



A smaller footprint

Customers are increasingly concerned about the impacts of climate change. As one of the largest energy consumers and emitters in the East of England, we have a responsibility to reduce our environmental footprint.

To meet this outcome...

We must find sustainable ways of meeting increased demand created by population growth, taking into consideration the acute impacts climate change will have in our region. Our approach to sustainability will have a positive impact on affordability, and engaging in new markets will drive efficiency and innovation.

Performance highlights:

- Beat our 2020 target to reduce the capital carbon in what we build by 60 per cent (from a 2010 baseline)
- Beat our 2020 target to reduce operational carbon reduction target by 7 per cent (from a 2015 baseline)
- Generated more renewable energy than ever before and started work on one of the biggest solar arrays in the water industry
- Peter Simpson became Co-Chair of the Prince of Wales's UK Corporate Leaders Group, whose members provide business leadership for a climate-neutral economy
- Helped to lead the development of the water industry's 2030 net zero route map
- Made our first climate disclosure through CDP and reported on our alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)
- First organisation to issue Climate Change Adaptation Report in response to the third round of reporting under the Climate Change Act (2008)



Capital carbon

This is the carbon emitted as a result of construction projects we undertake



Reduction from 2010 baseline

Target by 2019/20:

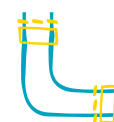
60%

Actual:

61%

Gross operational carbon

This is the carbon emitted as a result of our operational activities



Reduction from 2015 baseline

Target by 2019/20:

7%

Actual:

34%

Ambitious goals

We are in no doubt that we are facing a climate emergency and that we need to reduce our carbon footprint. We are one of the biggest energy users in the East of England and energy accounts for the majority of our carbon footprint. However, we don't just think of climate change in terms of risk. It is also an opportunity to challenge established practice and to do things differently and more efficiently. In response to these risks and opportunities, we have taken the bold step, together with our fellow water companies, of committing to become a net zero carbon business by 2030. Our CEO Peter Simpson is one of the co-sponsors of this hugely ambitious programme of work. Find out more about our approach to net zero on pages 38–39.

Carbon performance

This year we beat our capital carbon target, delivering a 61 per cent reduction from our 2010 baseline, and significantly exceeded our operational carbon goal of a 7 per cent reduction. Our annual gross operational carbon emissions decreased by 34 per cent in 2019/20 in comparison to the 2014/15 baseline, reducing from 455,335 t/CO₂e to 298,576 t/CO₂e. Annual net operational carbon emissions decreased by 35 per cent in 2019/20 in comparison to the 2014/15 baseline, reducing from 446,834 t/CO₂e to 290,266 t/CO₂e. Our approach to carbon management continues to be verified by CEMARS to ISO 14064.

Sustainability in design

Our integrated supply chain partners have once again been fundamental to our success in designing carbon out of the things we build. With their support we manage the carbon in all of our infrastructure projects in accordance with the Publicly Available Specification (PAS) standard for Carbon Management in Infrastructure (PAS 2080). This approach continues to be an important enabler to our Green Bonds. Further detail is available in 'Sustainable finance' on pages 32–33.

Energy savings

We have continued to improve our energy efficiency and reduce operational carbon emissions. This year we delivered 84 energy-saving projects, reducing our carbon emissions by 2,320 tonnes of CO₂e and lowering our energy bill by £1.8 million.

Renewable energy and storage

This has been a record-breaking year for renewable energy generation at Anglian Water. We generated 113.3GWh of renewable electricity from our fleet of Combined Heat and Power engines, which are fuelled by the biogas produced at our sludge treatment centres. We also generated 2.5GWh from both new and existing solar photovoltaics (PV) installations across our operational sites. Combined with a consistent 15.3GWh from our wind turbines, in the final year of AMP6 we generated 131.1GWh of electricity from the renewable energy generation assets across our estate; an increase of 30 per cent versus the position at the end of AMP5 and enough to power 40,000 homes for a year.

This year we started work on a 11.6MWp solar PV array at Grafham, which will be one of the biggest solar arrays in the water industry. We have appointed Next Energy Capital as our new delivery partner, with whom we will fund and develop innovative solutions around solar and energy storage; building on our energy storage pathfinders at Little Melton and Milton. This new relationship is a key part of our ambitious plan to consume 44 per cent of energy from on-site renewable sources by 2025, and constitutes the UK's largest unsubsidised solar and storage framework.

Innovation

We have partnered with Oasthouse Ventures on a world-first project to build low-carbon greenhouses. The greenhouses will be the largest in the UK and will be warmed by the waste heat from our treatment facilities. Using £120 million of funding from major UK pension funds, the two greenhouses will be built next to our sites in Suffolk and Norfolk, dramatically reducing the carbon footprint of the produce grown there. When built, the greenhouses are expected to produce 12 per cent of the UK's tomato supply, while reducing the carbon footprint of the produce by 75 per cent – a win both for the region's economy and the environment.

Sustainable transport

Since signing the Clean Van Commitment in 2018 we have continued to encourage more sustainable travel and have seen a reduction of more than 10 per cent in business miles claimed. We continue to make electric vehicles (EVs) and hybrid EVs available for company car drivers and now have 50 workplace charging points.

Leadership

We are continuing to work with others to respond to the climate emergency. As well as being a co-sponsor of the water industry's 2030 net zero carbon commitment, Peter Simpson recently became Co-Chair of the Prince of Wales's UK Corporate Leaders' Group. The members of this group are business leaders committed to the transformation to net zero carbon emissions. The group will also support the deferred COP26, the United Nations' annual Climate Change conference being hosted by the UK in 2021.

This year we more fully integrated our management of our climate change mitigation and adaptation. For example, in our draft Climate Change Adaptation Report we recognised the transition risks associated with failing to manage carbon and energy and the increasing focus of the debt markets on low-carbon and climate-resilient investments. We were the first organisation to issue an Adaptation Report in this third round of reporting.

Managing our waste responsibly

We have improved our data quality reporting and now have end-to-end visibility of our waste streams. This year 84 per cent of waste was recycled or recovered, which is an improvement of 3 per cent from last year. In 2018/19 41 per cent of construction waste was recycled, while 2019/20 saw a 12 percentage point increase in the weight of material recycled, to 53 per cent.