

Thames Water's performance measures and targets 2007/08

The performance measures and targets below relate to the objectives of our Corporate Responsibility Policy
www.thameswater.co.uk/crpolicy

KEY

Progress	Time period
✓ = target achieved	For 2003, 2004 and 2005 columns, ^f denotes regulatory year 1st April - 31st March (9 months in arrears). Otherwise, data is for the calendar year stated.
on track = target on track	For 2005/06, 2006/07 and 2007/08 columns, ^g denotes calendar year. Otherwise, data is for the regulatory year stated.
x = target not achieved	
PM = Performance measure	
N/A = not applicable	
- = not available	
<i>italics</i> = unpublished targets	

Policy Objective	Target area	Target 2007/08	Target achieved?	Performance						Target 2008/09
				2007/08	2006/07	2005/06	2005	2004	2003	
Corporate Responsibility										
We will work to integrate corporate responsibility measures into every area of the business	Business in the Community Corporate Responsibility Index	<i>Rank in Top 100 companies</i>	✓	Silver 89.5%	N/A	N/A	N/A	N/A	N/A	Achieve Gold (90-94.5%)
Environment										
Comply with all relevant environmental laws, regulations and standards	Environmental convictions	0 ^c	x	1 ^c	8 ^c	-	4	9	5	0 ^c
	Category one (serious) and two (significant) pollution incidents to water, land and air (number)	0 ^c	x	14 ^c	14 ^c	-	31 ^c	28 ^c	44 ^c	0 ^c
	Daily abstraction licence limits compliance for public supply (%)	100 ^c	x	99.99 ^c	99.99 ^c	-	99.95	100	99.98	100 ^c
	Compliance with effluent discharge consents at sewage treatment works (%)	100 ^c	✓	100 ^c	96.69 ^c	-	99.27	99.87	99.93	100 ^c
	Sludge (Use in Agriculture) Regulations 1989 compliance (%)	100 ^c	✓	100 ^c	99.74 ^c	-	100	100	100	100 ^c
	Sludge pathogen kill level compliance (%)	100	✓	100	100 ^c	-	100	97	-	100
	Improve 29 overflows from our combined sewer systems and sewage treatment works to acceptable standards between 2005 and 2010 (cumulative)	10	✓	12	5	2	N/A as different AMP period	N/A as different AMP period	N/A as different AMP period	16 (cumulative)
	Total investigations and asset upgrades planned for 43 sewage treatment works discharging to inland waters between 2005 and 2010 (cumulative)	39	x	38	28	11	N/A as different AMP period	N/A as different AMP period	N/A as different AMP period	40 (cumulative)
	Reduce the total annual phosphorus load discharged from 29 sewage treatment works by a population equivalent of 1.2 million compared with 1999 levels between 2005 and 2010 (cumulative)	10	✓	28	20	11	N/A as different AMP period	N/A as different AMP period	N/A as different AMP period	29 (cumulative)
Air emission limits at sludge powered generators, Integrated Pollution Prevention Control compliance (%)	100 ^c	x	99.9 ^c There was one exceedence of a half-hourly emission of carbon monoxide on 28 October 2007.	100 ^c	-	100	100	100	100 ^c	

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				2007/08	2006/07	2005/06	2005	2004	2003	
	Environmental Management Systems	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Continue with ISO14001 certification across parts of the Chief Operating Officer business units (Beckton and Crossness sewage sludge incinerators; BioRecycling; Deephams Sewage Treatment Works; Farmoor, Ashford Common and Kempton Park Water Treatment Works; Waste Maintenance; Capital Delivery) and implementation at Mogden Catchment Sewage Treatment Works
	Integrated Management System	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Implement an Integrated Management System across the Chief Operating Officer business units by end of 2011. Milestone 2008/09 = Carry out stakeholder engagement and revise policies
Protect the environment and prevent pollution through the effective management of our activities and those of our suppliers, contractors, partners and trade effluent customers	Percentage of river lengths of good or fair quality (chemical / biological) (Environment Agency data)	PM ²	N/A	Not yet available	92.6 / 95.7 ² (Thames Region)	N/A	93.9 / 96.0 (Thames Region)	94.7 / 96.3 (Thames Region)	94.6 / 96.2 (Thames Region)	PM ²
	% of sewage treatment works closures and diversions assessed for environmental impact	100	N/A	N/A as no closures or diversions arose in 2007/08	N/A as no closures or diversions arose in 2006/07	-	N/A as no closures or diversions arose in 2005	N/A as no closures or diversions arose in 2004	100	100

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				2007/08	2006/07	2005/06	2005	2004	2003	
Apply sustainable integrated water resource management practices, balancing demand management activities with responsible water resource development	Length of rivers suffering from low flows due to abstraction (km). (Total length of rivers in Thames Region = 3,796) Complete low flow alleviation schemes	Complete alleviation schemes for the Wye and Bulbourne by the end of 2007. Completion of the Darent scheme is dependent on funding. In 2007/08 we will report progress on each scheme.	x	102 Wye and Bulbourne schemes incomplete (unresolved technical issues). Darent scheme close to completion and new WTW commissioned but compensation payment issue unresolved so unlikely to make the reduction in licences. Ampney Brook scheme complete and the Latton and Baunton licences have been reduced. Churn scheme complete and licence variation complete. Commissioning of Cherwell scheme started, but operating agreement is not finalised yet.	123 Ampney Brook scheme has been completed and licence varied down in February 2007. Churn scheme completed but licence variation not yet complete. Commissioning of Cherwell scheme has started, but operating agreement is being developed.	-	136 Target not complete	136	136	Length of rivers suffering from low flows due to abstraction (km). (Total length of rivers in Thames Region = 3,796). Target = Complete alleviation schemes for the Wye and Bulbourne by the end of 2008. Completion of the Darent scheme is dependent on funding.
	Maintaining security of supply - Security of Supply Index	58	✓	89	60	22				79
	Leakage (Ml/day)	755	✓	713	790	862 (revised figure from Ofwat)	915'	946'	943'	715
	Leakage (l/property/day)	PM	N/A	200	223	244	260' (revised figure from Ofwat)	271'	272'	PM
	Metering (Total number of properties including domestic and commercial)	PM	N/A	1,047,405	988,782	925,541	912,123	877,781	1,017,643	PM
	London Headroom should be at least 150 Ml/day Headroom is the difference between water available for supply and the amount demanded by our customers. We need to have a certain level of headroom to act as a safety margin, for example, in dry summers.	120 days with <150 Ml/day (based on the number of outages expected through the year)	x	133 (days with <150Ml/day)	175' (days with <150Ml/day) Headroom was low due to the continued outage of the Southern section of the Thames Water Ring Main. The outage was extended due to slippage of the Thames Lee Tunnel outage.	-	122 (days with <150 Ml/day)	61 (Days with <100 Ml/day)	-	120 days with <150 Ml/day (based on the number of outages expected through the year)
Understand and plan for the impacts of climate change and manage our contribution to climate change	Climate Change and Carbon Management Strategy	Adopt Strategy in 2007	✓	Climate Change and Carbon Management Strategy adopted.	We have begun work on a Climate Change and Carbon Management Strategy which we plan to adopt in 2007.	-	Climate Change policy was produced	-	-	Implement the Climate Change and Carbon Management Strategy. Review the Climate Change policy
	Emissions of greenhouse gases (million tonnes CO ₂ equivalent). (% change from 1990/91 baseline of 0.84 million tonnes CO ₂ equivalent) Note: new sector-wide methodology introduced in 2007/08	PM	N/A	0.88 (+4)	0.84 (0)	-	N/A as new methodology used to calculate 2006/07 and 2007/08	N/A as new methodology used to calculate 2006/07 and 2007/08	N/A as new methodology used to calculate 2006/07 and 2007/08	Reduce our carbon emissions by 20% by 2015 compared to 1990 levels

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Policy Objective	Target area	Target 2007/08	Target achieved?	Performance						Target 2008/09
				2007/08	2006/07	2005/06	2005	2004	2003	
	Energy consumption (GWh) (includes electricity purchased, natural gas, renewable energy generation from electricity and heat (this does not include a relatively small proportion of energy consumed from diesel, kerosene and gasoil)) * Kempton Granular Activated Carbon (GAC) Regeneration Plant gas is not included. Kempton gas has been included in 2007/08 as it is now run by Thames Water. Also, in previous years, energy generated as heat was not included.	PM	N/A	1,591	1,344*	-	1,342*	1,312*	1,220*	PM
	Renewable electricity generation (GWh) - Generate 220 GWh of renewable electricity by 2010	184	x	169	157 (162 ²)	-	154	138	142	Generate 220 GWh of renewable electricity by 2010. Milestone 2008/09 = 191 GWh
Make effective and efficient use of all natural resources, including first and foremost water but also energy and raw materials	% of sewage sludge put to beneficial use (Total tonnes dry solids of sewage sludge produced)	100	x	99.9 (248,737)	100 (248,418)	-	100 (263,941)	100 (245,584)	100 (239,826)	100
	Transport - fleet fuel consumption (litres).	PM	N/A	2,228,857	1,624,509* *This figure is lower than expected as was based on fuel costs, converted to consumption (litres) based on an average fuel cost, as this was best available data at the time. Next year, we will revert back to actual consumption figures to improve accuracy.	-	2,485,559	2,625,379	2,558,030	PM
	Transport - business mileage (miles)	PM Reduction targets to be developed for 2007	N/A x	11,247,546	13,680,570	-	13,375,472* (*based on 7 months of data, pro rata for 12 months)	13,086,610	14,698,114	PM
Reduce the volume of waste produced and maximise reuse and recycling through proactive waste management	Quantity of operational waste disposed of to landfill (tonnes) *not including operational street works spoil	PM	N/A	37,357*	59,649	-	138,764	150,196	130,111	PM
	Waste - Reduce proportion of capital waste to landfill to <20% by 2010 *excludes waste via transfer station (which makes up 28% of total waste) where percentage of waste to landfill is unknown	<20% by 2010	✓	22% landfill*	-	-	-	-	-	<20%
	We will increase our recycling rate for operational wastes to 60% by 2008 (from 43% in 2004). Operational wastes recycled (total tonnes produced) * Not including amount of water treatment sludge to sewer or operational streetworks spoil	60% PM	x N/A	23% (48,592)*	64% (163,573)	-	48% (264,950)	43% (262,581)	55% (290,945)	We will increase our recycling rate for operational wastes to 60% by 2008/09 (from 43% in 2004). PM
	Capital investment wastes recycled (total tonnes produced) Note: The basis of the calculation of the proportion of capital waste data recycled has been revised so no comparable data is available pre-2006/07	PM	N/A	56% (994,336)	28% (770,840)	-	-	-	-	PM

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				2007/08	2006/07	2005/06	2005	2004	2003	
Protect and where possible enhance biodiversity and conserve our cultural heritage both on our land holdings and where our activities may have an impact	Sites of Special Scientific Interest (SSSI) in favourable and unfavourable recovering condition (%)	95% by 2010 (Defra Public Service Agreement (PSA) target)	✓	99.4 In the reporting year, two of our large reservoirs, Chingford and Walthamstow in the Lee Valley were assessed as "unfavourable recovering" due to a reduction in overwintering wildfowl. The reason for the reduction are unknown and Natural England does not consider that it is a reflection on our site management.	99.4	-	98	96	97	95% (Defra PSA Target)
	Biodiversity awareness and implementation of Biodiversity Action Plan across Thames Water sites	Continue to improve biodiversity awareness and implement Biodiversity Action Plan across Thames Water sites	✓	We now have 252 biodiversity schedules and 90 Site Management Statements (56 written in 2007/08). We have also integrated biodiversity into the Grounds Maintenance procurement specification when renewing the company-wide contract. All tenderers had to provide information on biodiversity with respect to grounds maintenance.	In 2006 we continued to raise awareness in our 250 operations biodiversity schedules and 30 site management statements. Also, 16 sites were placed under a biodiversity grass cutting regime.	-	In 2005 we made good progress towards the target in developing site management statements, condition assessments and a biodiversity strategy for our land holding.	-	-	Continue to improve biodiversity awareness and implement Biodiversity Action Plan across Thames Water sites
	Area of wetland SSSIs and designated sites identified as possibly suffering from the impact of abstraction (ha)	PM	N/A	1,007	1,007 The Environment Agency has investigated Habitats Directive sites and confirmed that some are not suffering from the impact of abstraction.	-	2,324	2,324	2,324	PM
	Invest at least £150,000 (net) each year in schemes to enhance conservation, community access and the local landscape through partnership with the community and other organisations	150,000 (net)	x	No budget allocated. Overrun of £117,284 from 2006/07 spent in 2007/08	£109,568 Due to the increased capital programme during 2006 the remaining investment will occur in 2007.	-	£350,251	£283,000	£172,081	£150,000 (net)
Community										
Seek and build trust among the communities we serve and act as a good neighbour	Alleviate 5,561 properties from internal and external flooding due to hydraulic incapacity between 2005 - 2010 (cumulative) (Figures in brackets indicate what has previously been reported. However, figures have now changed as some properties/areas that were claimed did not meet the required criteria and some properties that were alleviated in previous years have unfortunately reflooded since the scheme was completed. In both cases these properties are no longer counted as outputs. We have also found properties that should have been claimed as relieved in previous years).	3,181	✓	3,525 Page 5 of 7	2,025 (2,077)	651 (702)	N/A as different AMP period.	N/A as different AMP period.	N/A as different AMP period.	4,367 (cumulative)

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				2007/08	2006/07	2005/06	2005	2004	2003	
	Number of odour complaints. Note: Complaints received are not necessarily proven or related to our assets.	PM	N/A	601	762	-	983	990	-	PM
Conserve and where possible provide access to our cultural heritage	Number locations where ecological and archaeological impacts of capital projects have been assessed	PM	N/A	1,792	1,652	-	601	537	420	PM
Make a positive contribution to the social and economic development of the communities we serve, focusing particularly on the theme of water and sanitation, linked to education, environment and healthy living	Total Thames Water community investment (£ million) (leverage through customers, employees and external partners, £ million)	PM	N/A	1.0 (1.1)	1.6	-	1.7	1.4	1.2	PM
	Total funds raised through employee volunteering (including matched funding) (£) (Number of staff days volunteered)	PM	N/A	338,119 (373)	231,972 ^c (472)	-	187,289 (431.5)	224,469 (246)	162,809 (347)	PM
	Funds raised through 'Give As You Earn' scheme by employees (£)	PM	N/A	41,122	46,870	-	53,049	55,594	44,214	PM
	Employee volunteering - employees volunteering in schools, the community or charities (%)	N/A	N/A	9.1	-	-	-	-	-	10%
Customers										
Provide our customers with safe and reliable and affordable water supply and sanitation services	Drinking water quality compliance at customers' taps (%)	99.9 ^c	✓	99.98 ^c	99.97 ^c	-	99.95	99.96	-	99.95% ^c
	Properties at risk of low water pressure	PM	N/A	1,189	1,338	2,215	2,455 ^f	4,836 ^f	5,129 ^f	PM
	Response to potential sewer blockages within four hours of notification (which were not deferred by customers) (%)	95	x	92.93	88.6 ^c	-	87.2	85.7	85.9	95
Treat all customers fairly	Billing Contacts answered within five working days (%)	99.2	✓	99.8	99.8	99.6	98.8 ^f	99.2 ^f	99.8 ^f	99.2
	Written complaints answered within ten working days (%)	99.6	✓	99.6	99.7	99.0	98.9 ^f	99.6 ^f	99.8 ^f	99.6
	Metered accounts billed on actual meter reading (%)	99.7	x	99.6	99.2	98.7	99.5 ^f	99.7 ^f	99.9 ^f	99.7
	Lines not receiving engaged tone (%)	100	x	99.9	100	100	Measure not in existence prior to 2005/06			100
	Calls satisfactorily complete (%)	93	x	92.7	92.5	91.7	Measure not in existence prior to 2005/06			93
	Customer satisfaction survey (out of 5)	4.5	x	4.4	4.3	4.2	Measure not in existence prior to 2005/06			4.5
Encourage our customers to use our services wisely	Water efficiency (Ml/d estimated savings). Communicate with our customers on water efficiency	PM	N/A	0.04	4.77 (baseline) 88.87 (baseline plus savings from enhanced water efficiency campaign and hosepipe and sprinkler ban)	1.76	1.49 ^f	1.32 ^f	1 ^f	PM
Provide our services in a way that is accessible and affordable to all of our customers, including the disabled and disadvantaged	Number of customers utilising the WaterSure scheme (formerly the Vulnerable Tariff)	PM	N/A	2,333	2,053	-	1,323	1,097	675	PM
	Customer Assistance Fund - amount donated (£)	PM	N/A	260,000	188,000	-	115,000	122,094	134,560	PM
	Number of extra care accounts registered	PM	N/A	22,000	12,195	-	7,652	7,480	7,074	PM
Restore our service quickly and efficiently in the event of an interruption	Number of unplanned interruptions to supply lasting more than six hours	PM	N/A	7,218	30,636	32,171	19,065 ^f	35,452 ^f	14,023 ^f	PM
Employees										
Ensure that equal opportunities are given to all employees and potential employees regardless of their gender, race, disability, age or religion. We recognise the importance of having a diverse workforce	Women in management and non-management roles respectively (%)	PM	N/A	23/28	24/31	-	22 / 30	23 / 29	20 / 30	PM
	Employees that have declared themselves as from an ethnic minority group (%)	PM	N/A	7.3	6.6	-	6.4	6.5	-	PM
Invest in the development of our employees' skills, abilities and potential	Employee engagement - Gallup Q12 methodology Grand Mean	N/A	N/A	3.07	N/A	N/A	N/A	N/A	N/A	3.4
	Spend on training and development per employee (£) (Average number of days spent on training per employee)	PM	N/A	167	378 ^c (2) ^c	-	430 (2.1)	420 (2.8)	280 (2)	Spend over £550 per employee

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				2007/08	2006/07	2005/06	2005	2004	2003	
Ensure the health, safety and welfare of our employees	Health and Safety - Number of accidents per 1,000 employees	6.9	x	8.3	8.1	13.32	15.04	14.27	8.75	8.3
	Health and Safety - Total lost working days for reportable accidents (reportable accidents)	1,358	✓	1,009 (43)	1,598 (40)	-	1508 (70)	1811 (63)	957 (36)	1,184
Contractors and supply chain										
Continue to foster fair, long-term, stable and productive business relationships	Note: This is embedded within everyday business practice	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pay all our suppliers, contractors and service providers according to mutually agreed terms and conditions	Total spend on bought in goods and services (£m)	PM	N/A	1,244	1,044	-	915	805	950	PM
	Invoices paid according to agreed terms and conditions +10/-10 day tolerance (%) Note: 2007/08 figures are based on top 300 suppliers representing 93% of our spend with all suppliers	PM	N/A	76	86	-	81	80	81	Invoices paid according to agreed terms and conditions +3/-3 day tolerance (%)
Improve the environmental and ethical performance of our supply chain	Environmental Procurement Programme. Expenditure with suppliers and contractors where: a.) contracts include sustainability criteria b.) sustainability criteria have been used to evaluate suppliers/contractors during selection c.) total resources (water utility man days/year) committed to developing responsible supplier/contractor relationships	PM	N/A	Total value of all supply contracts = £905m a.) £861m b.) at least £861m c.) 8,360	Total value of all supply contracts = £836m a.) £755m b.) at least £755m c.) 7,820	-	Where possible, all Strategy Documents over £250k include a section on environmental considerations. For high risk products and services, the environmental questionnaire is given a greater weighting.	-	-	PM
	Sustainable procurement	Develop an approach to managing ethical issues within the supply chain	on track	We have begun work to incorporate social/ethical issues into our Procurement Policy and into the environmental questionnaire in Framework Agreements.	We have begun work to incorporate social/ethical issues into our Procurement Policy and into the environmental questionnaire in Framework Agreements.	-	An approach has been developed.	-	-	Continue to implement our Sustainable Procurement strategy
Shareholders										
Improve our operating efficiency through continuous innovation	Investment in Research and Development (£m)	PM	N/A	4.1	4.6	-	5.3	5.6	6.1	PM
Provide a reasonable return on investment to our shareholders	Total operating costs (£ million)	719.3	✓	701.3	N/A	N/A	N/A	N/A	N/A	Not published
	Final dividend (£million)	PM	N/A	93.7	535.3	-	180.6	141.2	136.1	PM
	Customer gross debt (£ million)	203.3	x	208.6	193.5	-	239	213.4	214.6	207.4
	Regulatory cash interest cover - ratio. (Net cashflow (£million), Net interest paid (£million))	PM	N/A	4.89 (£924m) (£-189m)	5.31 (£753m) (£-141.8m)	5.76 (£757m) (£-131.3m)	5.13' (£687m) ^f (£-133.8m) ^f	5.27' (£645m) ^f (£-122m) ^f	4.73' (£580m) ^f (£-123) ^f	PM
Meet the corporate governance expectations of our shareholders	Health, Safety, Environment and Process audits' corrective actions (critical) complete	PM	N/A	45	75	-	-	-	-	PM
	Overdue corrective action (critical)	0	x	4	22	-	-	-	-	0