

Corporate
Responsibility
Report

CAMBRIDGE
WATER
COMPANY



Introduction

"As a water supplier we believe we have a corporate and social responsibility to our customers, our stakeholders, our regulators and our employees. It is at the heart of everything we do from our key strategic goals to the individual actions of our people.

"We take this responsibility very seriously and firmly believe in going the extra mile in terms of sustainability, community support and offering our employees a great place to work."

Michael Halstead
Chairman

"Corporate social responsibility is not a new concept for Cambridge Water – it has been at the heart of what we do for generations.

For example we have introduced a variety of energy saving measures to reduce our impact on the environment and have always actively supported the communities we serve, with projects such as the Cambridge Water Life Funds. We also aim to empower our employees, through offering them flexibility and the freedom to lead and take on new challenges.

In nurturing the combined needs of the environment, the community and our employees, we believe Cambridge Water is ideally placed to develop a sustainable business that takes into account both the needs of today and of the future."

Stephen Kay
Managing director





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Cambridge Water:

Who we are and what we do

Cambridge Water supplies high quality drinking water to a population of 300,000 and covers an area of 453 square miles.

This includes Cambridge city and extends to the surrounding towns and villages of Ramsey and St Ives in the north, Gamlingay in the east, Balsham in the west and Melbourn in the south.

The company operates in one of the driest areas of the UK. We have less rainfall here than in Barcelona.

We also operate in one of the fastest growing areas with our population predicted to increase by 50,000 over the next 25 years.

To meet these challenges Cambridge Water operates a stringently managed water programme.

This takes into account the needs of the community and the environment and ensures we continue to supply high quality drinking water to homeowners and businesses for generations to come.

For more details visit our website at **www.cambridge-water.co.uk** or contact our customer services team on **01223 706050**.

“We have less rainfall here
than in Barcelona”

Key themes at Cambridge Water

Caring for the environment by:

- Adapting to cope with climate change
- Minimising the effect of water abstraction
- Reducing our carbon footprint
- Promoting water efficiency

Working with the community to:

- Provide sponsorship and support for local projects
- Build a company trusted and respected by the customers it supplies
- Protect vulnerable members of society

Develop a working environment where employees:

- Operate successfully as a team
- Are recognised and rewarded for individual achievements
- Are supported in achieving their personal goals

A sustainable future

In planning for the future, Cambridge Water recognises there is a need to balance human and environmental requirements for sustainability to be achieved.

Our number one priority is to ensure a constant supply of high quality drinking water remains available to households and businesses for generations to come.

We must also consider the impact of our actions on the environment, particularly when it comes to abstracting water and reducing our carbon footprint.

In looking to the future, and planning for the next 25 years, we have set ourselves the following priorities:

- To satisfy the demand for water from new and existing customers, including supplying 50,000 new customers and reducing leakage
- To deliver safe, clean drinking water
- To help our customers use water wisely in the face of climate change
- To adapt our internal operations to mitigate the effects of climate change
- To satisfy customers' expectations
- To finance our vision

We are also committed to reducing our energy use by a further 10 per cent by 2020.



Water abstraction

Cambridge Water works in partnership with Natural England and the Environment Agency to ensure our water abstractions are sustainable.

Together we aim to:

- Tackle water resource and quality problems affecting Sites of Special Scientific Interest
- Develop schemes and investigations to help wetland biodiversity
- Develop more sustainable approaches to water abstraction

Reducing carbon emissions

At Cambridge Water we are committed to reducing our carbon emissions.

We currently source 50 per cent of the energy required for pumping water from renewable resources by purchasing green energy.

We are also committed to reducing our energy use by a further 10 per cent by 2020.

To achieve this we will focus on:

- Obtaining more energy from renewable sources
- Investing in equipment that will assist in pumping water more efficiently
- Replace lead pipes to avoid the long-term reliance on chemical water treatment
- Invest in "carbon efficient" water treatment
- Utilise work planning techniques to reduce vehicle use
- Raise awareness among customers of the carbon emissions produced by heating water in the home

We live in one of the driest areas of the UK. East Anglia's rainfall is only half the national average and Cambridge is the driest part of this region.

Water efficiency

It is therefore vital that we conserve water supplies for our use now and for generations to come by protecting our existing water resource, ensuring our leakage figures are as low as possible and engaging with our customers to raise awareness of water efficiency.

Protecting our resources

All of the water supplied by the company is derived from groundwater sources and it is our policy to safeguard those to ensure we have adequate water resources to serve our customers now and in the future.

Reducing leakage

Because all water distribution systems include thousands of kilometres of pipe work they are unavoidably subject to water loss through minor leaks and seepage.

Each year Cambridge Water refurbishes more than 10km of existing mains and repairs around 200 leaks at people's homes.

Our new water efficiency strategy means we aim to repair any significant leaks within two days of them being reported to us. We also schedule the renewal, refurbishment and relining of old mains before they cause problems.

During 2007/2008 Cambridge Water also installed special district meters, located in villages and Cambridge city, to assist in the rapid detection of leaks.

All this work means Cambridge Water consistently meets the leakage targets set by industry regulator Ofwat.

Metering

It is widely acknowledged that customers with a metered supply use between 10–15 per cent less water than those who are not on a meter, simply because they are more conscious of the water they use.

Over 60 per cent of Cambridge Water customers already have a water meter and the company plans to meter 100 per cent of properties over the next 25 years.



Engaging with the community

A significant way that we can increase water efficiency is through engaging with our customers to educate them about water conservation, in

much the same way that we all know to turn the lights off in an empty room to save energy or re-use carrier bags to help protect the environment.

In 2008 Cambridge Water adopted a campaign encouraging people to use water wisely. This included a series of articles telling customers how they can save water and, in turn, save money off their water bills. We have also linked up with Save Water Save Money - one of the UK's largest online retailers of water efficiency products - to offer customers advice on how to save water and a selection of water saving products.

Stickers have also been produced and handed out at shows and charity events encouraging people to use water wisely, and there are many more activities planned for the future.

Hippos and Hogs

Cambridge Water supplies hippos or hogs free to all its customers on request. These are simple devices that reduce the capacity of the toilet therefore using less water per flush.



Replacement of tap washers

A dripping tap can waste 25 litres of water every day and for those on a water meter this can affect the cost paid for water. In recognition of this Cambridge Water offers to

re-washer up to four standard taps for just £20 (£10 for pensioners).

Supporting water re-use technologies

Cambridge Water supports the incorporation of rainwater harvesting and grey-water recycling in major new housing developments.



Supporting organisations that care for the environment



waterwise

WaterAid

Cambridge Water contributes regionally and globally to organisations dedicated to protecting water and the environment. The company:

- Is a member of the Cambridgeshire and Bedfordshire Wildlife Trust.



- Sponsors the RSPB site at Fowlmere, where reed beds are being regenerated to provide a safe habitat for water birds.
- Part-funds Waterwise, an independent non-governmental organisation (NGO) committed to reducing water wastage in the UK.

Cambridge Water is also part of Waterwise East, which aims to reduce demand for water in the East of England by influencing planners, developers and the public by acting as an authoritative focal point for water efficiency in the region.

- Has made discretionary awards to local restoration projects for World Water Day on March 22.

- Subscribes generously, along with customers and fellow water companies, to the international charity, WaterAid.

WaterAid's aim is to overcome poverty by enabling the world's poorest people gain access to safe water, sanitation and hygiene education.



At the heart of the community



Cambridge Water donated bottled water to the Sing and Swim event to raise money for WaterAid.

Since our inception more than 150 years ago Cambridge Water has been at the heart of the community we serve.

While our primary aim is to supply high quality drinking water to homes and businesses in and around the Cambridge area we are also committed to taking an active role in community issues.

This support ranges from making grants to local groups, clubs and societies, to educating people about their water supply and ways they can help to save water and save money.

Ms Marion Shave, winner of the 2007 In Celebration of Water competition, with Andrew Hunter, a non-executive director of Cambridge Water.



In Celebration of Water

Water is a precious commodity and one that is vital to life. In 2007, Cambridge Water launched a new competition celebrating this fact.

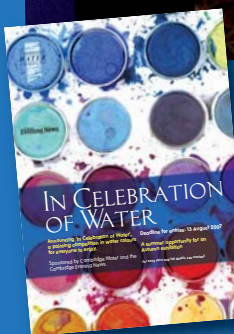
To date 'In Celebration of Water' has included a water-colour and a photographic competition, with prize winners ranging in age from four to 70.

The competitions are held in association with the Cambridge News and are open to all members of the community.

Water for events

Cambridge Water welcomes applications from organisations which are hosting charitable events in the Cambridge area and would like water supplied for participants.

The company regularly provides water for Chariots of Fire and Bridge the Gap, both of which take place in Cambridge city centre.





The Cambridge Water Life Funds

In 2003, Cambridge Water launched the Village Life Fund, which was soon followed by the Cambridge City Life Fund. Ten grants of £250 each are made available annually for both funds, and applicants are invited to write in with full-details of a village fundraising project, or a neighbourhood initiative in Cambridge, to be considered for a grant.

From the outset the Life Funds have been a success. In the villages we have funded wild-flower meadows and conservation projects, restoration projects ranging from an old village pump to part of a church floor, activity groups for children, cricket teams, village history brochures and a Keep Our Village Tidy campaign.

In Cambridge city we have supported farm holidays for less privileged school children, a concert for the elderly performed by local students, scouting projects, local drama productions and societies which bring together ethnic groups.

Both funds are conducted in association with the Cambridge News, which generously provides editorial coverage for the winning projects.

River Mel Restoration Group

Although Cambridge Water works to a limited budget we do have a discretionary fund to support local initiatives for water conservation projects. For example, the River Mel Restoration Group received a grant of £500 from us in support of a community project to restore the River Mel at Meldreth.

The grant is being used to install soft revetments, which will be planted with native plants to increase biodiversity.



Village Life Fund grants have been awarded to the following organisations:

Ramsey Town Centre Partnership 'Keep Ramsey Tidy Campaign' – for printing posters and the cost of a special paste that will not damage local authority-owned bins.

Swavesey Parish Council – interpretation boards containing historical facts and information on local wildlife.

Steeple Morden Village Hall – lighting for wheelchair access.

Hinxton Village Hall – purchase of an extractor hood for a newly refurbished kitchen in the village hall.

Holywell-cum-Needlingworth Parish Council – printing of leaflets which provide information on amenities, activities and services in the village.

The Mordens 6th Royston Air Scout Group – purchase of hiking tents.

Barrington Forget Me Not Club – coach trip and Christmas lunch for elderly residents of the village.

St Mary's Church Hall, Horse Ware, Over – ongoing work to enable the hall to function for community groups.

Ladybird Playgroup, Thriplow – purchase of bikes, trikes and tractor trailer equipment for preschool children.

The Play Area Users Group, Whittlesford – cost of producing a sign, designed by the children, to display park rules.



Communicating with our customers

At Cambridge Water our aim is to operate a company that is trusted and respected by the customers we supply and regular communication is an important part of this process. Cambridge Water proactively communicates with customers through a variety of methods outlined below.

Customer service

Cambridge Water prides itself on providing the highest levels of customer service whether that is through answering a query on the phone or by letter, providing 24-hour support in times of a crisis, or visiting homes to read meters or repair leaks. We also operate regular focus groups at which we invite members of the public to comment about all aspects of water supply.

PR campaign

For many years Cambridge Water has worked closely with the local media to proactively inform consumers about activities taking place within the company itself and trends within the industry. It also regularly attends events and organises roadshows to take its messages direct to the community.

Education

Our water quality officer makes regular visits to schools, groups or societies to give informative, interesting and entertaining talks about the water supply.

Newsletter

Cambridge Water has been issuing its Reflections newsletter to customers twice yearly since 2003. Reflections covers important information for customers, such as price changes and company policy, as well as more light-hearted updates on community involvement and competitions.

Website

The Cambridge Water website is designed to give customers and interested parties information about all areas of water supply.

Sections on the site look at news, our work in the community, environmental reports, strategic direction statements and billing information.

In 2008, we will be working to further strengthen our website's position as a central resource for customers.

www.cambridge-water.co.uk



Protecting vulnerable members of society



Cambridge Water makes every effort to ensure its more vulnerable customers receive support where appropriate.

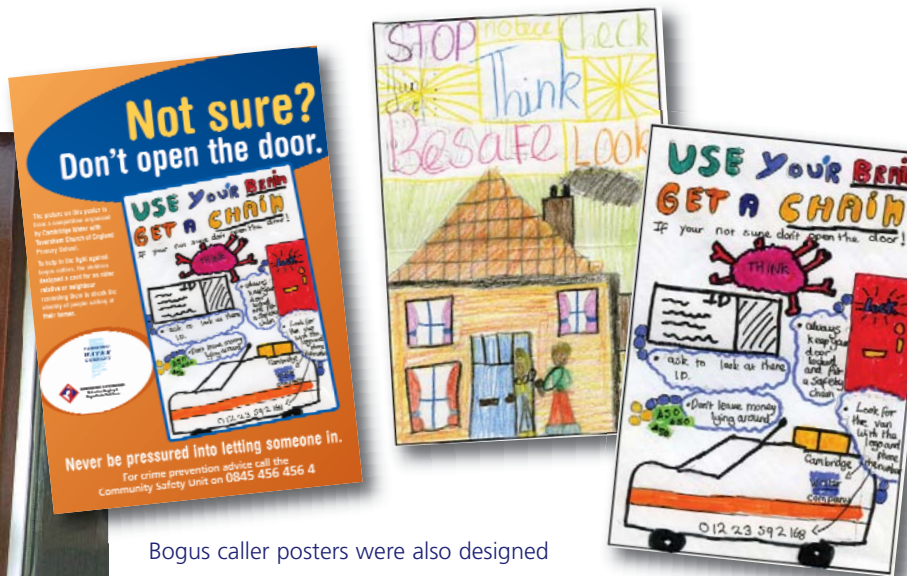
Bogus callers

Distraction burglary can be a distressing crime – especially as most victims are elderly or vulnerable members of society.

More than half of bogus caller crimes committed in the UK are carried out by criminals pretending to be from the “water board.”

To help raise awareness of the situation in our region Cambridge Water works closely with a number of organisations including Age Concern, Trading Standards, Cambridgeshire Constabulary and local councils.

One project headed up by Cambridge Water involved working with local children to make cards carrying messages about bogus callers. These were then distributed to elderly or vulnerable friends, relatives or neighbours. The best of the cards were subsequently made into a calendar by Cambridge Water and distributed to people considered to be most at risk.

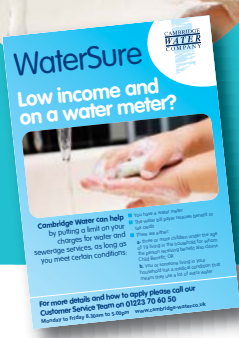


Bogus caller posters were also designed and distributed among sheltered housing sites and other central locations. Cambridge Water also operates a password protection scheme, whereby members of the public can register a password for use by water officials needing to gain access to a property.

WaterSure

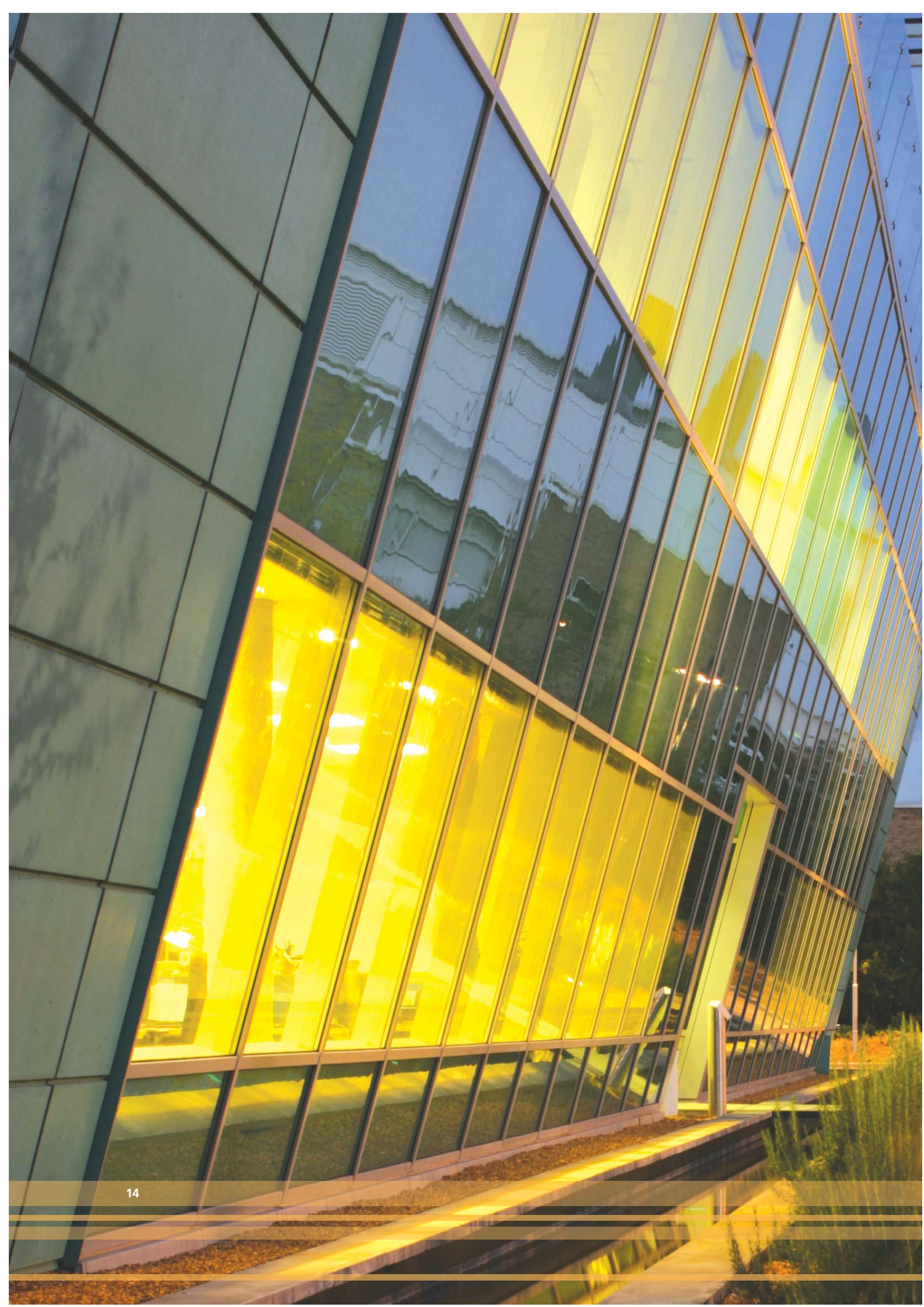
Cambridge Water has had a programme in place for many years to assist vulnerable customers.

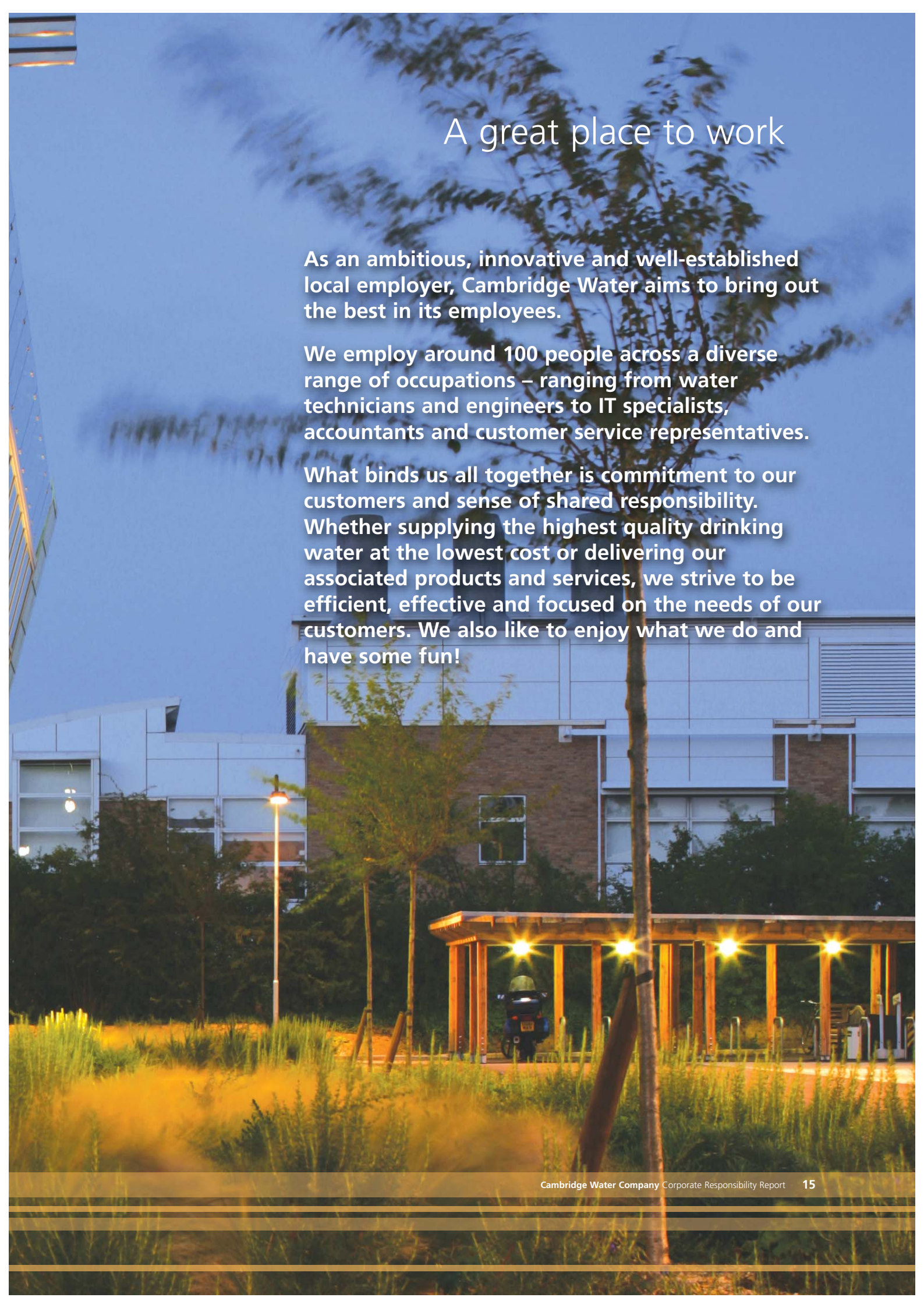
The scheme, known as WaterSure, works by putting a limit on charges for water and sewerage services for people on low incomes who need to use significantly more water than the average household – either for medical reasons or because they have a large family.



Cambridge Water Charitable Trust

Cambridge Water has a trust fund that makes annual payments to Central Aid, a local charity in Cambridge, which assists customers in debt.





A great place to work

As an ambitious, innovative and well-established local employer, Cambridge Water aims to bring out the best in its employees.

We employ around 100 people across a diverse range of occupations – ranging from water technicians and engineers to IT specialists, accountants and customer service representatives.

What binds us all together is commitment to our customers and sense of shared responsibility. Whether supplying the highest quality drinking water at the lowest cost or delivering our associated products and services, we strive to be efficient, effective and focused on the needs of our customers. We also like to enjoy what we do and have some fun!



Head office

Cambridge Water moved to new headquarters in Fulbourn Road, Cambridge in April 2005.

Originally a 1930s water pumping station, developers transformed the existing building into a new environmentally friendly head office.

They conserved the original front elevation behind a full-height glazed exterior and sourced sustainable materials, many of which can be recycled again should the need arise.

Energy consumption was also minimised by controlling heat reclamation and water cooling, ensuring a comfortable internal environment and keeping down the long-term running costs of the building.

The head office has also been designed to provide employees with a positive and pleasant working environment. Natural light has been utilised as much as possible in the building, which includes a south-facing roof terrace and a ground floor glazed dining area.

Its striking design is now considered to be one of Cambridge's landmark buildings – praised for its architecture, use of light, and for its environmental credentials.

It was shortlisted for a number of high profile awards and in 2007 received the David Urwin Award for a building being agreeable and sympathetic to its occupants.



INVESTOR IN PEOPLE

Investor in People

In 2007 Cambridge Water was proud to receive full recognition under the Investor in People standard.

The standard recognises that people are an organisation's greatest asset, and that for it to succeed everyone has to perform well. To achieve this, people need the right knowledge, skills and motivation to work efficiently.

In achieving the standard Cambridge Water adopted the Investor in People framework – helping us to improve performance and realise objectives through the effective management and development of our employees.



Employee development

As part of our company vision we are committed to investing in the future development of each of our employees. Specifically we want to ensure every employee:

- Knows and understands the objectives of the company and communicates them positively.
- Knows how their performance contributes to the fulfilment of those objectives, what performance is required and that their contribution is valued.
- Has a personal development plan tailored to their needs and those of the company.
- Is rewarded for their achievements.

At Cambridge Water we accomplish this with a regular system of appraisals at which line managers work with employees to establish personal development plans, identify training needs and offer rewards via bonus schemes and pay reviews.

Outside of this formal structure the company also organises a number of social and sporting events for employees ranging from visits to the Christmas pantomime to football matches, ten-pin bowling and an annual family cricket day.

Employee support

Many of our employees choose to take part in events to raise money for charity. Where possible Cambridge Water actively supports these activities and will often match any sponsorship money raised.

Recent fundraising initiatives our employees have taken part in include the British Heart Foundation Bike Ride, Chariots of Fire, the Pink Ribbon Walk and Run and the Three Peaks Challenge.



Cambridge Water employees dress up to raise money for WaterAid

The logo graphic consists of a vertical light blue bar with stylized white and light blue wavy lines representing water, positioned behind the company name.

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