

# GROUP COMMERCIAL POLICY

**Conducting business  
the right way**

Responsible supply chain management

Version 1 [August 2016]

# CONDUCTING BUSINESS THE RIGHT WAY

## Our Values, Doing the Right Thing and Group Policies

Our purpose is to serve our communities and build a lasting water legacy. Our vision is to be the most trusted water company. Our Values, our Doing the Right Thing code and our Group Policies are the foundation for how we operate to achieve our purpose and to become the most trusted water company. They help us to make the right decisions, and provide guidance where needed.

Acting with Integrity is one of our Core Values, and we must never compromise it.

## Your Commitment to this Policy

- To conduct yourself with Integrity and comply with the law
- Recognise that your decisions have an impact on others - have high standards
- Unequivocally expect responsible and ethical decisions from others
- Speak up if you observe behaviours that are not consistent with our Values
- Tirelessly adhere to our Value of Acting with Integrity

## Our values

- We put our **customers first**
- We are **passionate** about what we do
- We act with **integrity**
- We protect our **environment**
- We are inspired to create an **awesome company**

# INTRODUCTION

## **Efficient and ethical procurement - delivering commercial and competitive advantage and managing risk for our customers**

Our aim is simple – to create a competitive advantage for our customers whilst maintaining the highest standards. That’s why we work closely with colleagues and suppliers to deliver best value for money. It’s only natural that we want the best arrangements so we can deliver value to our customers. While it’s important to build and develop good relationships, it’s more important to us that we manage them properly.

We know that the way we manage our work with our suppliers and partners has a huge impact on our reputation and success in continuing to charge the lowest for water. That’s why we value our relationship with suppliers and are open to those we’ve not worked with before.

This policy outlines what is expected of all those involved in procurement activities, enabling them to uphold our values of acting with integrity and putting our customers first. Complying with this policy enables employees to maintain proper standards of fairness and integrity in business relationships with colleagues and suppliers.

### **Scope**

Our Group Commercial Policy applies to you if you are employed by, or carry out work on behalf of Severn Trent Plc and extends to any Severn Trent group company, employees, contractors, temporary staff and agency workers.

# POLICY

## We will:

- Comply with all legislative requirements in all of the countries we operate within;
- Hold ourselves accountable to high standards of ethics and expect the same of those we work with in the supply chain;
- Promote relationships based on honesty, openness, respect and fairness;
- Be effective stewards of Corporate Social Responsibility and pursue the development of sustainable procurement practices within our Supply Chain;
- Deliver continuous training and development of our people to ensure high standards and effective supply chain management;
- Develop and continually review category plans for key areas of expenditure;
- Comply with our Group Authorisation Arrangement;
- Strive to be a team that constantly provides the best value and choice of goods, services and solutions by driving performance, compliance, innovation and total value throughout our end to end supply chain;

- Comply with commercial best practice for each business unit whenever possible and not approve expenditure where a conflict of interest may exist;
- Promote confidentiality when engaging with suppliers, such as the signing of a non-disclosure agreement prior to exchanging confidential information;
- Fully consider Supply Chain risk in our interactions with suppliers in high-risk industries or high-risk countries;
- Strive to eliminate the risk of modern slavery occurring in our Supply Chain, either as a direct or indirect result of our procurement practices.

## Further Information:

This policy should be viewed in conjunction with the following documents:

- Group Financial Crime Policy;
- Group Competition and Competitive Information Policy;
- Group Authorisation Arrangement;

# OUR RESPONSIBILITIES



## DOING THE RIGHT THING

### Your Responsibility

We are all responsible for the relationship with our suppliers and their partners. We work closely with each of them to make sure they follow our requirements in their supply chains. You need to consider and implement the commitments made in our Group Commercial Policy when performing your work activities and when making decisions.

### Leaders

Leaders are responsible for making proper arrangements within their business areas to ensure compliance with this Group Commercial Policy.

### STEC

The Severn Trent Executive Committee of the Severn Trent Plc Board provides regular oversight of this policy.

# REPORTING CONCERNS

Information about this policy and relevant guidelines are communicated through our internal communication channels

I have a  
concern!

If you have a concern about any commercial issue you should report this through your line manager. Alternatively, concerns may be raised with any of the following group senior executives: the CEO, Group Commercial Director, HR Director or General Counsel or through our confidential and independent whistleblowing helpline. Please refer to our 'Speak Up' policy.

Severn Trent's  
Commitment

We are committed to ensuring that we act with integrity and we always put our customers first. We will deliver training and development to our people to ensure they understand the high standards they are expected to work to. We will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

I have a  
question?

If you have a question about this policy or any commercial issue, you can contact the Group Commercial Director, the Head of Legal or the Deputy Company Secretary.