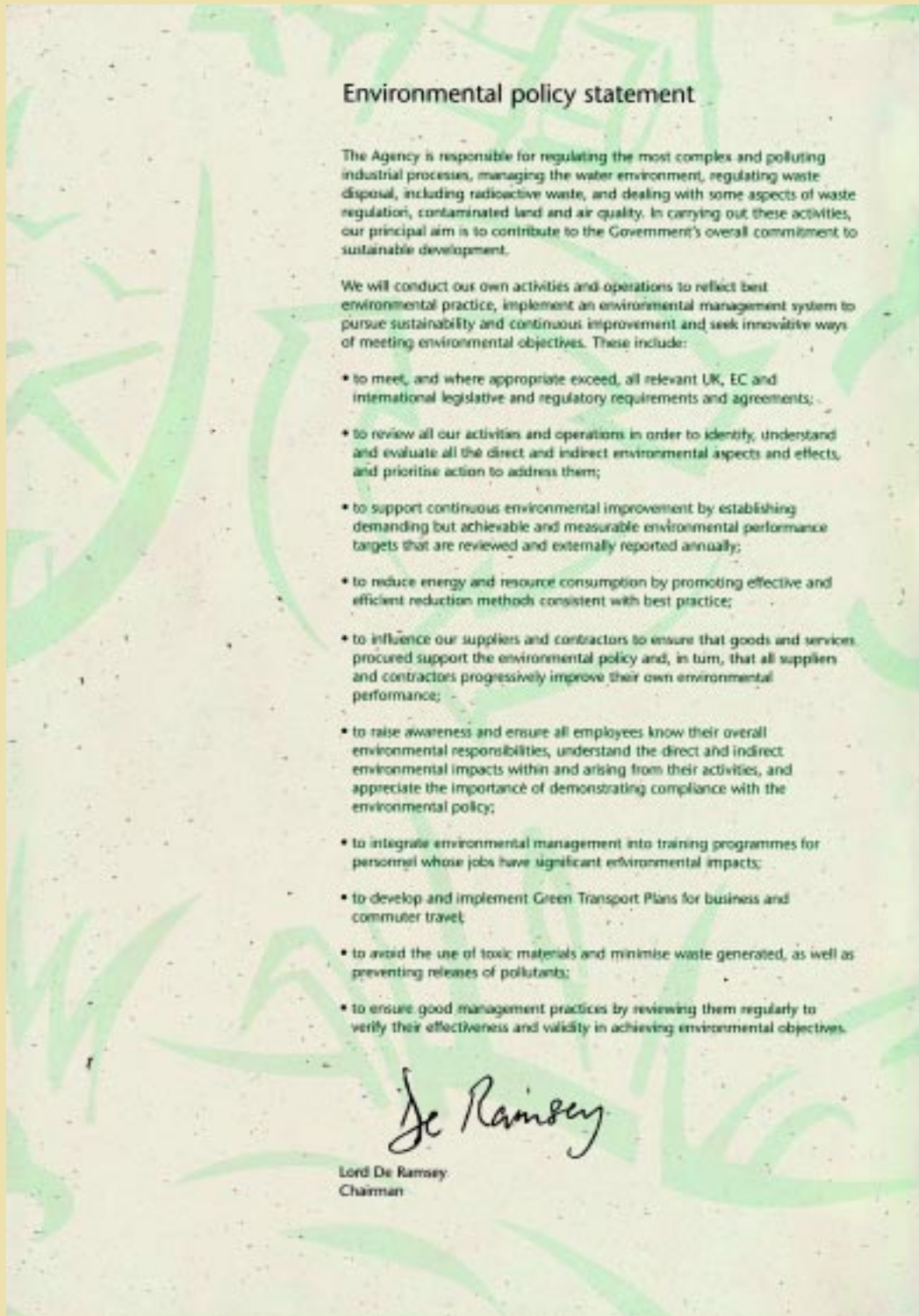


Annex 2

Examples of overseas environmental policy

The Environment Agency for England and Wales



Environmental policy statement

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'Care for the Environment' is one of the fundamental guiding principles of Thames Water, and adherence to it is the responsibility of us all.

The board of Thames Water Plc approved this environmental statement on 19 July 1991. Each operating company within the Group will be expected to apply the statement in developing their own environmental statements and practices.

Corporate Position

Thames Water Plc acknowledges responsibility for its impacts on the environment and regards environmental considerations as a fundamental part of the operation of its business.

An Environmental Review Committee has been established. It is charged with identifying policy needs and monitoring environmental performance throughout the various businesses.

Standards of Operation

Thames Water Plc strives towards achievement of the best practicable environmental standards and practices throughout our business activities.

Extent of Commitment

We will expect and encourage similar standards to our own from our suppliers, agents and contractors in support of a comprehensive environmental responsibility for our own products and services.

Good Housekeeping

We will cultivate tidiness and good appearance as important contributions to a well run business. We seek to make effective use of all materials, supplies and energy to reduce demand on natural resources. We encourage recycling and the use of recycled materials. We minimise production of waste wherever practicable.

Application to Company Business

Each subsidiary company will be required to adopt a statement of environmental policy relevant to its own business area.

We will develop and apply detailed policies setting goals and objectives for individual major processes. Each will be supported by a code of practice and a description of the procedure for monitoring and auditing compliance. Policies will be regularly reviewed to ensure their relevance and effectiveness.

Compliance and Reporting

We will establish and maintain procedures to measure environmental performance regularly and consistently, monitoring compliance with legal and voluntary obligations. The Plc board will receive reports of performance against policies from all companies within the Group.

To ensure that we meet public information obligations, we will establish a code of practice on the provision of information about the Company's environmental performance.

Employee Involvement

We will foster personal responsibility among all our staff in caring for the environment. We will promote the development of appropriate skills and awareness.

Thames Water Plc
19 July 1991