









## Becoming a public interest company

The Objectives of Economic Regulation Conference  
*Honouring the research of Professor Catherine Waddams*  
 University of East Anglia  
 September 16<sup>th</sup> 2019



Water is our business. We handle with care, and we don't cost the earth.

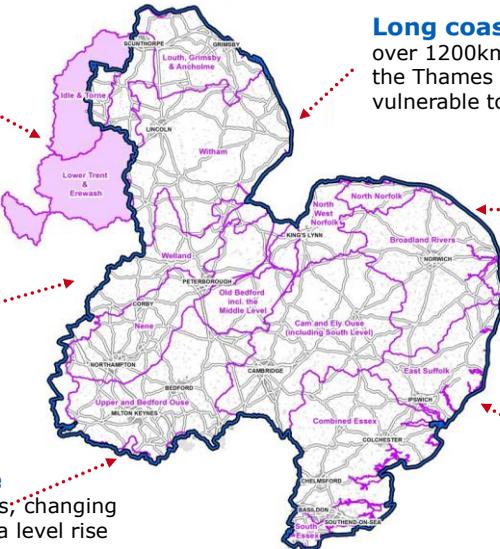
## The largest water company region in England



**Improving the environment**  
means abstracting a lot less water

**Housing and population growth**  
500,000 new homes and more than 1 million more people in next 25 years

**Climate change**  
Higher temperatures; changing rainfall patterns, sea level rise



**Long coastline**  
over 1200km from the Humber to the Thames estuary, long stretches vulnerable to erosion

**Significant flood risk**  
with low-lying areas at risk of tidal surges, plus fluvial and surface water flooding

**Driest region**  
in the UK, two-thirds of average UK rainfall

## Responding to our challenges



In our renewed **Strategic Direction Statement**, we've agreed four ambitious, long-term goals with our customers:

- Make the east of England **RESILIENT TO THE RISKS OF DROUGHT AND FLOODING**
- Enable **SUSTAINABLE ECONOMIC AND HOUSING GROWTH** in the UK's fastest growing region
- Be a **CARBON-NEUTRAL BUSINESS** by 2050
- Work with others to achieve **SIGNIFICANT IMPROVEMENT IN ECOLOGICAL QUALITY** across our catchments

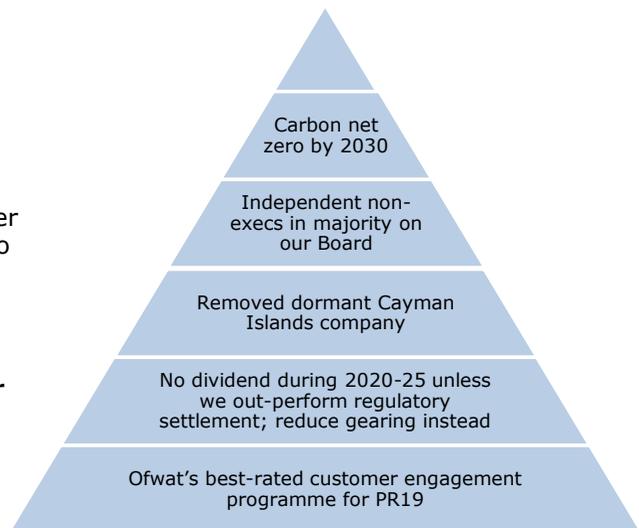


Our 25 year strategy for supporting growth and tackling climate change

## Highest standards of accountability



- We have long recognised that water companies have particular facets:
  - Natural monopolies
  - Direct interface with (and thus particular responsibility for) the environment
  - Deliver an essential public service
- Recognising this, Anglian Water has over recent years taken a number of steps to achieve the highest standards of good corporate governance and responsible business behaviour
- We have now taken a further major step**



## Locking in our public interest commitments



We have changed our **Articles of Association**:

To enshrine a new **statement of purpose** to deliver long-term value to customers, the environment, and communities we serve

To adopt a set of **Responsible Business Principles**

Using **independent external assurance** to make sure we are acting in accordance with our principles

And a requirement **to report annually** against the social, environmental and ethical standards we set for ourselves

## The change in Articles



### PURPOSE AND NATURE OF COMPANY

(A) The purpose of the Company is to conduct its business and operations for the benefit of members as a whole while delivering long term value for its customers, the region and the communities it serves and seeking positive outcomes for the environment and society.

#### DIRECTORS' DUTIES

84. (A) A Director must act in the way he or she considers, in good faith, would be most likely to promote the purpose of the company. In doing so, a Director shall have regard (amongst other matters) to:

- (i) the likely consequences of any decision in the long term;
- (ii) the interests of the company's employees;
- (iii) the need to foster the company's business relationships with suppliers, customers and others;
- (iv) the impact of the company's operations on the community and the environment;
- (v) the desirability of the company maintaining a reputation for high standards of business conduct; and
- (vi) the need to act fairly as between members of the company.

(B) The Directors shall seek in good faith to ensure that the Company carries out its business and operations in accordance with the Statement of Responsible Business Principles.

"Statement of Responsible Business Principles" means such Statement of Responsible Business Principles as the Directors may adopt for the purposes of Article 85(B) from time to time provided that such Statement of Responsible Business Principles shall (i) as a minimum set out principles for the conduct of the Company's business and operations in relation to the matters mentioned in paragraphs (a) to (e) of the definition of non-financial information statement in these articles and (ii) be aligned, where reasonably practicable, with a standard or model maintained by a reputable independent body.¶

#### REPORTING AND RECORDS

113. (A) The purpose of the Company and its Statement of Responsible Business Principles shall be published in its annual report and, if the Company has a website, in a prominent place on its website.

(B) The Company's annual report, shall contain a non-financial information statement and, to the extent not covered in the non-financial information statement, explain any steps which have been taken to ensure that the business of the Company has been carried out in accordance with the Statement of Responsible Business Principles.

# Our business model: creating public value



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