

Transparency and governance

The renationalisation debate has made it clear that the water sector needs to do more to demonstrate that private companies can be trusted to provide an essential public service.

We have always placed great emphasis on being a responsible, accessible local company and welcome the questions on the industry's legitimacy. We have already made a number of enhancements to recognise the importance of being open and accountable to both our employees and customers about how

our business is run. These have included ensuring our independent non-executive directors continue to make up the single biggest group on our Board and publishing an online summary of this Annual Report in an understandable format. We also intend to go further by making enhancements to key policies such as executive pay and dividends to shareholders in response to Ofwat's 'Putting the sector in balance'.

In our Business Plan for 2020 to 2025 we have also committed to doing more performance reporting, beyond this Annual Report, to ensure we are being as transparent as possible on how we are delivering against our targets. This will include a summary in our re-designed customer bills and further promoting Discover Water, a website which compares the performance of all water companies in England and Wales.

11 members

Our Customer Scrutiny Panel includes **11 members** whose function is to act as a champion for our customers and challenge us in meeting their priorities

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We have **3 independent non-executive directors** on the Board bringing a wealth of experience from outside the water sector

Keeping it clear

We want all aspects of our finances, governance, structure and decision-making to be as clear as the water we produce, which is why this year we have produced 'Keeping it clear', our first ever customer-friendly guide to how we are owned and financed.

This means we are increasing the transparency of what we do and how we do it, reflecting the importance we place on being a respected corporate citizen. The guide sets out our finances today and in the future, explains our bills and our financing structure so employees and customers understand where we spend our money and the dividends and taxes we pay. We promoted the document through Talk on Water, our online customer community, to gather feedback for future annual iterations and it was met with resounding positive feedback from our customers.

"That's a nice report – easy to read and nicely illustrated with a useful list of financial terms at the beginning."

"It's a useful format with high-level information for people who just want to read the main points and extra detail for those who want to delve more deeply."

"I found the report very clear and interesting – I hadn't realised that the shareholders are Japanese companies."

"Very well set out and informative without getting too bogged down."

