

Greenhouse gas emissions

Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis of our approach to reducing operational GHG emissions

Strengths	Weaknesses
<ul style="list-style-type: none"> • Reporting operational emissions is part of day-to-day business reporting • We have a clear net zero strategy to reduce carbon emissions across our operations • We are a relatively small, agile company, able to learn from others, make change happen and to engage our teams • Our operational footprint reporting uses the latest version of the Carbon Accounting Workbook (CAW) a recognised reporting approach for the water sector • Internal understanding of operational emissions and abatement options is good • We are members of the WaterUK carbon, net zero and energy groups. This helps us expand our knowledge of best practice and developments in the industry • We have begun working on our approach to collating capital project data, including from our supply chain • We completed an initial estimate of goods and service footprint for the first time in 22/23, and continued with this methodology in 23/24, in order to ensure consistency within the AMP 	<ul style="list-style-type: none"> • Carbon is not currently an integral part of the decision-making process for all operational and capital investments. • Governance (of changes to footprint and progress on reductions) could be more regular/ proactive • We currently have limited experience of the potential benefits of embodied carbon reporting for decision making internally • We are a small company with limited resources which makes prioritising net zero challenging • We have limited internal resource or experience to progress capital project carbon footprint calculations • Although 100% REGO-backed, our current electricity supply is biomass-generated, which has greater environmental impacts than equivalent solar or wind.
Opportunities	Threats
<ul style="list-style-type: none"> • Our leadership team can see a greater role for net zero in driving other business benefits • We have scope, and there is interest, to improve internal carbon literacy - progress in this area is evidenced by the growth of the Sustainability team, and their move into the wider Asset Strategy function. • There is further scope to align carbon reductions with other business priorities • We have scope to engage and collaborate with others in the water industry • There is scope to learn from others in the industry that are further along their embedded emissions journey e.g. UKWIR project on carbon emissions factors • There is a growing priority of net zero for customers and our supply chain, driven by UK government targets • With time, we will be able to incorporate carbon emissions into capital project decision making, improving our footprint • We are still at the start of our journey in understanding the role of natural capital solutions in our contribution to mitigating and adapting to climate change • We have the opportunity to procure 100%-REGO backed, 'good quality' electricity, including electricity generated from wind and solar from April 2025. 	<ul style="list-style-type: none"> • High demand for net zero expertise in the UK makes building internal team challenging • Delivering reductions in our purchased goods and services emissions particularly relies on action from third parties • Once we evaluate the findings from our embedded emissions calculations, we may identify unexpected impacts not already being managed • Competing regulatory and customer demands are shifting focus from net zero • As climate change affects our water supply, we have yet to fully understand its impact on our carbon emissions • Decisions today may lock in carbon emissions for the long term • Decarbonisation of the grid may not happen as quickly as expected • Deterioration of raw water quality because of external influences in the catchment, may require us to install additional treatment processes