

Our Code of Ethics: Doing the Right Thing

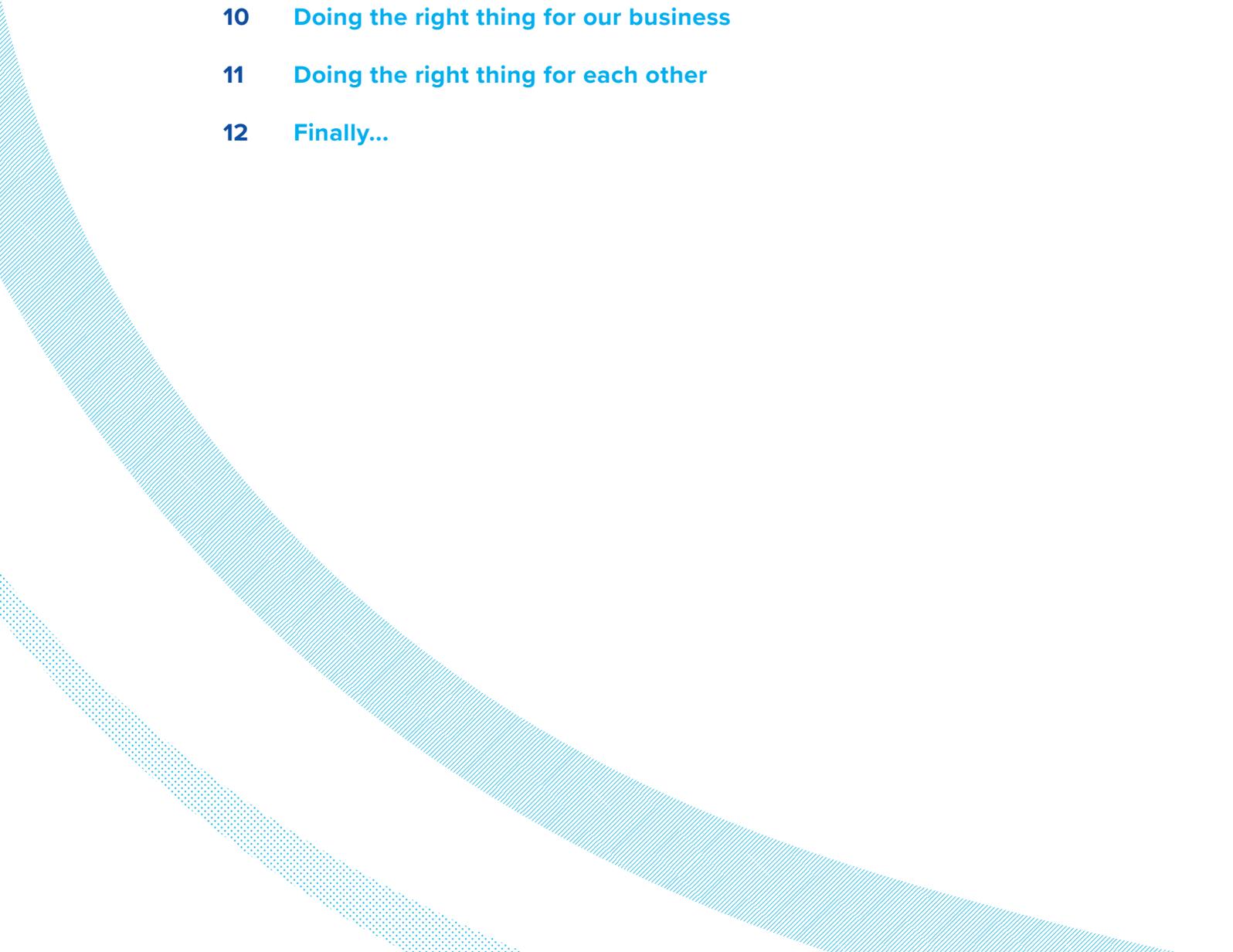
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Our commitment to doing the right thing

Our Code of Ethics underpins everything we do. It ensures openness and transparency, enabling us to build better relationships with our customers and stakeholders.

It sits at the heart of the design and delivery of the kind of improvements to the environment our customers and communities want and rightly expect. We are clear that everyone working for, or on behalf of, our company must maintain the same or equivalent standards and approaches.

Water for Life

Our fundamental purpose is to enhance the health and wellbeing of the communities we serve. We do this by providing clean drinking water, safely removing and treating wastewater, protecting and improving the environment and sustaining the economy.

Living our values

As a business we work to a strong set of core values of succeeding together, always improving and doing the right thing. Our values underpin the culture in which our teams operate every day. How we all behave as we do our jobs is a core principle of a truly ethical business.

Our shared future

Since 2017 we have been delivering against a programme of wide-ranging transformational change. This has included reviewing how people, processes and systems work together across the business. Now is the time to build on these foundations so that we continue to deliver the performance improvements required for our customers, the environment, and our wider stakeholders and community groups.



Lawrence Gosden



Keith Lough

In July 2022, Lawrence Gosden became CEO. Lawrence and his Executive Team set out four, clear priorities to ensure that we remain focused on the expectations that are placed on us:

- **We will value safety above everything else** – this means we must value ourselves, our colleagues, and those in the wider Southern Water community. No one should ever be harmed while at work, and if it's not safe, we stop and find a better way.
- **Water quality matters** – we must never become complacent about the huge responsibility we hold to provide this vital resource.
- **No pollution is ever acceptable** – we have a duty to protect, sustain and ultimately enhance our environment and we must make progress each and every day.
- **Customers are what we're here for** – we must continually improve the service we provide.

Aligned to our Code of Ethics, we will continue to build an environment and culture where we all excel, creating an inclusive environment that values diversity of people and thought. Our Code of Ethics is a foundation and guide for the behaviours that positively support how we connect our shared enthusiasm, skills and capabilities to everything that we must achieve.

Working with our partners

Our Supplier Code of Conduct supports our company Code of Ethics. It shows how we value the importance of working with all our suppliers to be a fair and honest partner. The expectations we have of the standards that both the Company and its supply chain will maintain regarding doing the right thing, are detailed in the Supplier Code.

Growing for the future

Our people are the foundation of what we do as a business. Our newly established Management Academy, designed to develop our teams across the business, draws ethics and ethical practice as a 'golden thread' through the modules and learning, demonstrating that ethics isn't a stand-alone consideration but underpins all we do.

We are committed to our values and this Code of Ethics, alongside our colleagues on the Board and the Executive Leadership Team. We expect the same of everyone in the company as we expect from ourselves. By doing this we will continue to earn, maintain and improve the trust of our customers and stakeholders thereby supporting of our vision for a resilient future for customers in the South East.



Lawrence Gosden
Chief Executive Officer



Keith Lough
Chairman

Introduction

At Southern Water, we are committed to conducting ourselves fairly, ethically, lawfully and with integrity.

Any activity or behaviour that contradicts this commitment could have a major impact on the trust and confidence our customers, regulators, colleagues and other stakeholders have in us, our reputation, our success and our ability to operate.

Every day, we have to make choices about the way we conduct ourselves. Our Code of Ethics defines the way we behave. It is more than just a set of rules. It explains how we follow our values and key policies. It represents our commitment to doing the right thing.

This guide will help us:

- understand our value – doing the right thing – and use it to guide everyday decision making
- uphold ethical standards of behaviour
- know where to go for advice or with questions or concerns
- Speak Up when things aren't right.

Our Code of Ethics (the Code) will not cover every situation and doesn't remove the need for using common sense and personal judgement. We have created an ethical quick check decision making tool (Figure 1) supported by a library of dilemmas to help you do the right thing.

By working our values into our decision making, our customers, regulators and stakeholders can be sure we're working hard to become a business they can trust and have confidence in.

Our Code of Ethics is complemented by a range of topic-specific company policies. The key ones are listed in Annex 1.

Our purpose, values and vision

OUR PURPOSE

Who we are

To provide water for life to **enhance** health and wellbeing, **protect** and **improve** the environment and **sustain** the economy

OUR VALUES

How we do things for all of our customers

Succeeding together

Doing the right thing

Always improving

OUR VISION

Our ambition

To create a resilient water future for customers in the South East

Our responsibilities under the Code of Ethics

No matter what job we do or where we do it, we're all representing Southern Water. As such, we can each have a direct impact on the level of trust placed in everything we do.

We all need to make sure we have read, understood, and continue to live up to the standards set out in our Code of Ethics, and – just as importantly – Speak Up when we see, hear or read something that isn't right.

Each year, we will ask each of our employees to sign up to the Code of Ethics personally.

Senior managers lead by example, are open with teams to agree what is expected, discuss examples of good practice or learning opportunities, ensure mandatory training is kept up-to-date and hold everyone to the same standard.

Many aspects of our Code of Ethics are covered in more detail in our policies (see Annex 1) and some are covered by our mandatory training materials. Ensuring we have all completed this training is important, as it provides us with more detail about some of the key ethical issues that impact our business.

Failure to act ethically will have consequences to the individuals involved. Irrespective of status, they will be subject to corrective action. This will be addressed via our people management processes and could include performance management.

We will not tolerate any form of threat or retaliation against anybody who speaks up and we will take disciplinary action against anybody who threatens or retaliates against those seeking to do the right thing.

Ethical quick check – helping you ‘do the right thing’

Sometimes we face difficult situations where the right choice is not clear. This is when your commitment to doing the right thing matters most.

Stay alert to warning signs and, if it doesn't feel right, step back and think about what needs to be done and if you need advice from subject matter experts.

Figure 1: Quick Check Decision Making Tool

To help all of us make better decisions, use this quick check:



Dilemma

A quick and engaging way to discuss the concept of ethics and explore decisions that could be taken is to use dilemmas. A dilemma expresses a situation where there are a range of options, but the choices we take depends our ethical and moral compasses.

We often experience ethical dilemmas in our everyday lives. Think about the following scenario. What would you do if it was you?

You are parking the car and when getting out the door knocks into the car next door. You don't know if anyone has seen this and the extent of the damage. Do you ignore the situation and carry on with your day, leave a message on the other car's windscreen or attempt to contact the owner. How might you feel if you were the owner of the other car?

Doing the right thing for customers

We treat customers with fairness and respect

Our goal is to deliver a service that is easy for all customers to use and always provides a positive experience. To make this happen, when dealing with our customers, we should always:

- treat our customers as we would like to be treated – with respect and dignity
- strive to deliver the right experience, first time, every time – and if we don't, provide the appropriate compensation
- work to keep the promises and commitments we make – treating the company's reputation as we do our own.

We protect our customers' information

Our customers trust us to keep their personal data safe and secure. To achieve this, we should:

- only look up or share information if you need it to get the job done
- ensure data is stored securely – to reduce the risk of loss or misuse
- report any loss or misuse of data – so customers can be informed.

We are honest and truthful

Our ability to run our business is based on information – if we don't know what is happening, we can't manage the business well.

In addition, our customers and regulators expect us to be able to provide accurate and timely information on what we do. To do this, we should:

- report what is happening, rather than what we think the recipient wants to hear
- take care when preparing information and make sure it is checked. If it turns out to be wrong later on, be honest about it and report it
- keep systems and processes for creating, storing and reporting information working. They are critical in helping us to be a transparent company
- remember that if we falsely report information it reduces trust and confidence in us as a company and we could face legal action by our regulators.



Doing the right thing for the environment and public health

We respect the environment

We have a responsibility to protect and respect the environment in which we live and work – not only for ourselves, but for our customers and for future generations. We need to do everything we can to make sure our impact on the environment is as small as possible.

To help with this, we should:

- act immediately if something is going wrong
- to help us prevent direct impacts, such as pollution events
- maintain and correctly operate our equipment and sites – so fewer things do go wrong
- avoid unnecessary water, energy or resource usage – to help us reduce our burden on the environment
- properly dispose of any waste we create – so it can be recycled if possible
- explore any opportunities to help the natural environment – this can range from small
- site-specific actions through to how we plan the company's long-term activities.

We look after public health

We have a critical role in looking after public health by providing drinking water of the highest quality. To support this, we should:

- act immediately if something is going wrong
- we must always protect public health
- maintain and correctly operate our equipment and sites – this includes ensuring all hygiene standards are met at all times
- always put hygiene first – by complying with our Hygiene Code of Practice
- challenge any poor practice we observe – either directly by seeking advice from the SME or indirectly by using Speak Up

Doing the right thing for our business

We act with integrity

We are committed to conducting business with a high level of integrity and give fair and proper consideration to the needs of our customers, regulators, colleagues, other stakeholders and supply chain. To do this, we should:

- treat everyone in a fair and respectful manner
- act with skill, care and diligence
- strive to be objective and take steps to reduce bias in decision making
- disclose and resolve conflicts of interest
- ensure judgement or decisions cannot be influenced (e.g. avoid gifts or hospitality).

We use company resources, assets and information responsibly

We're all responsible for making sure we use the company's resources and assets to perform our work in a responsible and careful manner.

To achieve this, we should:

- ensure we spend money wisely
- protect assets from damage, theft, loss or misuse
- remember that some of the information we deal with has to be treated confidentially (including personal data about customers and employees).

We respect our supply chain

Our relationships with suppliers, advisors and contractors should be conducted to the highest standard. To support this, we should:

- always procure goods and services in a fair and consistent manner – for instance, do not share commercially sensitive information about competitors
- ensure any company or individuals working with us have read this Code of Ethics and agreed to our Supplier's Code of Conduct
- make sure payments are processed on time – this includes making sure all information is provided to procurement in a timely manner.

We comply with our legal obligations

As a water utility company, we must follow many rules and regulations. Our customers and regulators expect us to meet these – and to be able to clearly show our compliance. To achieve this, we should:

- be aware of regulatory obligations that apply to our work – this means everyone should be aware of the policies and procedures that apply to their role and comply with them
- help the business maintain those policies and procedures as regulations / guidance changes and report any issues found – don't assume somebody else will do this within the company
- deal with regulators in an open and cooperative manner, using the correct channels
- inform relevant colleagues if current activities result in non-compliance or if you're asked to do something that could breach a regulation.

Doing the right thing for each other

We respect each other

We all have a part to play in creating a fair and inclusive work environment in which different ideas, views and beliefs are appreciated and encouraged. Bullying, discrimination or harassment of any kind – by anyone – is unacceptable. To support this, we should:

- treat each other fairly, honestly and courteously – this includes anybody working with us
- work as one organisation – don't undermine others' work
- support others who report concerns and seek to resolve any conflicts
- lead by example and foster a positive and open environment for discussion and collaboration
- remove any barriers or biases that exist in the recruitment process
- Speak Up if you see bullying, harassment or discrimination in the workplace.

We focus on health, safety and wellbeing

Every employee – regardless of role, title or responsibility – is empowered to take action to ensure anybody's safety. You should:

- take action if we see a situation that could put ourselves or others at risk
- follow the processes and procedure we have in place – these are designed to keep us all safe
- ask twice about each other's wellbeing, as someone's first answer may withhold their true feelings – remember that anybody may need support from time to time.

We use social media responsibly

Social media can be a great way to support our business and to understand and communicate with our customers and stakeholders. However, whether we are posting on behalf of Southern Water or ourselves, we must understand the implications of what we say online – and recognise that any communications can affect our reputation. To avoid risk, people must use common sense, paying special attention to confidentiality and company loyalty. To do this, we should:

- always consider how our posts will be interpreted by customers and stakeholders – by identifying ourselves as Southern Water employees, we are creating perceptions about our expertise and about the company
- feel free to share all relevant posts from the official Southern Water accounts – but don't set up a group, page, blog, website or network that mentions Southern Water without the prior approval of the Brand and Content team.

How to Speak Up?

The Speak Up initiative empowers you to raise concerns about suspected misconduct in a variety of ways.

You can report or discuss any suspected wrongdoing with your line manager or a trusted team member, such as your HR representative or health and safety adviser. You can also contact one of our representatives, functions or committees listed in the policy. Contact details are available on the intranet.

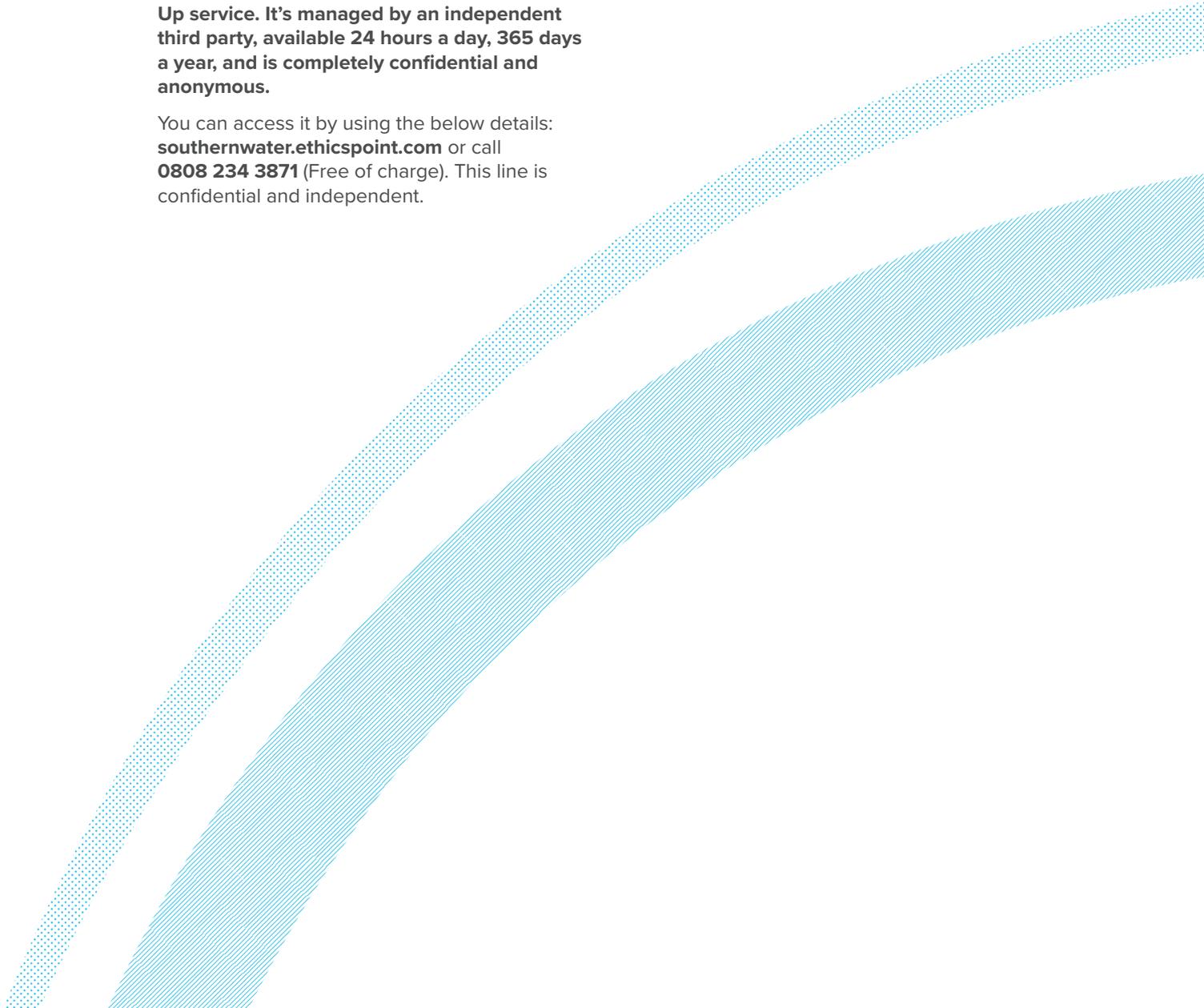
However, if you believe the matter can't be dealt with through the company's internal channels, you can use the external Speak Up service. It's managed by an independent third party, available 24 hours a day, 365 days a year, and is completely confidential and anonymous.

You can access it by using the below details: **southernwater.ethicspoint.com** or call **0808 234 3871** (Free of charge). This line is confidential and independent.



Call: 0808 234 3871

This line is confidential and independent



Finally...

We all have a duty to follow our Code of Ethics in everything we do

Following our Code of Ethics ensures we can all be proud of our company, the services we offer and each other. It helps us to be the best we can be.

Please make sure you refresh your knowledge of the Code of Ethics every year and are familiar with ethical decision making. Doing so will help us all to do the right thing and put this value into action every day.





southernwater.co.uk

You should send any comments to:
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from
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