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Sent via email

25 August 2020

Good afternoon,

Investor Engagement

I am writing to let you know that, within Ofwat, we are looking to enter a new phase in our engagement with the investor community, building on our previous work.

The investor community has a huge part to play in advancing our [strategic goals for the industry](#); not just in terms of financing the investment that is needed but also in using your expertise and influence to drive improvements across the sector. The opportunity for the water sector to generate economic growth, environmental improvements and to support local communities including the most vulnerable in society has only increased in the last few months. The sector has continued to come under scrutiny over several issues, including dividend payments and leakage targets, and we are looking to everyone in the sector to play a role in meeting these external challenges.

From our [annual investor survey](#), we know that many investors share the same values as we do and want to play their part in building on the improvements we are seeing across the industry. From the survey, we have also taken on board feedback on how we can act as a regulator to aid this. Our board and leadership want to listen to investors actively, understand their concerns and draw on their expertise, and we will be increasing our engagement with the community to show this.

Likewise, we want investors to understand and connect with our strategic goals, and to be a positive force in achieving them. We all operate in a sector that is deeply connected to and reliant on the natural world and integrated into every community in England and Wales. This is a huge responsibility; however, it also presents an opportunity for water companies to become exemplars in responsible capitalism, delivering on the benefits of the ESG agenda.

We are looking to present a range of opportunities to engage with Ofwat. These will include roundtables, investor events and a listening panel, and will help promote the collaboration and active listening that we want to pursue with investors.

We plan to hold a series of roundtables in the coming months on our strategic objectives for the sector. Please email jack.mcluckie@ofwat.gov.uk to register your interest in attending one of these, with details of any other colleagues in the investor community that may wish to attend.

We look forward to engaging with you further in the coming months.

Yours sincerely

Jonson Cox, CBE, Chair, Ofwat

Rachel Fletcher, Chief Executive