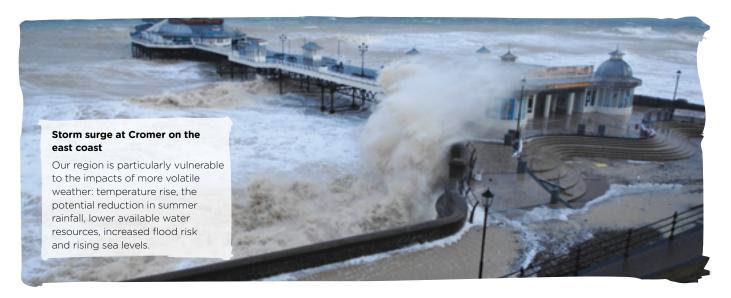


OUR UNIQUE ENVIRONMENT

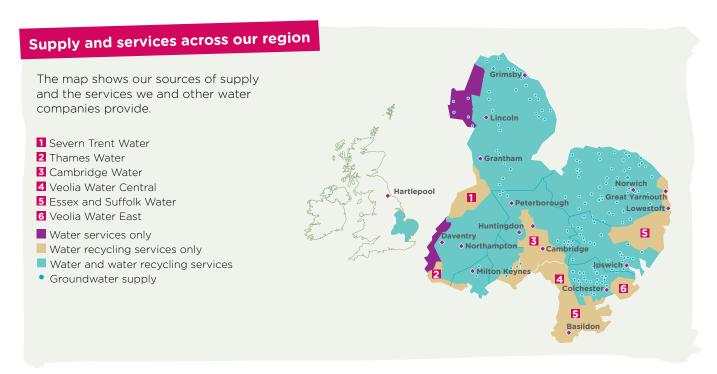


Our region is particularly vulnerable to the impacts of a changing climate: temperature rise, the potential reduction in summer rainfall, lower available water resources, increased flood risk and rising sea levels.

The ecological sensitivity of many wetland sites in the east of England adds a further challenge. The impact of hotter, drier summers, combined with a growing population, will increase the demand for water. Coastal and low-lying assets face an increased risk of flooding.

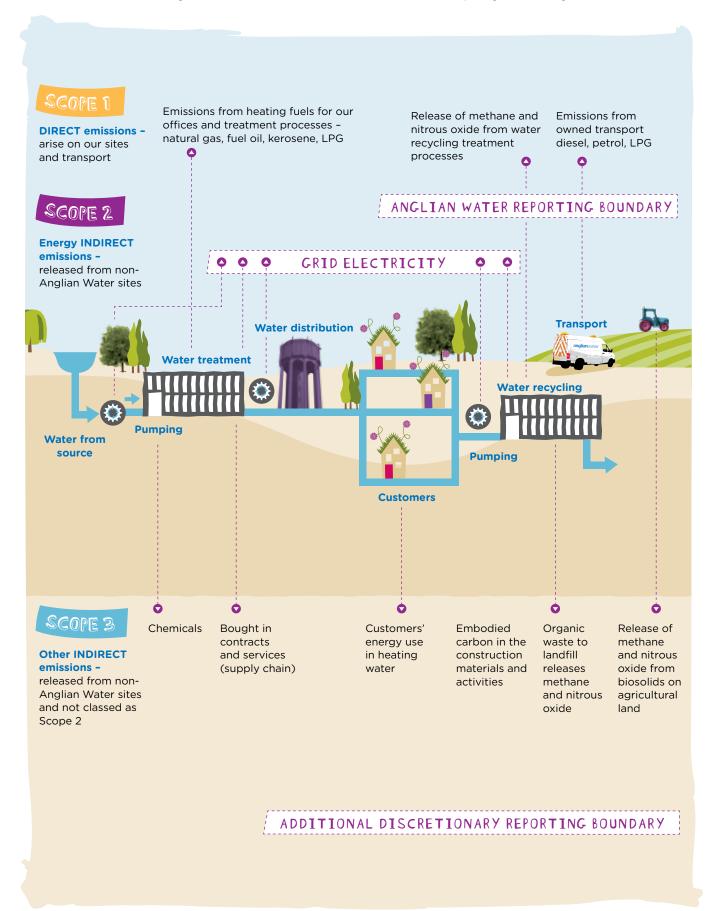
These challenges are a priority, and current actions in the adaptation of our operations include increased flood protection for 20 water sites and resilience enhancement to our water supply network, benefiting over 750,000 customers.

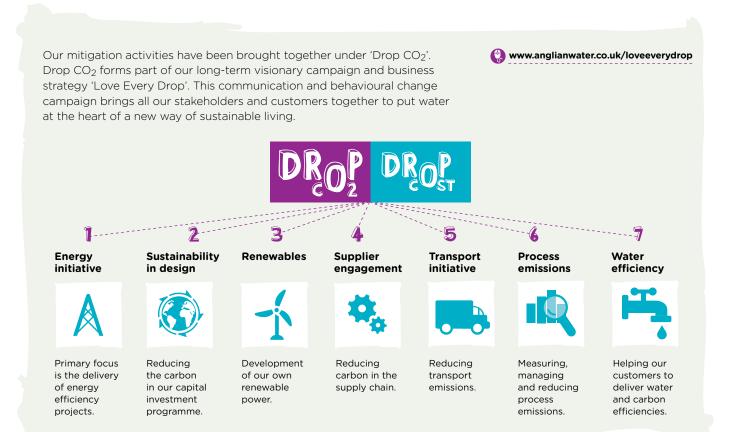
In mitigating our impacts on climate change we are improving our energy efficiency, increasing our understanding of our carbon footprint, investing in renewable energy generation and promoting water efficiency. Over the long term, we are also designing and commissioning more sustainable treatment and delivery systems.



OUR APPROACH

We have followed the Defra guidance 2009 and 2013 on how to measure and report greenhouse gas emissions.





Organisational boundary

We have included emissions within the regulated activity of Anglian Water, where we have operational control.

Reporting period

Our base year is 1 April 2009 - 31 March 2010, which we set using a fixed-base year approach.

Intensity measurement

We have chosen 'kg of CO2e per mega litre' for water supply and water recycling treated as these are common business metrics for our industry sector.

Our intensity measurement for water has reduced against the baseline with more efficient pumping and lower GHG emissions in grid electricity we use.

Our intensity measurement for water recycling (flow to full treatment) has remained stable over the previous year. A comparison to the baseline year cannot be made as this metric was not measured in 2009-10.

Data assurance

The carbon data has been externally verified as part of our regulatory reporting requirements. Since 2010, we have met the requirements of the CEMARS (Certified Emissions Measurement and Reduction Scheme), having measured greenhouse gas emissions in compliance with ISO 14064-1:2006.

Carbon offsets

At present, carbon offsets do not form part of our carbon mitigation strategy.

Green tariffs

The 'green tariff' electricity we have purchased complies with guidance from Ofgem and HM Treasury, however it does not conform to the latest Defra guidance.

Drop CO₂ drives reductions in carbon emissions and power costs through the above routes.

PERFORMANCE

Operational scopes

We have measured our Scope 1, Scope 2 and significant Scope 3 emissions for business travel and outsourced transport.

Greenhouse gas emissions data for period 1 April 2009 to 31 March 2013

Tonnes of CO₂e

	*Previous reported values have been re-stated in line with Defra guidance (June 2013)		
	2014	2013	Baseline
Scope 1	114,572	128,325	115,035
Scope 2	297,265	312,736	340,562
Scope 3	30,633	28,490	30,333
Total annual gross emissions	442,470	469,551	485,930
Exported renewables	3,720	4,349	623
Green tariff	0	0	0
Total annual net emissions	438,750	465,202	485,307
Kg CO ₂ e per MI water treated	391	406	438
Kg CO ₂ e per MI recycled water	712	776	779
Kg CO ₂ e per MI recycled water, flow to full treatment	355	346	n/a

442,470 TONNES (of CO2E)

measurement of greenhouse gas emissions in compliance with ISO 14064.

64 GWh

of renewable generation equating to a 128% increase compared to 2010.

	Tonnes of CO ₂ e	Specific exclusions	
Scope 1			
Gas/fuel oil consumption	22,299	None	
Process and fugitive emissions	65,318	None	
Owned transport	26,955	None	
Total Scope 1	114,572	None	
Scope 2			
Purchased electricity	297,265		
Total Scope 2	297,265		
Significant Scope 3			
Business travel	531	None	
Outsourced transport	4,685	None	
Purchased electricity	25,417	We have not included commuting,	
(transmission and distribution)		capital (embodied) carbon and emissions from use of water	
Total significant Scope 3	30,633	in customers' homes.	

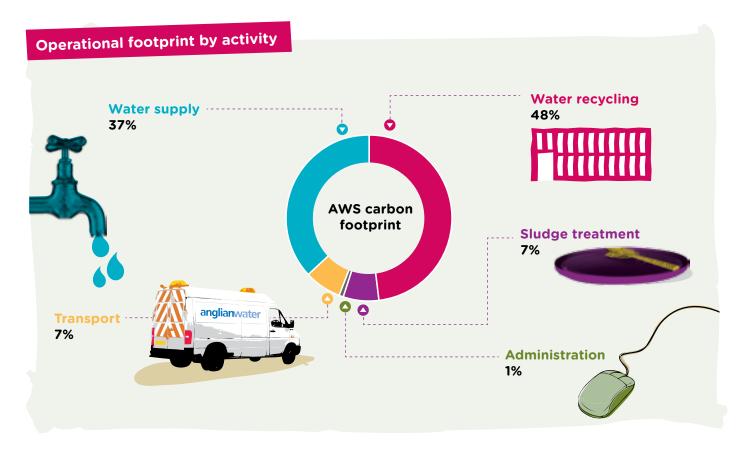
Change in emissions

Our gross annual carbon emissions have decreased by 43,460 t/CO₂e between 2010 and 2014. The main influencing factors include a reduction in grid electricity emission factor, a 72% reduction in natural gas usage due to a change in an operational treatment process, reduction

in grid electricity usage and increase in renewable generation.

During 2013/14 as part of our carbon mitigation strategy we saved 12.7 GWh of electricity $(6,141 \text{ t/CO}_2\text{e})$ and generated 64 GWh of renewable power.

Capital (embodied) carbon emissions have reduced by 41% against our 2010 baseline. This is due to the success of our design engineers and capital delivery partners in responding to our challenge in delivering more sustainable assets, reducing carbon, the use of finite raw materials and cost.



We recognise that a significant proportion of our carbon emissions (99%) is as a result of the provision of water and water recycling services to our customers. Only 1% of emissions are attributed to administration.

Targets

Through the period 2010-2015, we are mitigating against pressures on our business with potential increasing GHG emissions through serving a growing population and meeting tighter quality standards. By the end of this fiveyear period, we will have invested £2.3 billion in maintaining and improving our infrastructure. This investment will result in a forecast 900 kt/CO2e of embodied carbon in the materials we use to build and replace assets. These new assets will also add an additional 45,000 t/CO2e of annual operational carbon emissions in 2015.

With a continued focus on energy management, innovation in design and commissioning of new generation assets, we have set a challenging objective of mitigating against future potential increases in operational carbon emissions. We have also targeted to halve the embodied carbon of assets we design and build in 2015 against similar assets we built prior to 2010.

Medium-term target

Our medium-term target is to reduce our operational carbon emissions by 10% in real terms by 2015 from a 2010 baseline. We also expect to report a reduction in gross emissions during this period in line with a decreasing grid electricity emissions factor as forecast by Defra.

Long-term target

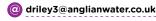
Our long-term aspiration is to reduce our total annual GHG emissions by 50% from a 2010 baseline by 2035. This assumes successful implementation of the Government's low carbon transition plan (2009).

Responsibility for achieving these carbon targets lies at Board level with Chris Newsome, Asset Management Director and Paul Gibbs, Director of Water Recycling Services and OMC.

Contacts

For further information on GHG emissions within Anglian Water, please contact our carbon manager David Riley:

Email us



Company information

Anglian Water Services Limited is a private limited company incorporated in England with company number 2366656.

Registered address

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