



Failure to Prevent the
Facilitation of Tax Evasion
Corporate Criminal Offence
Statement 2023

Our statement on the Corporate Criminal Offence

The purpose of this statement is to communicate the Group's approach to the Corporate Criminal Offence of the Failure to Prevent the Facilitation of Tax Evasion ("CCO") and sets out the steps that we, Kemble Water Holdings Limited, and its subsidiaries, including Thames Water Utilities Limited (our "Group") take to comply with the CCO provisions within the Criminal Finances Act 2017 (the "Act").

A criminal offence is committed under this legislation where an associated person of our Group (such as an employee, contractor or agent) deliberately and dishonestly facilitates a taxpayer to evade tax, and our Group has not put in place reasonable preventative procedures.

Our structure

The ultimate parent company of our Group is Kemble Water Holdings Limited, whose shareholders comprise pension funds and other long-term institutional investors. Thames Water Utilities Limited ("Thames Water") is the Group's main operating company. As the largest supplier of water and wastewater services in the UK, we serve approximately 16 million customers and manage and maintain 31,900km of water pipes and 109,400km of sewers across London and the Thames Valley.

Who this statement applies to

This statement applies to all persons associated with the Group, including employees, contractors, agents, and any person acting on behalf of the Group.

Our key principles

The following basic principles are applied by our Group:

- Ensuring that we have reasonable prevention procedures in place to prevent any person associated with the Group from facilitating tax evasion. Our key procedures comprise:
 - Obtaining assurances and warranties from suppliers that they have reasonable prevention procedures in place
 - Providing training to our staff and being clear about the consequences if a person associated with the Group facilitates tax evasion
 - Providing a pathway for reporting wrongdoing and providing protection for whistle-blowers
 - Operating existing, and implementing new, procedures which reduce the opportunity for employees to facilitate tax evasion, and regularly reviewing these for effectiveness and improvement
- Adopting a zero-tolerance attitude towards the facilitation of tax evasion
- Where internal investigations indicate a person associated with the Group has facilitated tax evasion, they will be reported to the authorities and the Group will fully support prosecution to the fullest extent of the law
- Not to use the services of third parties who are unable to provide assurance that they have reasonable prevention procedures in place

Steps taken

Our Group has established the following responsibilities:

- All persons associated with the Group are responsible for adhering to this CCO Statement
- All employees / contractors / business partners are responsible for not facilitating tax evasion of taxpayers; all employees are required to undertake Ethical Behaviour training which includes a section on CCO
- Leadership / subject matter teams are responsible for ensuring the Group fulfils its key principles
- The Kemble Water Holdings Limited Board and the Board of each of its' subsidiaries, including Thames Water, is responsible for ensuring appropriate policies and reasonable preventative procedures are in place and creating a corporate culture that supports compliance

How we assure ourselves on our compliance with the Act

Our risk management process identifies, assesses, monitors and reports on risks, including compliance with our obligations under the Act. We assess the effectiveness of the controls in place, the impact of these risks should they materialise and the likelihood of this happening.

We use the 'three lines' model to provide assurance on our risk management arrangements and systems of internal controls. While drafting this statement, we considered the results of our ongoing monitoring of controls, undertaken by the first and second lines, as well as the outcomes from our risk management process.

- **First line:** our business functions whose processes and procedures deliver compliance with the Act
- the business on, and providing oversight of, the identification, assessment, monitoring and reporting of non-compliance and mitigation strategies
- **Third line:** functions that provide independent and objective assurance on compliance with the Act

Our commitment

This document constitutes our Group statement and has been reviewed and approved by members of the Board of Directors of both Kemble Water Holdings Limited and Thames Water Utilities Limited on the 27 September 2023.



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Sir Adrian Montague

Director

Kemble Water Holdings Limited

27 September 2023

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Alastair Cochran

Interim Co-Chief Executive Officer and
Chief Financial Officer
Thames Water Utilities Limited

27 September 2023



It's everyone's water