

Take Ownership

Honest and ethical behaviour policy



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Section A Introduction

1. Background

This policy sets out the Company's commitment to conducting all aspects of its business in an honest, ethical and transparent manner. Our customers, employees, supply chain and the wider community are entitled to expect us to comply fully with all our legal responsibilities, as well as our core business values and ethical principles.

This policy has been developed to safeguard the business interests of the Company and its employees.

2. Scope and compliance

This policy applies to the Kemble Group of companies, including all employees, suppliers, third party contractors and partners working for and on behalf of Thames Water Utilities Limited ("Thames Water"). It also applies to agents, consultants or trade bodies who lobby on behalf of Thames Water, or who represent us in government matters.

3. Roles and responsibilities

The Executives are responsible for ensuring that all business is conducted in line with the requirements of this policy.

Line managers are responsible for the communication of these requirements to all employees and contractors in accordance with control and monitoring compliance.

Employees/contractors are responsible for following all rules and instructions provided.

Section B The Policy

Thames Water seeks to promote a culture of honesty and integrity in all its dealings and it will not tolerate acts of fraud, bribery, price fixing, theft of assets/data from the business, trafficking, slavery, mistreatment or any other forms of exploitation or dishonesty. We are also committed to ensuring that neither the Company's integrity nor reputation is put at risk.

Breaches of this policy may lead to disciplinary action, criminal prosecution and/or civil recovery proceedings.

4. Policy

4.1 We expect honest behaviour

Dishonesty will not be tolerated. The Company will therefore treat these issues very seriously and expects all occurrences to be reported immediately.

All persons are reminded that dishonesty is a serious breach of Thames Water's policy and may be a criminal offence. In addition, any contravention of the Bribery Act 2010 by an individual or company associated with Thames Water may expose the Company to criminal liability, as would breaches of the Competition Act 1998.

An offence is committed under the Bribery Act if a person offers, promises or gives another a bribe or requests, agrees to receive or accepts a bribe. There is also a corporate offence of failing to prevent bribery. This occurs when a person bribes another person intending to obtain or retain business or an advantage in the conduct of business for the company. Thames Water must demonstrate there are adequate procedures in place designed to prevent bribery. The penalties for breaching the provisions of the Act are up to 10 years imprisonment or an unlimited fine (or both) for individuals, and unlimited fines for businesses.

Thames Water has a zero tolerance attitude towards the criminal facilitation of tax evasion. This means that where an employee has deliberately and dishonestly facilitated tax evasion by another person, they will be reported to the authorities and Thames Water will fully support prosecution to the fullest extent of the law.

All employees are required to report suspected instances of dishonest or suspicious behaviour to Audit & Assurance immediately, who are responsible for investigations management. This will enable Thames Water to establish a consistent attitude and response which reflects the Company's ethics. It will also assist to:

- detect and minimise incidents of fraud, bribery and other dishonesty;
- take a zero tolerance attitude towards the criminal facilitation of tax evasion;
- minimise the risk of consequent losses;
- ensure that all investigations are effective and proportionate;
- reduce reputational risk;

- make a clear statement that Thames Water does not tolerate dishonest behaviour; and
- enhance the climate of honesty in all of Thames Water's dealings.

Individuals must **not** conduct investigations into suspected incidents of dishonest behaviour, nor should they knowingly engage in any activities which may impede its investigations without first discussing the matter with Audit & Assurance (see Appendix A for examples of dishonest behaviour).

4.2 You must declare offers of gifts and hospitality

Bona fide gifts and hospitality are recognised as an established part of how suppliers maintain their relationships with their customers. However, ethical difficulties may arise where a past, present or future supplier offers you something which has the potential of impairing your judgement. For example, gifts or hospitality which appear lavish or overly generous may be attempted bribes, as could the provision of services that are free or are significantly less than market prices.

Therefore, any offer of a gift, hospitality or other service that may have a monetary value above £50 must be declared on a Probity Form and agreed by a member of the Executive prior to acceptance.

IMPORTANT NOTE: This rule also applies to the giving of gifts, hospitality or services to external parties by Thames Water employees or persons acting on our behalf.

The following rules apply:

- a) All offers above £50 must be recorded on a Probity Form and submitted through line management to the Executive.
- b) Offers above £50 that you decline must be submitted via a Probity Form as above.
- c) In the exceptional circumstances of an immediate and unexpected hospitality offer, a retrospective Probity Form must be submitted within 3 days of the hospitality in question.
- d) If **you are** presented with an unexpected gift that you are unable to decline, you must complete a Probity Form and your relevant Executive member will decide its end use (charity/raffle prize, etc.).
- e) If **you are** unaware of the value of a gift or hospitality but it could be considered to be worth around £50 you must submit a Probity Form.
- f) Events held outside of working hours are attended in your own time (not overtime) e.g. a Saturday rugby event or an evening meal.
- g) Annual leave may be required to attend certain events, e.g. a golf day, etc.

The £50 minimum value is to permit the simple giving or receiving of promotional gifts and/or working lunches. If you are offered something below this value but are concerned about its intent, you must complete a Probity Form and report it immediately (see section 3.4 about reporting concerns).

Should **any employee** consider that an offer or provision of any gift or hospitality is an inducement, bribe or in any way makes you feel uncomfortable, it must be rejected and reported immediately.

This information is intended to protect Thames Water and its employees. Failure to adhere to these requirements may result in disciplinary action.

4.3 You must declare any conflicts of interest

We understand that conflicts exist and having one does not mean you have done anything wrong. Rather, it is simply a recognition that you may be subject to competing interests, and that you need to take care to manage them with integrity and transparency.

Failing to properly declare and manage a conflict of interest may undermine your own reputation and credibility, while at the same time damage the financial and/or reputational interests of Thames Water.

A conflict of interest is any private or outside interest, relationship or appointment that you have which may come into conflict with the duties and responsibilities you have towards Thames Water.

Thames Water expects to be advised of any such relationship which might cause a conflict of interest. This includes any material interests you hold with a third party that could impair your ability to act in the best interest of Thames Water, or could be seen to undermine our ethical standards.

This information is intended to protect Thames Water and its employees. Failure to adhere to these requirements may result in disciplinary action.

If you are unsure as to whether a conflict of interest exists or might arise in the future you should still raise it. If you believe that another employee has a possible undeclared conflict of interest, you must report it immediately (see section 5.4 about reporting concerns).

4.4 We do not tolerate modern slavery (as defined by the Modern Slavery Act)

Modern slavery (that is, slavery, servitude, forced and compulsory labour, and human trafficking) is a crime and a violation of human rights.

Thames Water has a zero tolerance approach to modern slavery and is committed to acting ethically and with integrity in all of its business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in its own businesses or any of its supply chains.

The Modern Slavery Act 2015 (“The Act”) is focused on tackling human trafficking and slavery, but also introduces an obligation on Companies to be more transparent in their dealings with supply chains.

Thames Water is committed to meeting its obligations in both its business and supply chains. Going forward, Thames Water’s supplier contracts will include an explicit prohibition against the use of forced or trafficked labour. Thames Water expects its suppliers to hold their own suppliers to the same high standards.

4.5 We require and encourage you to report concerns

Thames Water is committed to maintaining the highest standards of honesty, openness and accountability. We therefore actively encourage all employees and third parties to raise concerns they have about dishonesty or malpractice. We also recognise that you may find it difficult to raise concerns so have provided the following options for you to do so:

I. Notify your line manager

This does not necessarily have to be your immediate line manager. All managers who receive such a report must notify the Business Integrity Team.

II. Notify the Risk, Audit & Assurance team directly.

The team can be contacted on 07747 640 072 or at investigations@thameswater.co.uk

III. Contact the anonymous Reporting Line run by Crimestoppers.

They can be contacted on **0800 917 6936** or at <http://www.theiline.co.uk>

IV. In addition to reporting any Modern Slavery concerns to the Thames Water Business Integrity team, if you think you may have come across an instance of modern slavery, or indeed believe you are a victim yourself, you can also contact the Modern Slavery Helpline on **0800 0121 700** for more information and guidance on what to do next.

V. Write to:

The Chief Executive's Office
Thames Water Utilities Ltd
Clearwater Court
Vastern Road
Reading RG1 8DG

We would encourage you to report matters internally rather than externally in the first instance and you should use this procedure to report any breach or suspected breach of this Honest and Ethical Behaviour Policy. In particular:

- Any concern about any issue or suspicion of modern slavery (slavery, servitude, forced and compulsory labour, and human trafficking) in any part of the business or supply chain of Thames Water,
- Any concern about the failure to prevent the criminal facilitation of tax evasion,
- A suspected criminal offence,
- Instances of dishonest and unethical behaviour,
- A failure to comply with any legal or regulatory obligations,
- An act or omission that may endanger the health and safety of any individual,
- Damage to the environment, or
- The deliberate concealment of information on any of the matters above.

Should you not wish to report a concern via the above channels, external bodies are available, such as contacting the Regulator or other whistleblowing charities.

Internal investigations that indicate any person associated with Thames Water has facilitated tax evasion, will be reported to the authorities and TW will fully support prosecution to the fullest extent of the law.

Thames Water has certain legal obligations to protect you from suffering any form of detriment as a consequence of raising a concern in good faith. Any disclosure made under this procedure will be



treated in the strictest of confidence. (For more information, Google search 'PIDA (Public Interest Disclosure Act 1998) employee').

This policy is not intended to replace the Company's Workplace Resolutions Policy for dealing with issues relating to matters of employment.

If any false or malicious reports are made the company make take disciplinary action against those involved.]

Section C Supporting information

5. References

Legal and obligatory obligations

Corporate Criminal Offence of Failure to Prevent Facilitation of Tax Evasion

Theft Act 1968

Public Interest Disclosure Act (PIDA) 1998

Fraud Act 2006

Bribery Act 2010

Competition Act 1998

Criminal Finances Act 2017

The Modern Slavery Act 2015

6. Review

Next review date: April 2019

Appendix A Dishonesty: example incidents

- Falsification of expense claims
- Forging of signatures
- Supplying false or exaggerated invoices
- Theft of customer data and/or company data
- Theft of company property
- False accounting
- Fraudulent submission of expenses or overtime
- Failing to disclose financial interests with suppliers, resulting in any type of personal gain
- Bribery and corruption offences (where a payment is made or received to obtain preferential treatment)
- Dishonest manipulation of a company computer system
- Falsifying references to secure a position of employment for yourself or another
- Using a company credit/debit card/s for personal gain
- Failing to disclose significant gifts or hospitality from suppliers
- Divulging procurement bids to assist competitors
- Failing to disclose personal relationships or potential conflicts of interest when awarding contracts for work
- Breaches of the Competition Act (See the Competition Compliance Manual).

This list is not exhaustive.