, supplier engagement issues
- Disclosure (D/D-):** Transparent about supplier engagement issues

Targets

NI Water is committed to achieve net zero for the energy we use by 2030 and net zero for all our emissions by 2040, as measured against our 2020/21 adjusted baseline. We will refresh this baseline for any structural changes that have a significant impact such as changes in calculation methods, outsourcing or insourcing. Changes to the baseline will be guided by materiality thresholds.

Over 2023/24, we continued to develop an illustration of four decarbonisation trajectory pathways which would emerge depending on the strategic decisions taken by NI Water to meeting its climate change commitments for mitigation. Over 2024/25 we will select the preferred pathway and develop a Climate Transition plan including annual net zero targets.

Science Based Targets Initiative (SBTi)

Targets are considered 'science-based' if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.

We have committed to set a science-based target with the Science Based Targets Initiative (SBTi), which defines and promotes global best practice in science-based target setting. The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). NI Water has registered with the SBTi to signal its commitment to setting science-based targets and automatically joined the Business Ambition for 1.5°C and Race to Zero campaigns. NI Water has two years in which to submit its targets to the SBTi for validation. Our submission will be supported by the Climate Transition Plan.

Future developments in climate reporting

IFRS Sustainability Standards

The IFRS Foundation has established a new International Sustainability Standards Board (ISSB) that will develop a comprehensive global baseline of sustainability disclosure standards. The final version of the standards was published in June 2023 and will replace the TCFD framework. The UK government has confirmed it intends to incorporate these standards into the UK corporate reporting framework.

We commissioned a gap analysis with the standards in 2023/24 and will commence implementation of the recommendations over 2024/25.



Climate Change Act (Northern Ireland) 2022 and Climate Change (Reporting Bodies) Regulations (Northern Ireland) 2024

The Climate Change Act (NI) 2022 was enacted in June 2022. The Department for Agriculture, Environment and Rural Affairs (DAERA) are progressing the development of a Climate Action Plan and five-year Carbon Budget (2023-2027).

The Climate Action Plan and Carbon Budget are primarily focussed on greenhouse gas emissions and cover the various sectors across the economy. Infrastructure spans a number of these sectors (wastewater, energy, buildings, land use etc). We understand that the Climate Action Plan will contain proposals and policies aimed at supporting a 38% reduction in emissions by 2027, from 1990 levels (which represents a 22% reduction from 2019 emissions levels). These proposals and policies will also aim to support the 2030 target of 48% lower than the baseline and align with the 2040 and 2050 targets as stipulated in the Act. The 2040 target is to be set in line with the 2050 target of 100% lower for carbon dioxide and 46% lower for methane. The Climate Action Plan will also cover climate adaptation and public body reporting.

We engaged with DAERA and the Department for Infrastructure to support the development of the Climate Action Plan and Carbon Budget, which will be finalised in 2024/25. We submitted a response to the draft Climate Action Plan and Carbon Budget in 2022/23, highlighting the different approaches to greenhouse gas reporting between the water sector and Government. This includes the use of different bases of carbon accounting (carbon consumption versus carbon production) and different baseline years. We commissioned a reconciliation between greenhouse gas reporting in the water sector and reporting under the Act. The reconciliation was shared with DAERA and DfI in 2023/24 and was reflected in our submission to the consultation on the Climate Action Plan and Carbon Budget.

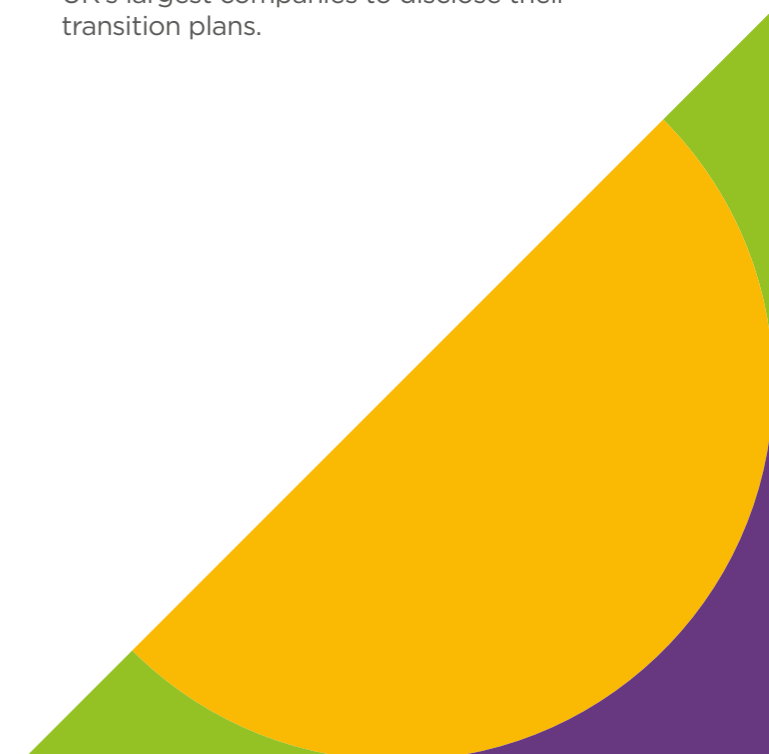
Climate Change (Reporting Bodies) Regulations (Northern Ireland) 2024

NI Water is specified as a 'Reporting Body' within the Schedule of the Climate Change (Reporting Bodies) Regulations (Northern Ireland) 2024, as having climate change reporting duties placed upon it. The draft Regulations, agreed by the Northern Ireland Executive, come into operation in 2024/25.

The duties placed on NI Water cover climate change reporting requirements on both adaptation and mitigation. The first mitigation report by the public bodies will be required to be submitted to DAERA by October 2025. The first adaptation report is not due until March 2026. Mitigation reports will then be required on a three-yearly cycle, and the adaptation reports will be required on a five-yearly cycle.

Transition Plan Taskforce

The Transition Plan Taskforce was launched by HM Treasury in April 2022 to develop the gold standard for private sector climate transition plans. The Taskforce published a final Disclosure Framework in October 2023. The Disclosure Framework sets out the key elements of credible and robust climate transition plans as part of annual reporting on forward business strategy. The Framework will support the creation of consistent, comparable company reports, and reduce the level of complexity faced by firms disclosing climate-related information. The UK Government has committed to consulting on the introduction of requirements for the UK's largest companies to disclose their transition plans.





NI Water celebrated International Women's Day highlighting the importance of females in construction and leadership within the water sector.

Strategic areas of focus

Powered by talent

Safe, happy and healthy workplace

Creating a legacy for our communities

Sustainable development goals



Principal threats/opportunities



Page 84 Read more about principal threats and opportunities.

Strategic performance indicators

People	Unit of measurement	Target 2023/24	Actual 2023/24	Pass/Fail	Target 2024/25
Employee engagement	Number (out of 5)	n/a	3.73	n/a	n/a
Employee attendance	%	96.5	96.6	Pass	96.5
Health and safety incidents	Number	<6	4	Pass	<6

Powered by talent

We want to create a great place to work and ensure that NI Water is fit for the future by attracting, developing, and retaining top talent. Our people strategy is focused on driving performance for our customers through building capability, ensuring we have the right people with the right skills performing their roles to the best of their ability. Our plans support the provision of a safe and healthy workplace, helping to make NI Water an organisation in which we are all proud to work.

Whilst many organisations are experiencing the 'great resignation', our staff turnover remained consistently low at around 5%, while average tenure has remained high at over 16 years. 7% of our workforce were promoted in 2023/24. Our employer brand remains strong in the marketplace, with over 300 new recruits in the last two years to maintain our talent pipeline.

Over 2023/24, we engaged an expert partner to support the delivery of a comprehensive management development framework that will develop world class management capabilities at all levels. This is a major investment in our leaders and managers over PC21 and continues NI Water's journey in developing leadership skills, competencies, and behaviours to create a high-performance culture and role model our values.

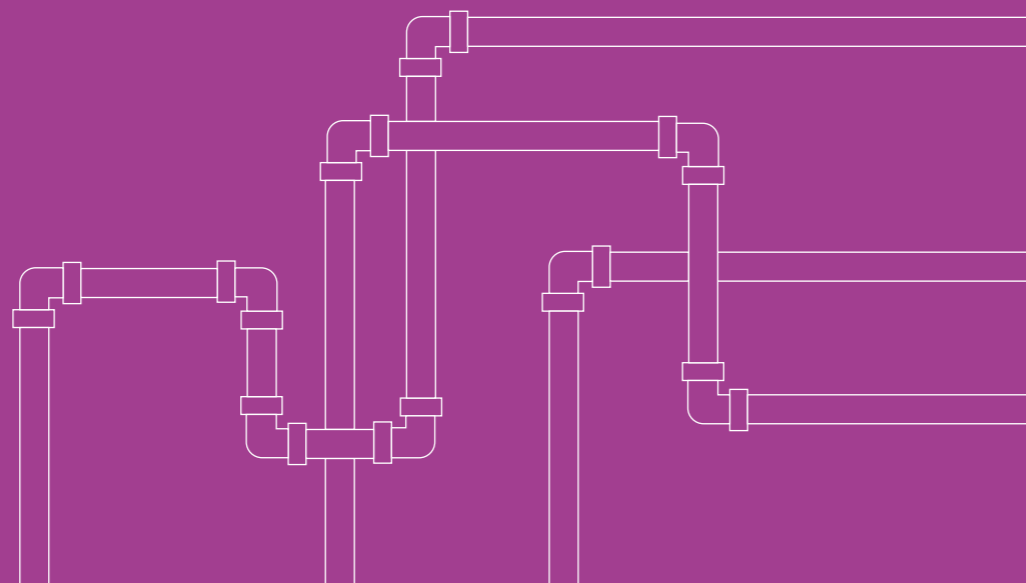
NI Water was named Employer of the Year at the Belfast Telegraph Business Awards. We were also highly commended in the Corporate Community Champion category, which recognises our commitment to making a positive difference in our local communities.



NI Water staff accepting the Employer of the Year award.



Our CEO won Belfast Chamber of Commerce's Business Leader of the Year Award at the Belfast Chamber Business Awards.

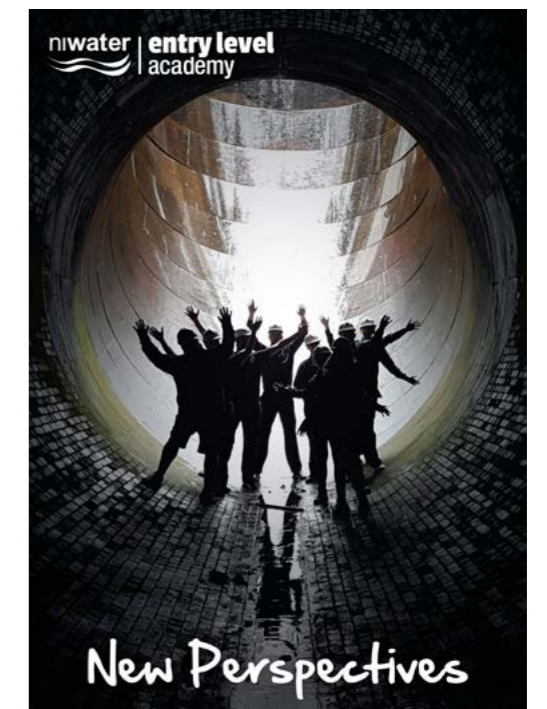


NI Water won the highly coveted Best Apprentice Programme (Large Business) at the prestigious Irish News Workplace and Employment Awards held at Titanic Belfast. The awards celebrate exceptional companies and organisations focused on their people by recognising excellence in the workplace. The judges commended NI Water for its strategic use of apprenticeships to address skills shortages, whilst attracting top talent and building their employer brand in an increasingly tight labour market.



NI Water's CEO and Head of Culture, Engagement and Learning collects the award alongside two of NI Water's third year Water Utility Apprentices.

Over the last three years, our Academy has gone from strength-to-strength, growing, and diversifying into new business areas to support NI Water's strategic ambitions, whilst adapting to evolving business needs. The Academy has provided important employment opportunities for over 100 people and has also supported NI Water's diversity, inclusion, and levelling-up ambitions, creating significant positive cultural change in the organisation. In 2024/25, we will continue to develop strategic partnerships with regional colleges, building relationships in new disciplines such as net zero and GIS, as we diversify our academy to tackle skills shortages.



NI Water welcomed our 2023 Entry Level intake of apprentices.



Safe, happy, and healthy workplace

It is only with a motivated, safe, and healthy workforce that we can deliver exceptional standards of customer service. We do this by placing care for our people front and centre in how we do business, looking after them through all of life's events and providing the conditions for them to perform their role to the best of their ability.

Zero harm

Health and safety is an integral part of NI Water's day-to-day business. NI Water's vision for health and safety for employees, contractors and customers is the 'pursuit of zero harm by raising standards and performance through the identification and adoption of industry best practice and the development of an empowered, valued, engaged, accountable and competent workforce'.

NI Water has a dedicated Health and Safety team, which is key to ensuring that NI Water complies with relevant legislation and best practice. The Health and Safety Focus Group, made up of representatives from across NI Water, examines NI Water and contractor incidents, reviews health and safety training needs, and general promotion of health and safety. Driver awareness was one of the areas of focus for 2023/24.

NI Water has a Health, Safety and Facilities Transformation Programme (2021–2025) which sets out several priorities for health and safety. Significant investment continues to be made in our facilities and above ground buildings and related assets.

The Assure health and safety software enables all employees and our supply chain to report incidents, unsafe and good observations and safety suggestions via App or Source homepage using a mobile phone, Toughbook, or laptop. The system provides real time, accurate and meaningful data that enables us to appropriately target and resource both our short and long-term health and safety priorities.

In 2024/25, a delivery programme for mandatory health and safety training will commence with this training integrated into employee learning paths. As the necessary compliance levels are achieved and planned improvements are realised, greater focus will be turned towards behavioural and culturally based projects with the zero harm concept being refreshed and reinvigorated.



Prioritising Health

In recent years, our work on employee wellbeing has been widely recognised as a programme of best practice in Northern Ireland and has earned us several prestigious business awards, including the 2023 CIPD award for Most Impactful Health and Wellbeing at work.

The programme has proven to have been successful in helping to improve the health and wellbeing of many of our employees. We have had positive feedback from employees who have benefited from the various programmes, including a few notable cases where early identification of health issues prevented more serious consequences.

Our health and wellbeing strategy is focused around four key pillars of health (mental, physical, social, and financial). Over 2023/24, we hosted a range of guest speakers, attracting record audience numbers and continued our health promotion and awareness campaigns via the use of storytelling to support Men's Health Week,

Mental Health Awareness Week, Carers Week and Smoking Cessation.

Our hugely popular live well roadshow is now offered twice a year in each hub office, offering a range of services including one-to-one health checks, vaccinations and seminars from expert providers on a range of health issues.



NI Water staff collecting the award for 'Most Impactful Health and Wellbeing at work' at the CIPD NI Awards.

Involving people in the decisions that affect them

We engaged a new expert culture and engagement partner to help design and deliver a new holistic listening strategy across NI Water to gather the voice of the employee and develop our ability to measure the health of our corporate culture.



In partnership with the expert culture and engagement partner we conducted a cultural analysis of NI Water involving a range of employees across the business. The findings were used to deliver a company-wide employee survey (NI Water Unplugged) in 2023/24. Survey results reported higher than average engagement levels across all functions, a supportive and inclusive culture, a strong emphasis on safety and an agile and empowered organisation. The survey also identified clear areas for improvement which will form the basis for action planning in 2024/25.

Celebrating and promoting diversity

As a major employer delivering an essential service, we recognise both the business and personal benefits of creating a diverse and inclusive environment and the importance of diversity in attracting and retaining the best talent. We are committed to creating an environment where everyone feels valued and able to contribute fully to their full potential. Significant work has been undertaken in the last three years to lay the foundations for a new culture of diversity and inclusion.

Building on our success in achieving the Bronze Charter Mark for Diversity in 2020/21, NI Water became the second public sector organisation in Northern Ireland to achieve the challenging standard of the Silver Diversity Charter Mark in 2022/23. In 2024/25, all managers across NI Water will receive Inclusive Leadership Training to enable them to fulfil their commitments in this area and act as role models.



Find out more about diversity and inclusion at page 150.

Creating a legacy for our communities

Helping hands

Our 'Cares Challenge' volunteering programme has been running for over a decade and demonstrates continued, ongoing, and exceptional commitment to our communities. The programme is one of the largest volunteering schemes in Northern Ireland, supported by hundreds of our employees and contributing around 12,000 volunteering hours since inception. We aim to support our customers in their own community helping them with the projects

that matter most to them. Supported by Business in the Community, the programme identifies organisations and charities within the local community who need a helping hand with physical tasks. This has allowed our staff to help a wide range of charities including, Southern Area Hospice, Horatio's Garden (Musgrave Hospital), The National Trust, Simon Community, Crosskennan Lane Animal Sanctuary and many more.



NI Water staff volunteering with Cares Challenge at Horatio's Garden (Musgrave Hospital), Belfast, County Antrim.

Making a difference in Malawi

NI Water supports WaterAid's vision of a world where everyone, everywhere has access to clean water, decent sanitation, and good hygiene. We are proud to lead the local WaterAid NI Committee, which raises over £70,000 each year. Recent fundraising has been dedicated to WaterAid's Deliver Life project in Malawi, which aims to improve the health of women, girls, and

children by providing access to clean water, decent sanitation, and good hygiene in their communities. These funds will support health centres in Machinga and Zomba districts of Malawi, by helping to introduce a variety of facilities such as solar-powered piped water supply systems, inclusive bathrooms, and other sanitary facilities.



Deliver Life project in Malawi. Photo credit Dennis Lupenga.



Water tank installed to ease water challenges, Kawinga Health Centre, Machinga, Malawi. Photo credit WaterAid/Francis Chipanda.

Creating a water saving culture

NI Water is committed to creating a water saving culture for communities. Our Education Programme delivers NI Water's key environmental messages on water efficiency to schools, community, and youth groups with a strong emphasis on the link between saving water and saving energy. Pupils are encouraged to take the four minute shower challenge using timers to save water,

energy and protect the environment. These messages are further promoted through the free water audit and water efficiency project supported by an online platform 'Get Water Fit', which involves distributing save-a-flush, four-minute shower timers, leaky loo strips and toothy timers directly to the customer. Over 2023/24, we completed 219 school visits and 78 community visits.



Key Stage 2 pupils who were finalists in NI Water's school's water saving poster competition along with their parents and teachers joined NI Water's CEO and Outreach and Learning Officer.