



Kelda Environmental Policy

Kelda Holdings Ltd's vision is "Taking responsibility for the water environment for good" and our plan to deliver this vision is set out in our 25 year Blueprint. To achieve our plan, it is essential that we work with the natural environment. This requirement informs all of the stages of our operations as we provide clean drinking water and then return water safely back into the environment.

We drive for continual improvement of our approach, to enable us to enhance our environmental and quality performance, maintain a clear focus on meeting the needs of our customers and the environment and to work effectively in partnership with our key stakeholders. This is at the heart of our approach.

In line with our Company vision and our six Strategic Business Objectives, we aim to:

 <p>A trusted company</p>	<ul style="list-style-type: none"> • Maintain compliance with applicable legal and relevant voluntary obligations as monitored and reported by each company, including work carried out on our behalf by our partners, specific to the relevant country of operation. • Foster constructive relationships with our stakeholder groups and regulators, and take an active and positive role in the community.
 <p>Safe water</p>	<ul style="list-style-type: none"> • Ensure we reliably deliver clean, safe water to our customers, remove their wastewater and return treated water to the environment without causing harm. • Ensure that all our employees and those who work on our behalf have received appropriate environmental and quality training and have developed an awareness of issues included in this policy.
 <p>Excellent catchments, rivers and coasts</p>	<ul style="list-style-type: none"> • Continue to reduce and prevent pollution through innovative technology, effective management control systems, and through targeted efficient investment, shared throughout the Group. • Proactively conserve and enhance biodiversity, through efficient and effective practices. • Manage our land and catchments in a socially and environmentally responsible manner, balancing the needs of our customers and tenants with our duty as custodian of the natural environment.
 <p>Water efficient regions</p>	<ul style="list-style-type: none"> • Maintain and enhance services for our customers in the face of extreme weather and the changing climate, to an acceptable level.
 <p>Sustainable resources</p>	<ul style="list-style-type: none"> • Play our part in mitigating future climate change by managing the greenhouse gas emissions produced in our operations and embedded in our supply chain, and also by managing our land to lock carbon away. • Help to ensure energy security for the UK and our business by being efficient and by increasing the amount of energy we generate ourselves. • Work with colleagues and our supply chain (goods and services) to drive improvements in the sustainable use of resources. • Promote the use of the waste hierarchy.
 <p>Strong financial foundations</p>	<ul style="list-style-type: none"> • We will aim to do all of the above where practicable and at an affordable cost to our customers.

The policy applies to all companies in which Kelda Holdings Ltd has a controlling interest. These companies will adapt this policy, and we will encourage them to translate it into appropriate objectives and targets. We will communicate this policy to all employees, those working on our behalf, interested parties as appropriate, and it will be made available to the public. We welcome comments and suggestions for improvements and will review this policy periodically in light of new knowledge, changing legislation, and the views of the public and any advisory panels.

Version 2

Adopted by the Board of Kelda Holdings Ltd

December 2013