

Anti-Bribery & Anti-Fraud Policy

General Counsel Severn Trent

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Anti-Bribery and Anti-Fraud Policy

We strictly prohibit bribery, fraud and all other corrupt business practices at Severn Trent. We expect employees at all times to obey the law and maintain high ethical standards as stated in "Doing the Right Thing, the Severn Trent Way".

We will uphold laws relevant to countering fraud, bribery and corruption in all of the jurisdictions in which we operate, particularly laws that are directly relevant to specific business practices. Losses due to fraud, bribery and all other corrupt business practices can be more than just financial in nature; they can also cause damage to the company's reputation. The reputation of Severn Trent Plc for lawful and responsible business behaviour is of paramount importance.

1. Scope

This policy applies to all companies which Severn Trent Plc wholly owns, has a majority stake or overall operational control. This policy is concerned with internal and external bribery, fraud and other corrupt business practices, committed by employees, temporary staff, agents, suppliers and contractors.

2. Policy

The purpose of this policy is to set out the responsibilities of the group in observing and upholding our position on bribery, fraud and other corrupt business practices.

To achieve this commitment Severn Trent will:

- develop and maintain effective controls to prevent bribery, fraud and other corrupt business practices;
- ensure that any suspected, alleged, attempted or actual instances of bribery, fraud or other corrupt business practices are investigated appropriately, regardless of the position held or length of service of any individual implicated;
- take appropriate disciplinary action in all cases where investigation has proven attempted or actual instances of bribery, fraud or other corrupt practices. All significant cases shall be reported to the group's General Counsel department who will report them in the appropriate manner; and,
- operate a lessons learnt process to review incidents, systems and procedures to prevent similar instances occurring and embed responsible business behaviours within Severn Trent.

3. Bribery

Severn Trent strictly prohibits:

- the offering, solicitation or the acceptance of any bribe, whether cash or other inducement (including so-called facilitation payments).
- to or from any person or company, wherever they are located in the world, and whether they are a private person or company or a public official or body.

- by any individual employee, agent or other person or body acting on the group's behalf.
- to gain any commercial, contractual or regulatory advantage for the group in a way which is unethical.
- or to gain any personal advantage, financial or otherwise, for the individual or anyone connected with the individual.

Severn Trent recognises that market practice varies across the territories in which it does business and what is normal and acceptable in one place may not be in another. This policy prohibits any inducement which results in a personal gain or advantage to the recipient or any person or body associated with them, and which is intended to influence them to take action which may not be solely in the interests of the group or of the person or body employing them or whom they represent.

This policy is not meant to prohibit the following practices providing they are customary in a particular market, are proportionate and are properly recorded:

- normal and appropriate hospitality.
- the giving of a ceremonial gift on a festival or at another special time.
- the use of any recognised fast-track process which is available to all on payment of a fee.
- the offer of resources to assist the person or body to make the decision more efficiently provided that they are supplied for that purpose only.

We do not make direct or indirect donations to political parties. Donations to charity on behalf of the group must be made following our internal process and with the consent of the group's Strategy and Regulation department.

Inevitably, decisions as to what is acceptable may not always be easy. If anyone is in doubt as to whether a potential act constitutes bribery, the matter should be referred to your most senior local manager before proceeding. If necessary, guidance should also be sought from either the group's General Counsel or Internal Audit departments.

4. Fraud

There is no one definition of fraud but for practical purposes fraud may be described as the act of making false representation, or failure to disclose information, or abusing a position of trust, with the intent to make a gain or cause a loss or to expose another to the risk of loss.

Examples of frauds that may be perpetrated against Severn Trent are, but not limited to the following:

- theft, misuse and misappropriation of Severn Trent property, equipment, funds, materials, records or any other assets.
- false accounting and/or making fraudulent statements financial or non financial with a view to personal gain or gain of another (e.g. timesheets, expense claims, purchase orders, budgets, regulatory returns).

- any activity which involves the alteration, destruction, copying or manipulation of data for inappropriate purposes.

Fraud may involve one individual or several people in collusion with each other who could be either from within or external to Severn Trent.

5. Reporting and Response

Any employee who discovers or suspects bribery or fraudulent activity should normally raise any concerns through their line manager. Alternatively, you may raise your concerns with any of the following group senior executives; Liv Garfield, Chief Executive, Evelyn Dickey, Director of Human Resources, Alec Richmond, Director of Internal Audit or Bronagh Kennedy, General Counsel.

However, it is recognised that individuals may feel inhibited in certain circumstances. In this case, employees are encouraged to raise concerns about any instance of malpractice at the earliest possible stage through our confidential and independent whistleblowing helplines. The numbers for the helplines can be found in the appendix to this policy. The confidential reporting lines are operated by Safecall - an independent company that specialises in handling concerns at work. Safecall will take details of your concern and send a report through to Severn Trent to investigate. You can ask Safecall to keep your identity confidential.

Once a matter is reported it will be dealt with by the group's General Counsel and/or Director of Internal Audit in line with Severn Trent's Anti-Bribery and Anti-Fraud Response Plan. Taking advice from any appropriate authorities, they will be responsible for deciding the actions to be taken before, during and after any investigation.

Please refer to the Whistleblowing Policy for further information on reporting and response.

6. Governance

The Severn Trent Executive Committee of the Severn Trent Plc Board provides regular oversight of this policy. The Severn Trent Plc Board reviews the policy on an annual basis.

7. Responsibilities

This policy applies to all individuals who are employed by, or carry out work on behalf of, any Severn Trent group company, including employees, temporary staff, agents, suppliers and contractors

All individuals identified within 7 above are responsible for:

- understanding and acting in accordance with "Doing the Right Thing, the Severn Trent Way" in obeying the law and maintaining high ethical standards.
- reporting any known or suspected instances of attempted or actual bribery, fraud or instances of other corrupt practices in the company in line with this policy.

- notifying the company at the earliest opportunity of the concern so that the issue can be investigated appropriately.
- co-operating with any investigation into any concern.

8. Supporting information

- Doing the Right Thing, the Severn Trent Way
- Procurement Policy
- Whistleblowing Policy
- Gifts, Hospitality and Expenses Standard
- Political and Charitable Donations Standard
- Business Partners Standard
- Group Authorisation Arrangements

9. Document Change History

Date	Version	Change	Author
1 July 2011	1.0	Fraud Policy updated to take account of UK Bribery Act 2010	Kerry Porritt
September 2012	2.0	Reviewed	Stuart Kelly
September 2013	3.0	Reviewed	Shazadi Karamat
September 2014	4.0	Reviewed	Stuart Kelly

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Stuart Kelly
Deputy General Counsel

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Date

Appendix

Whistleblowing help lines

Country	Prefix	Telephone Number
China	00	800 7233 2255
Egypt		8000 441 3376
Italy	00	800 7233 2255
Malaysia	001	800 723 32255
Mexico	01	800123 1758
Singapore	001	800 7233 2255
Spain		800 7233 2255
UAE		8000 441 3376
United Kingdom	0	800 915 1571
United States	011	800 7233 2255