

Fred Thomas MP  
Palace of Westminster  
Westminster  
London  
SW1A 0AA

Sent via email

Dear Fred,

Thank you for your letter. I have reflected on this overnight and wanted to respond as soon as possible.

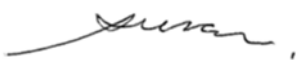
Each year I get to talk to thousands of customers, whether at one of our community roadshows or through our Watershare + panel facilitated events. I want to assure you and your MP colleagues that I'm listening. From questions about storm overflows to hosepipe bans, bonuses, dividends, bills increases and everything in between, they are always challenging conversations and rightly so. It's as a direct result of this feedback that we are making the biggest ever investment across the South West, focused on the things that customers have told us matter most to them and I'm confident that customers will see real change.

That said, with critical infrastructure, there are unfortunately times when things can and do go wrong. I will continue to be grateful to customers for the patience, kindness and compassion they show my teams who work 24 x7 around the clock on the rare occasions this happens. I'm very clear it's how you respond, learn the lessons and how you support customers that counts and everyone who works at SWW believes that too.

We are also very conscious that this step up in investment will drive up bills. Having made this tough decision, for the first time in over a decade of driving down bill levels, two thirds of this investment will not be funded by customers, instead funded by our investors and debt providers. We have also announced a £200m support package for the most vulnerable, and we would urge any customer struggling to pay to get in touch – we can and will help.

Finally, I am not immune to the strength of feeling around executive pay, particularly around cash bonuses. It's always an extremely emotive topic and I understand why that is. I have a very responsible job operating in the public interest for circa 4m customers. Given this, my remuneration is set, assessed and awarded independently. In previous years I have forgone bonuses when right to do so. For 2025, and already published in Pennon's Annual Report, no annual bonus has been awarded, with a long-term incentive plan reinvested back into the business as shares, aligned to the long-term nature of the changes we are making for the future.

Yours sincerely,



**Susan Davy**  
Chief Executive Officer, Pennon Group