



Version number: **COMPETITION COMPLIANCE POLICY 0.4**

Executive sponsor: [REDACTED]

Policy owner: [REDACTED]

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THAMES WATER COMPETITION COMPLIANCE POLICY

The Competition and Markets Authority (“the CMA”) makes clear that it expects every major company operating in the UK to have a competition compliance policy and to ensure that compliance is given the highest priority throughout the organisation. The importance for Thames Water of compliance with competition law is already set out in the [Competition Law Compliance Manual](#). This is increasingly important as competition has now opened up in the non-household retail (NHHR) market. Thames Water will remain the supplier of wholesale water and sewerage services to all NHH retailers operating in the new market. Thames Water will also remain the provider of retail services to domestic customers. It will be important for Thames Water to ensure that it treats all retailers and customers on a non-discriminatory basis, in compliance with competition law.

Competition of course already exists in many areas covered by our developing commercial businesses, where competition law affects how we engage with joint venture partners, suppliers, distributors, and customers. Here again, compliance with competition law always needs to be a key consideration. In addition, Thames Water (as the monopoly incumbent in its supply area) is already at risk of being treated as having a dominant position in many areas of its activities. We must therefore ensure that we recognise and adhere to the additional responsibilities which attach to enjoying such a market position, both in relation to the supply of water and sewerage services and in the broader commercial arena.

Scope and Application

This Policy sets out the steps we take and our approach at Thames Water to ensure ongoing and effective compliance with competition law. This policy applies to all



employees, third party contractors or alliance partners working for and on behalf of Thames Water Utilities Limited (“Thames Water”).

1. Principles and rules

a) Employee Knowledge

We will maintain and keep updated at regular intervals a Thames Water Competition Law Compliance Manual (“the Manual”). We expect all employees of grade ML5 and above to read and adhere to the Manual. Managers in Thames Water, its contractors or alliance partners should also consider which of their teams also need to be aware of competition law, ensure that the relevant individuals are aware of, and understand the Manual. Using the risk assessment process outlined below, we will also identify whether particular teams and business units could benefit from specific or additional training in order to mitigate against recognised risks. Where a team has been identified as requiring bespoke training then those team members shall also be required to read and adhere to the Manual and we will roll out specific training for those teams.

b) Risk assessment and register

Not less than once a year the Executive Team, and Thames Water Legal (with any necessary help from external lawyers), shall review the degree of knowledge of competition law in the business and, shall identify any risk areas where competition law knowledge should be improved or consolidated. Such risks shall be **assessed** taking into account at least the following matters:

- The nature of the business in question and the extent to which competition exists or could exist in that area under current or future regulatory developments;
- The potential scope for Thames Water behaviour to result in deliberate or inadvertent effects on competition;
- The degree of involvement or contact with competitors (whether actual or potential);
- The sensitivity of that business area to enforcement action, bearing in mind the nature and extent of any enforcement activity or other investigations being carried out or threatened in that sector by the CMA, Ofwat or others, or any complaints known to have been made to Thames



Water, the CMA, Ofwat or others, or which are under consideration;

- The existing knowledge and attitude of staff, contractors or alliance partners working in that business area, towards competition law compliance;
- The likely or existing exposure of that business area to any private enforcement action (i.e. legal claims for breach of competition law brought directly by a complainant without going first to Ofwat or the CMA).

As a result of this assessment, the Thames Water Legal team shall draw up a risk register showing those areas, if any, of concern, and the steps proposed to mitigate those risks. The risk register shall be held by its external legal advisers in order to preserve legal privilege.

Training sessions shall be given to those parts of the business considered to represent any particular risk.

c) Personal Behaviours

We expect and insist that all staff, contractors, or alliance partners will refrain from engaging in or tolerating any form of cartel activity. Cartel activity is explained further in the Manual. We also expect staff to follow procedures laid down from time to time to avoid competition law infringements and to refrain from any other behaviours or activities which might cause Thames Water to fall foul of competition law. Details of these are again set out in the Manual but include, for example, the sharing of confidential or commercially sensitive information with competitors or sharing of confidential or commercially sensitive information with other parts of alliance partner organisations, which gives that organisation a competitive advantage.

Staff shall also take care to avoid any potential breaches of competition law which might arise inadvertently. This might happen, for example, through the use of inappropriate contractual terms, or unfair discrimination between customers or customer groups, or the excessive pricing of goods or services. Particular care should be taken not to discriminate in favour of related companies or licensees such as Thames Water Commercial Services Limited (TWCSL). Where staff are not sure of the implications of a particular proposed behaviour they should consult the Manual in the first instance. Any remaining outstanding concerns should be referred to the Thames Water Legal team / BLP for further advice.



A failure to comply with this Policy or with the Manual will be treated as a disciplinary breach and may result in disciplinary action up to and including dismissal. Where Thames Water becomes aware of any failure to comply with this Policy by other staff contracted to work on behalf of Thames Water, or by alliance partners, this may result in termination of the engagement or other action.

Staff who suspect that any competition law breach has taken place, either within Thames Water or in another company (including alliance partners) in any way which could affect Thames Water, must raise this immediately (face to face or by telephone, not by e mail) with their line manager, Executive Member and TW Legal. Where there is any reason to believe that this may not be appropriate, the confidential Thames Water reporting line should be used. You must also report any suspicions of non-compliance with this Policy.

d) [Dawn Raids](#)

Relevant office-based staff, particularly those at Clearwater Court but also at Walnut Court and Kemble Court, should be aware of how to behave in the event of an unannounced inspection by a competition enforcement authority. This is set out in the [Competition Compliance Law Manual](#) and the [Competition Compliance Fact Sheet document](#).

2. Legal and Regulatory Obligations

Competition Act 1998

Enterprise Act 2002

Thames Water Utilities Limited's Instrument of Appointment

3. Supporting documents

Competition Law Compliance Manual

Honest and Ethical Behaviour Policy