

United Utilities Group PLC: Supplementary information relating to 2024/25 executive remuneration

The United Utilities Group PLC board approved the 2025 Integrated Annual Report on 14 May 2025. Comprehensive details about our executive remuneration are included on pages 146 to 172 (the remuneration committee report). The remuneration committee ("committee") chair's statement on page 146 states the following:

Uncertainty over the eventual rules that Ofwat will implement following its latest consultation has impacted on the committee's decision-making during the year, most notably in regard to the renewal of our directors' remuneration policy and determining the executive directors' performance-related pay outcomes. Whilst the rules are unlikely to be known before June 2025 they will retrospectively apply from 1 April 2024 and so could potentially affect the 2024/25 bonuses, but not the 2022 Long Term Plan awards which were granted before 1 April 2024. Based on the proposals set out in the most recent consultation the committee believes that the required standards of performance have been achieved and therefore that the annual bonus outcomes in respect of 2024/25 should be permitted, and so as described later in this letter the committee has been through its usual decision-making process to determine the value of bonuses that may be payable. We are mindful however that if Ofwat's final rules are materially different to what is currently understood this could mean that the assessment we have made in good faith must be revisited. As such, whilst this report provides details about the bonuses which have been proposed, no payments will actually be made to the executive directors until the committee has all necessary information for it to be certain that the standards set out in Ofwat's rules have been met. We are monitoring the situation closely and any changes to what is set out in this report will be explained next year. Details are provided on page 160.

Following the subsequent publication of Ofwat's new performance related executive pay prohibition rule on 6 June 2025 the committee reviewed its application in respect of the two executive directors, Louise Beardmore and Phil Aspin. In the final version of the rule the Environment Standard was expanded compared to the previous version of the rule that had been consulted upon with stakeholders. This meant that the rule would also now be triggered if a company has one (or more) category 1 pollution incidents during the year.

While United Utilities did not experience a category 1 pollution incident in the year, regrettably, fish were harmed during the routine operation of a mandatory health and safety inspection at one of our water reservoirs in December 2024. These inspections necessitate the operation of valves to demonstrate that the reservoir can be drawn down in the event of emergency scenarios. At the time, we were unaware that fish were nesting in the underwater pipe leading to the valves and this operation resulted in them being transported into a river and consequently they were harmed or perished. The Environment Agency (EA) has confirmed that, irrespective of the cause, this incident has been classified as a category 1 fisheries mortality incident, and that whilst it is not a pollution incident it will nevertheless be reported within the 'serious pollution incidents' category of its Environmental Performance Assessment (EPA) report. The expansion of the rule to include one (or more) category 1 pollution incidents along with the EAs decision to report the category 1 fisheries mortality incident as a 'serious pollution incident' is deemed to result in a breach of the new pay prohibition rule.

Whilst noting that the 2024 EPA report has not yet been published, based on the information available and in accordance with Ofwat's pay prohibition rule the committee has decided that the annual bonuses that the executive directors would otherwise have been due to receive in relation to 2024/25, and which were provisionally set out in the 2025 Integrated Annual Report, will not be paid. For the avoidance of doubt, the executive directors have not received and will not receive any payments or benefits from any other company, person or entity (whether onshore or offshore) in lieu of these prohibited bonuses.

For transparency, we have reproduced the single total figure table of remuneration from p160 of the remuneration report alongside a revised single total figure table reflecting that no annual bonus was paid to either of the executive directors in respect of 2024/25.

Single figure table of remuneration as shown on page 160 of the 2025 UUG PLC Integrated Annual Report

Single total figure of remuneration for executive directors (audited information)

Year ended 31 March	Fixed pay								Variable pay							
	Base salary £'000		Pension £'000		Benefits £'000		Subtotal £'000		Annual bonus £'000		Long-term incentives £'000		Subtotal £'000		Total £'000	
	2025	2024	2025	2024	2025	2024	2025	2024	2025 ⁽¹⁾	2024	2025 ⁽²⁾	2024 ⁽³⁾	2025	2024	2025	2024
Louise Beardmore	716	690	89	86	34	29	839	805	417	420	415	190	831	610	1,671	1,415
Phil Aspin	462	438	55	53	23	21	540	512	269	266	398	479	667	745	1,207	1,256

Revised single figure table of remuneration reflecting that no annual bonuses were paid

Single total figure of remuneration for executive directors

Year ended 31 March	Fixed pay								Variable pay							
	Base salary £'000		Pension £'000		Benefits £'000		Subtotal £'000		Annual bonus £'000		Long-term incentives £'000		Subtotal £'000		Total £'000	
	2025	2024	2025	2024	2025	2024	2025	2024	2025 ⁽¹⁾	2024	2025 ⁽²⁾	2024 ⁽³⁾	2025	2024	2025	2024
Louise Beardmore	716	690	89	86	34	29	839	805	-	420	415	190	415	610	1,254	1,415
Phil Aspin	462	438	55	53	23	21	540	512	-	266	398	479	398	745	938	1,256

Note:

Where relevant, other details and figures shown elsewhere in the remuneration committee report which are based on the executive directors' total remuneration including the provisional annual bonuses, which were not ultimately paid, will be restated in the 2026 Integrated Annual Report.