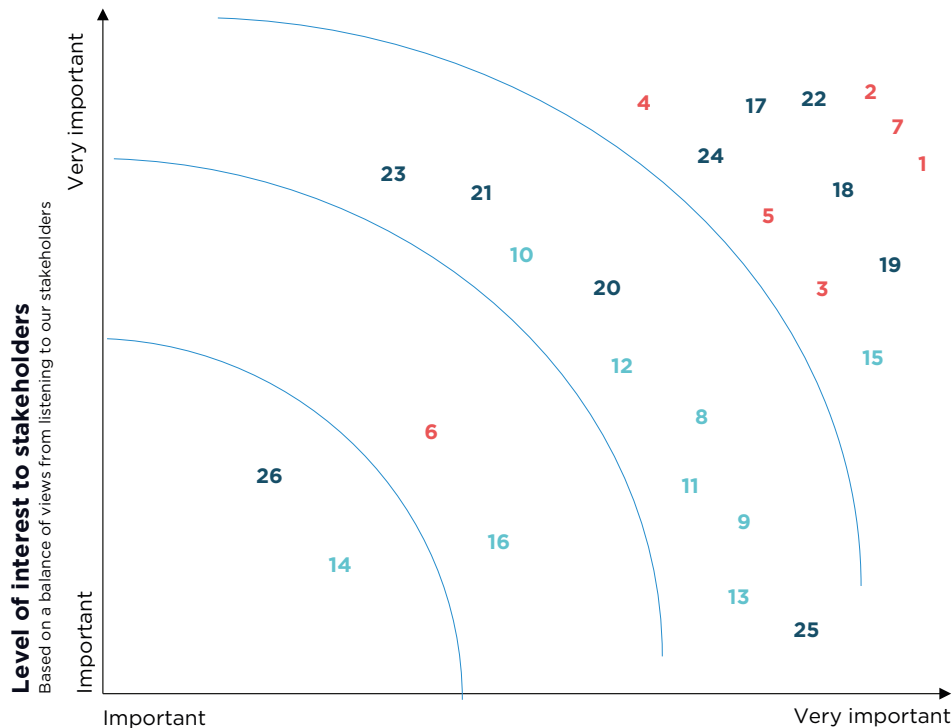


Reporting on what matters

Listening to our stakeholders and understanding what matters to them is a fundamental part of our strategic decision making. We use a materiality matrix to consider what matters most to stakeholders alongside our own assessment of what has the biggest impact on our ability to create value. This stakeholder materiality assessment informs decisions about what we report in documents such as our Annual Integrated Report and Accounts.

In defining the strategic relevance of a matter to NI Water, we have adopted the integrated reporting framework definition of materiality, which states: "A matter is material if it could substantively affect the organisation's ability to create value in the short, medium or long-term". Value, in this context, may be created internally (for the Company

and our employees) or externally (for our Shareholder, customers, communities, suppliers, the local economy and the natural environment). Value can be financial or non-financial. Our assessment of the level of interest to stakeholders is based on our ongoing engagement with stakeholders, as well as the extensive insights gathered from engagement with stakeholders on our Strategy and PC21 Business Plan. Read more on stakeholder engagement and decision making on page 123. We have aligned these issues with our principal threats and opportunities on page 76.



Effect on our ability to create value

Based on the potential effect on our ability to create value over the short, medium and long-term. Value can be created for NI Water and/or our stakeholders. Value can be financial or non-financial.

External matters

1. Funding and governance
2. Climate emergency
3. Cyber security
4. Local economy and development constraints
5. Natural resources
6. Land management and access
7. Energy cost shocks and wider supply chain inflation

Internal matters

8. Resilience
9. Risk management
10. Corporate governance and business conduct
11. Innovation
12. Data security
13. Energy use
14. Responsible supply chain
15. Health, safety and wellbeing
16. Employee relations

Internal and external matters

17. Trust, transparency and legitimacy
18. Customer experience
19. Drinking water quality
20. Leakage and water efficiency
21. Supply interruptions and low pressure
22. Affordability
23. Sewer flooding
24. Impacts on natural environment
25. Diverse, inclusive and talented workforce
26. Creating a legacy for our communities