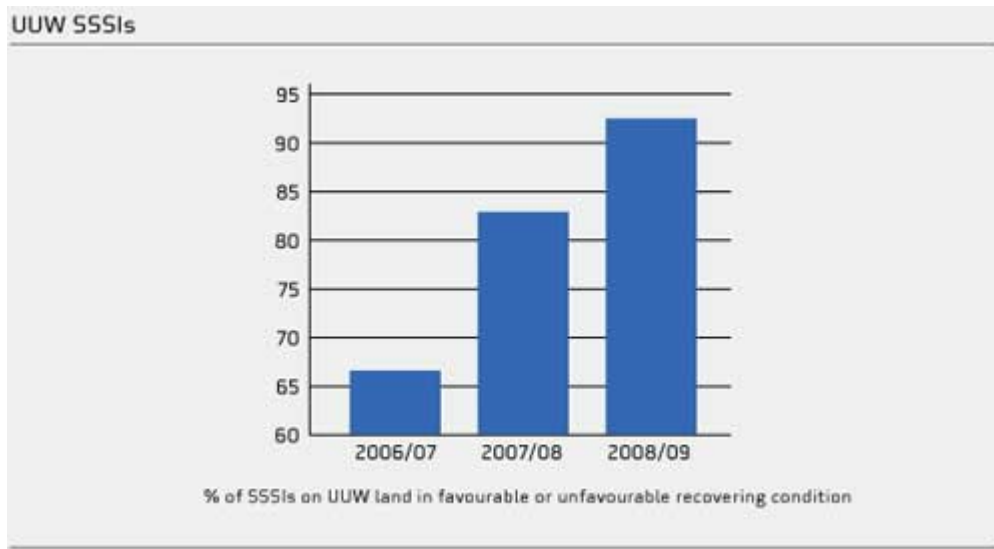


# Biodiversity

We are committed to protecting and enhancing biodiversity across our operations. Over the last year we've continued to put our updated biodiversity policy into effect.

A pilot programme is in operation on six sites, including our Warrington headquarters. All the sites have been surveyed for existing biodiversity and we have agreed options for improvement and action plans with employees responsible for the site. Now we're in the delivery stage, during the next year we expect to assess the business impact of this approach to biodiversity and further integrate it into the way we manage our operations. We would like to roll the approach out across more sites, and have included a project to do so in our final business plan proposal that would start in 2010.

We have also worked with partners to help enhance biodiversity on our catchment land. For example, we've helped to deliver the Cumbria Biodiversity Action Plan (BAP) Wealth of Wildlife Project, which supports work on woodland and hay meadow BAP habitats. In addition, we continue to work to improve the condition of designated sites on our land, such as sites of scientific interest, both through the SCAMP project and elsewhere. 93% of sites of special scientific interest are now in favourable or unfavourable recovering condition, up from 83% in 2007/08.



We have contributed to national biodiversity action plan reporting through inputting our SCAMP and woodland achievements into the Biodiversity Action Reporting System (BARS). Overall, we planted over 67,000 trees across nearly 65 hectares of woodland in 2008/09 on our land in north west England.

We want to do more. Where we can we look for opportunities to not only protect species and habitats when delivering our capital programme, but also to enhance them. In St. Helens, along the site of our planned West-East pipeline, we've committed to protecting an ancient woodland site of biological importance by tunnelling under it. The pipeline will cross eight local authority areas, with which we've agreed detailed landscape and biodiversity approaches. Additionally, we have agreed to the creation of a landscape improvement fund with St. Helens and will co-manage the delivery of this with them and the Mersey Forest.

In our non-regulated business we have a conservation team supporting the delivery of Dŵr Cymru Welsh Water's biodiversity work. In addition, we'll ensure the careful assessment, planning and delivery of biodiversity in our delivery of Scottish Water's capital programme as part of Scottish Water Solutions.