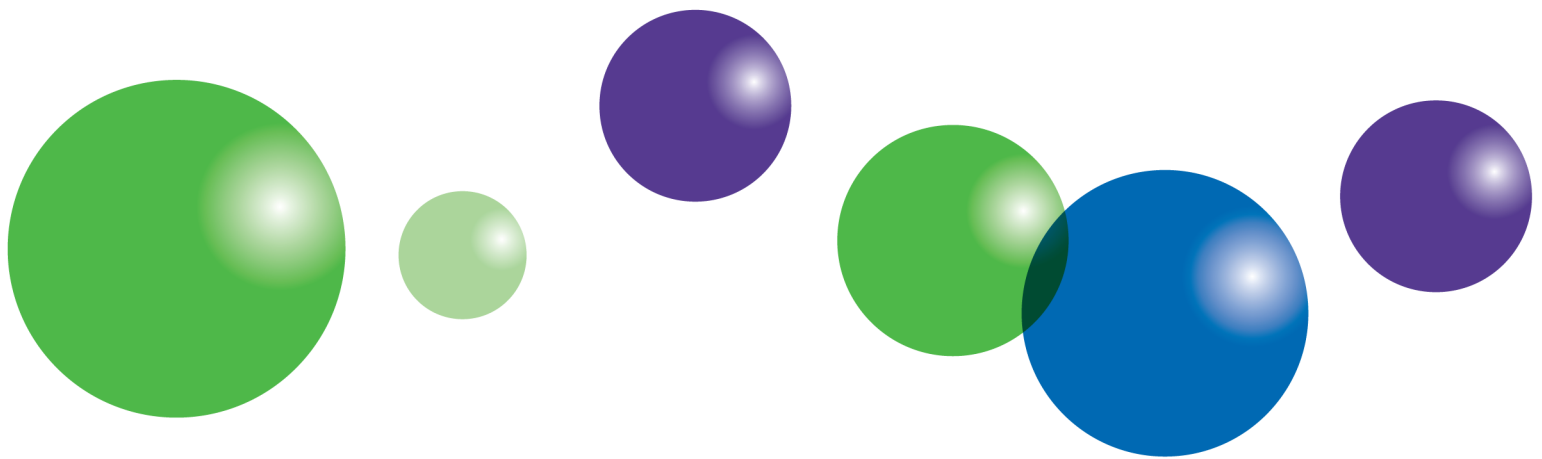




Corporate social responsibility

2008-2009



Making water work for you

Managing director's statement

Business Stream has come a long way since its creation. As the first company specifically created to operate in the new retail Scottish water market, we've had a lot of obstacles to overcome to get our company ready to function competitively. But even though Business Stream is a relatively new company, it doesn't mean that we aren't aware of and addressing our wider role in society.

We take our social responsibilities seriously and are continually developing ways that we can make a difference to our community, environment and staff. In this new competitive market, we aren't just focusing on services we can provide and profits we can bring in, we want to develop a bigger picture to include any issues that are important to our customers. It isn't just about company image; it's about developing relationships with our customers based on trust – trust that we play a beneficial role in the community, trust that we minimise our environmental impact and trust that we treat our staff fairly. Our aim is to make our customers, not just comfortable in choosing us as a supplier, but pleased to know that their water and waste water supplier makes every effort to be a socially responsible player in the market.

We've developed five brand values that underpin the way that we run our business, and our *Corporate social responsibility* policy details the ways that we are

**dependable,
knowledgeable,
responsive,
effortless and
progressive**

across the board, in every area that we touch.

Mark Powles
Managing Director

Where we've come from...

Business Stream was formed as a subsidiary of Scottish Water in November 2006, and has worked to build itself up as a company since then. We operate with independent management and decision making, and are fully licensed to trade in the Scottish water and waste water market.

Our values

In the same way that we are always working to be more dependable, knowledgeable, responsive, effortless and progressive in providing services to our customers, we are working to promote these values in the wider arena as well.

Dependable: We keep our promises.

You can depend on Business Stream to responsibly manage our purchasing activities in support of our social responsibility values. While operating within the legislative framework, we will locally source our own suppliers where possible, in an effort to boost the Scottish economy, support our local community and minimise the need to pollute by travel. We will also adopt a supplier code of conduct to ensure that all of our suppliers are taking corporate social responsibility as seriously as we do.

Knowledgeable: We're the water industry experts.

Our unique position in the Scottish water industry provides us with the immediate opportunity to educate on ways to safeguard our water supply and use efficiently. We are dedicated to helping our customers understand their water usage in order to minimise any wastage and environmental impact. We also monitor our own impacts on the environment, community and staff and have clear plans to keep improving the way we work.

Responsive: We respond to customers' needs promptly.

We will respond to the needs of the communities and societies upon which our organisation has an influence, either directly or indirectly. We support charitable work and encourage our own staff to take advantage of volunteer opportunities. We recognise that different groups of customers have different needs and are always looking for ways to make our products and services accessible to people.

Effortless: We're easy to do business with.

We provide our staff with the resources, training and career opportunities that they need to provide excellent services to our customers. If our customers ever have a query, it is not a question of *if* we can help them, but simply *how* we go about it. Our diverse staff will have the resources that they need to enable them to do their jobs comfortably and safely. Any training needs will be addressed as quickly as possible to help our staff develop within the company and mitigate any work-related stress.

Progressive: We're forward-thinking and innovative.

We consider the obligations we have to our surroundings and are always looking for ways that we can become more socially responsible. We will promote sustainable practices and products throughout the supply chain, and utilise appropriate technology to allow us to efficiently monitor and subsequently reduce our environmental impact.

Where we are now...

Although we are a young company, we already have a number of measures and processes in place that are helping us achieve our goals and promote our values. Because water is a natural resource, focusing on our environmental impact is a natural place for us to start.

We currently work with a number of large user customers to help them understand their water needs and minimise any wastage. These initiatives not only help customers to reduce their water bills, but also help us to preserve our precious natural resources. The follow on effects of reductions in water use are considerable, reducing the energy used by customers to import water to their site, as well as the amount of energy and chemicals used to pump and clean the water at the treatment works. In 2008, we increased our capabilities by bringing in house a team of specialists dedicated to supporting customers with environmental and waste minimisation programmes.

We will also be introducing statement billing and e-billing this year, as well as encouraging further use of smart meters. These billing options reduce paper by consolidating the invoices for multiple sites into one or by completely eliminating the use of paper altogether. Smart meters not only aid customers in understanding their water use, but also reduce carbon emissions by reducing the number of meter reader visits required.

In addition, in order to expand our impact beyond our business and our customers, we support a different charity each year. For 2008-2009, Business Stream has chosen Reforesting Scotland, which aims to:

- promote a sustainable forest culture and economy in a well-forested land;
- develop the use of locally-produced forest goods and services;
- encourage social and ecological restoration in forests and in wider land use;
- raise awareness of the benefits of low-energy living based on woodland resources; and
- place the Scottish forestry situation in an international context.

Within the office, we also minimise our environmental impact by utilising electronic communications and recycling paper and printer cartridges. In addition, a number of our staff take advantage of public transportation in order to minimise the carbon emissions associated with commuting. Our office building as whole is very environmentally friendly with timed lighting, sensor sinks and urinals, and efficient energy sources.

Although our business area centres on environmental issues, our responsibilities don't end there. We also have responsibilities to our staff and the community that we take just as seriously. We've developed training options and career opportunities for our staff so that they can advance in their roles and continue building on their experience. We also support our staff in any charity events that they take part in and involve our staff in company sponsored community activities.

Many of our goals and values feed into each other, creating a system in which each reinforces the other. Each objective is just as important as the next, and success in one area will inevitably lead to success in another. It only takes a little bit of stimulation to get the ball rolling.

Where we're going...

As a relatively new company, our current priority for corporate social responsibility is to develop a more detailed and specific way to monitor where we are so that we can take our policy forward and set clear goals for the future. Once these are established, we can effectively monitor and track our performance in a number of key areas. Our performance will be published each year in our annual report in recognition of its importance to our business as a whole.