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*Dear Ofwat Governance Team*

### **Protecting customer interest on performance related executive pay: proposed guidance**

We fully support Ofwat's call for transparency, stretching targets, and remuneration that reflects performance for customers, communities, and the environment. With or without the current increased scrutiny, it is critical that customers and stakeholders can trust the sector (companies and regulators) to deliver service improvements across all facets of our business. We must be open and honest about our performance as well as about how remuneration is linked to that performance, and we have committed to providing that transparency.

We are of the view that performance related executive pay is a matter for independent remuneration committees. Our remuneration committee has always demonstrated its challenge, for example by using the deferral clause in our remuneration policy, and for the 2020/21 year, paying no executive bonus.

We have also always been clear that our remuneration is linked to customer, environment, and financial performance and the committee will continue to consider these elements when making its judgments. We will also include additional detail in our reporting so that these considerations and changes made as a result are clearly explained.



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