

GROUP COMPETITION & COMPETITIVE INFORMATION POLICY

**Conducting business
the right way**

Competing openly, honestly and fairly

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

There's always an element of competition in business, but we make sure we're always honest and straightforward, and compete openly and fairly

We recognise the positive impact competition has on our business and customers, but we also recognise the importance of upholding fair play in business. Competition law is designed to create a level playing field in business and can apply to all sorts, such as discussing confidential information, price fixing or co-ordinating strategies with competitors, to agreeing not to compete. Competition law applies to all parts of our company and we take our position within the market and our compliance with competition and antitrust laws, seriously.

For us though, it is not enough just to comply with the law. In everything we do, we strive to do it with openness, fairness and honesty, which is supported by our Values and the stringent rules we have in place.

Scope

Our Group Competition and Competitive Information 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 competition law requirements in all of the countries that we operate within;
- Operate in a way that guards against unfair business practice which extends to making sure business is not subsidised for another group company;
- Be open about our relationship with suppliers and business partners. Whilst we cannot disclose commercially sensitive information, we will make sure the selection process is transparent all the way through;
- Ensure that we operate as efficiently as possible whilst protecting long term value through obtaining the lowest sustainable cost possible;
- Maintain high ethical standards of business conduct and ensure our suppliers share our same values;
- Encourage our supply chain to think about bettering their approach, as we constantly do with ours, ranging from environmental to social sustainability;
- Make sure we act fairly and don't place anyone at an unfair commercial advantage or disadvantage;

- Keep records to explain why we took the decisions we've made;
- Write clearly and concisely – careless communications in business can be very damaging;
- Ensure we don't unnecessarily talk with competitors about prices, costs, terms of business or other commercially confidential information;
- Only gather competitive information through legitimate channels such as that which is publicly available and will never use deceit or bribery or misuse a competitor's confidential information;

Remember:

- Breach of competition legislation can expose Severn Trent to the risk of substantial fines of up to 10% of worldwide group turnover, civil claims, reputational damage, imprisonment of employees and directors' disqualification;
- Breach of this policy may lead to disciplinary actions being taken against you;
- Please refer to the **Competition Law Compliance Policy** and **Group Commercial Policy** for more information.

OUR RESPONSIBILITIES



DOING THE RIGHT THING

Your Responsibility

We are all responsible for making sure we're not being anti-competitive. You need to consider and implement the commitments made in our Group Competition and Competitive Information 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 Competition and Competitive Information 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 issues relating to this policy or relating to anti-competitive behaviour you should report this through your line manager. Alternatively, concerns may be raised with any of the following group senior executives: the CEO, the Group Commercial Director, the 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 that we are straightforward, honest and compete openly and fairly. 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 anti-competitive issue, you can contact the Head of Legal or the Deputy Company Secretary.